EXHIBIT D

FORM OF REDEVELOPMENT AGREEMENT

AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND	

(The Above Space for Recorder's Use Only)

This **AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND** ("Agreement") is made on or as of _____, 20___ (the "Effective Date"), by and between the **CITY OF CHICAGO**, an Illinois municipal corporation ("City"), acting by and through its Department of Housing ("DOH"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, and **INHERENTANCE,** an Illinois not for profit corporation (the "Developer"), having its principal offices at 1300 S. Kostner Avenue, Chicago, IL 60623.

RECITALS

WHEREAS, the City is the owner of the property legally described on Exhibit A attached hereto (the "Property"), consisting of six (6) vacant lots (each, a "City Lot"); and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City (the "City Council") on November 8, 2017, as amended by an ordinance adopted by the City Council on July 16, 2025 (as amended, the "Program Ordinance"), the City established a program (the "City Lots for Working Families Program" or the "Program") for the construction and sale of high-quality, owner-occupied housing affordable to working families, including detached single-family homes, townhomes, condominium units and cooperative housing units ("Single-Family Homes") and owner-occupied two-flats, three-flats and four-flats ("Multi-Unit Buildings"); and

WHEREAS, the Developer wishes to purchase the Property from the City for the construction of three (3) 3-story buildings with a total of nine (9) dwelling units, one (1) 2-story building containing two (2) dwelling units, and two (2) 2-story, single family homes containing a total of two (2) dwelling units (each, a "Building"), at least 50% of which must be sold at an Affordable Price (as hereafter defined), pursuant to the City Lots for Working Families Program (the "Project"); and

WHEREAS, the Property is located in the Division/Homan Tax Increment Financing Redevelopment Project Area (as amended, the "Redevelopment Area"), as created by ordinance adopted on June 27, 2001, and subsequently amended on November 14, 2025; and

WHEREAS, the Project is consistent with the redevelopment plan and project for the Redevelopment Area (as amended, the "Redevelopment Plan"); and

WHEREAS, the Department of Planning and Development ("DPD") created chiblockbuilder.com ("ChiBlockBuilder"), a website-based platform for selling vacant City-owned property with predetermined market values and online application materials; and

WHEREAS, the market value of the Property as of the date it was advertised for sale on ChiBlockBuilder in April 2024 was approximately $1,245,394.00, with five (5) City Lots valued at $162,000 or more, as more specifically set forth on Exhibit A attached hereto; and

WHEREAS, the City has agreed to sell the Property to the Developer for $1.00 per City Lot in consideration of the Developer's obligations to construct the Project in accordance with the City Lots for Working Families Program and the terms and conditions of this Agreement; and

WHEREAS, as security for the Developer's completion of the Project and compliance with this Agreement, the Developer has agreed to execute one or more reconveyance deeds for the Property in a form acceptable to the City (each, a "Reconveyance Deed") at the City's request; and

WHEREAS, the City Council, pursuant to an ordinance (the "Project Ordinance") adopted on _____, 20__, and published at pages _____through _____ in the Journal of such date authorized the sale of the Property to the Developer, subject to the execution, delivery and recording of this Agreement; and

WHEREAS, certain qualified buyers may access the City's Building Neighborhoods and Affordable Homes Program ("BNAH") in order to purchase Buildings, provided BNAH funds are available; and

WHEREAS, certain fees typically owed to the Department of Buildings ("DOB"), the Department of Planning and Development ("DPD"), and the Department of Water Management are to be waived or reduced for the Buildings constructed pursuant to this Agreement.

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

SECTION 1. INCORPORATION OF RECITALS.

The foregoing recitals constitute an integral part of this 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 2. DEFINITIONS AND RULES OF CONSTRUCTION.

2.1 Defined Terms. For purposes of this Agreement, in addition to the terms defined in the foregoing Recitals, the following terms shall have the following meanings:

"Additional Land Value Lien Amount" is defined in Section 3.

"Affiliate(s)" when used to indicate a relationship with a specified person or entity means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any person or entity 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.

"Affordable Building" is defined in Section 15.3(b).

"Affordable Price" means an amount less than or equal to the price at which monthly homeownership costs (including principal and interest on a 30-year fixed rate residential mortgage in the amount of ninety-seven percent (97%) of the purchase price, taxes, insurance and, as applicable, private mortgage insurance and homeowners' association payments) for the Building would total not more than thirty three percent (33%) of household income with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Building whose income is equal to one hundred twenty percent (120%) AMI. For purposes of this definition, interest shall be calculated as the 520-week average of interest rates, as calculated by the City based on data provided annually by the Federal Home Loan Mortgage Corporation (Freddie Mac) or any successor organization thereto.] [SUBJECT TO REVISION FOR MULTI-UNIT BUILDING]

"Agent" means any agents, employees, contractors, subcontractors, or other persons acting under the control or at the request of the Developer or its contractors or Affiliates.

"AMI" means the median household income for the Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development or any successor organization thereto.

"Budget" is defined in Section 9.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the City.

"Certificate of Occupancy" means a certificate issued by DOB to certify that residential buildings conform to the requirements of the Chicago Building Code. A request for a certificate of occupancy for single-family homes (1-4 units) must be made online and approved before any construction work begins.

"City Junior Mortgage" is defined in Section 15.3(d).

"Closing" means the closing on the conveyance of one or more City Lots in accordance with this Agreement.

"Commissioner" means the individual holding the office and exercising the responsibilities of the commissioner or acting commissioner of DOH or any successor City department, and any authorized designee.

"Construction and Compliance" means DOH's Construction and Compliance Division or any successor division thereto.

"Construction Reports" is defined in Section 13.

"Construction Schedule" is defined in Section 13.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Corporation Counsel" means the City's Department of Law.

"Deed" is defined in Section 6.1.

"Developer Parties" means the Developer, the Developer's Affiliates, and the respective officers, directors, trustees, employees, agents, successors and assigns of the Developer and the Developer Affiliates.

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted on paper or via the City's on-line submission process.

"Environmental Law(s)" means any all Laws pertaining to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986 (collectively, "CERCLA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago ("MWRD"); the Municipal Code of the City of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Equity" means funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, and unencumbered by any other obligation.

"Event of Default" is defined in Section 19.2.

"General Contractor" means the general contractor selected by the Developer for the Project.

"Hazardous Substance(s)" is defined in 415 ILCS 5/3.215, as amended from time to time.

"IEPA" means the Illinois Environmental Protection Agency.

"Land Value Lien" is defined in Section 3.

"Land Value Lien Amount" is defined in Section 3.

"Laws" means all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders, permits, licenses, authorizations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, injunctions, consent decrees or judgments.

"Lender(s)" means any provider of Lender Financing approved pursuant to Section 9 hereof, which shall be limited to funds necessary to construct the Project.

"Lender Financing" means funds borrowed by the Developer from Lenders, available to pay for the costs of the Project (or any portion thereof).

"Losses" means any and all debts, liens (including, without limitation, lien removal and bonding costs), claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs).

"Market Valuation" means the value of a City Lot as determined by an independent market value assessment of lots in neighborhood subareas.

"Municipal Code" means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

"Other Regulated Material" means any Waste, contaminant, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

"Party(ies)" means the City, the Developer, or both, as applicable.

"Phase I ESA" means a Phase I Environmental Site Assessment of the Property in accordance with ASTM E-1527-21.

"Phase II ESA" means a Phase II Environmental Site Assessment of the Property in accordance with ASTM E-1903-19.

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

"Proof of Financing" means proof reasonably acceptable to the City that the Developer has Equity and/or Lender Financing in amounts adequate to complete the Project and satisfy its obligations under this Agreement. The Proof of Financing shall include **binding commitment letters from the Developer's Lenders, if any,** and evidence of the Developer's ability to make an equity contribution in the amount of any gap in financing.

"Qualified Household" means a person or group of people whose household income does not exceed one hundred fifty percent (150%) of AMI as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development or any successor organization thereto.

"Released Claims" is defined in Section 22.

"Title Company" means the title company selected by the Developer for the Project. .

"Title Commitment" is defined in Section 7.

"UST" is defined in Section 22.4(a) hereof.

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

2.2 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

(a) The terms defined in this Section 2 and elsewhere in this Agreement include the plural as well as the singular.

(b) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.

(c) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any Section or other subdivision.

(d) The Section and subsection headings herein are for convenience only and shall not affect the construction hereof.

SECTION 3. PURCHASE PRICE.

The City hereby agrees to sell, and the Developer hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for the sum of $1.00 per City Lot ("Purchase Price"). For purposes of this Agreement, the Market Valuation for each City Lot is listed on Exhibit A attached hereto. The Developer acknowledges that upon the recording of this Agreement, the City shall have a lien against each City Lot conveyed pursuant hereto in the amount of the Market Valuation of such City Lot, as set forth on Exhibit A (the "Land Value Lien"). The Market Valuation of each City Lot up to the first $65,000 in value is the "Land Value Lien Amount," and any amount above $65,000 is the "Additional Land Value Lien Amount." Except with respect to the Buildings to be sold at market rates and the Buildings that will be placed in a community land trust, when the Developer conveys a Building to a homebuyer, the Land Value Lien Amount and any Additional Land Value Lien Amount shall be secured by the City Junior Mortgage (as defined in Section 15.3(d).

SECTION 4. CLOSING.

The Closing for all City Lots shall take place at the downtown offices of the Title Company within fifteen (15) Business Days after the Developer has satisfied all conditions precedent set forth in Section 10 hereof, unless DOH, in its sole discretion, waives such conditions (the "Closing Date"); provided, however, in no event shall the first Closing Date occur any later than January 29, 2027 (the "Initial Outside Closing Date"), unless the Commissioner of DOH, in the Commissioner's sole discretion, extends such Initial Outside Closing Date. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement.

SECTION 5. NOTIFICATION TO ASSESSOR OF CHANGE IN USE AND OWNERSHIP.

Prior to the Closing Date for any City Lot, the Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the applicable City Lot. On the Closing Date, Developer shall pay to the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, the Developer shall forward a copy of the return receipt to DOH, with a copy to the Corporation Counsel's office.

SECTION 6. CONVEYANCE OF TITLE.

6.1 Form of City Deed. The City shall convey each City Lot to the Developer by quitclaim deed ("Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

(a) the Redevelopment Plan for the Redevelopment Area;

(b) the standard exceptions in an ALTA title insurance policy;

(c) general real estate taxes and any special assessments or other taxes;

(d) all easements, encroachments, covenants and restrictions of record and not shown of record;

(e) such other title defects as may exist; and

(f) any and all exceptions caused by the acts of the Developer or its Agents.

6.2 Recording. At the Closing, the Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the City Lot to the Developer. This Agreement shall be recorded prior to any mortgage made in connection with any Lender Financing. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number.

6.3 Reconveyance Deed. On each Closing Date, at the City's request, the Developer shall execute and deliver a Reconveyance Deed to the City to be held in trust. The Developer acknowledges and agrees that the City shall have the right to record the Reconveyance Deed and revest title to the applicable City Lot and all improvements thereon in the City in accordance with Section 19 hereof.

SECTION 7. TITLE AND SURVEY.

7.1 Title Commitment and Insurance. Not less than fifteen (15) Business Days before any Closing, the Developer shall obtain a commitment for an owner's policy of title insurance for the applicable City Lot, issued by the Title Company (the "Title Commitment"). The Developer shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation and later-date fees), obtaining title insurance (which shall be in the Developer's discretion, provided the City shall have no obligations or liabilities in connection with resolving title defects or other title matters post-Closing) and recording this Agreement. The Developer shall also pay all escrow fees and other closing costs.

7.2 Correction of Title. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to any City Lot or liens for such unpaid property taxes, the City shall ask the County to void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing the same, a City Lot remains subject to any tax liens, or if a City Lot is encumbered with any other exceptions that would adversely affect the use and insurability of the City Lot for the development of the Project, the Developer shall have the option to terminate this Agreement with respect to such City Lot. If the Developer does not elect to terminate this Agreement with respect to such City Lot as aforesaid, then the Developer shall be deemed to have accepted title subject to all exceptions.

SECTION 8. BUILDING PERMITS AND OTHER GOVERNMENTAL APPROVALS.

The Developer shall apply for all necessary building permits and other required permits and approvals ("Governmental Approvals") in accordance with the Construction Schedule, unless DOH, in its sole discretion, extends such application date, and shall pursue such Governmental Approvals in good faith and with all due diligence. At the time a building permit is requested by Developer, DOB must be notified that a Certificate of Occupancy will be requested upon completion of the Building.

SECTION 9. PROOF OF FINANCING.

Not less than fifteen (15) Business Days prior to each Closing Date, the Developer shall submit to DPD for approval a final budget for the Building(s) to be constructed on the applicable City Lot(s) (the "Budget") and proof reasonably acceptable to the City that the Developer has Equity and/or Lender Financing in amounts adequate to complete the Building(s) and satisfy its obligations under this Agreement ("Proof of Financing"). The Proof of Financing shall include **binding commitment letters, resolutions, or loan documents from the Developer's Lenders, if any,** and evidence of the Developer's ability to make an equity contribution in the amount of any gap in financing.

SECTION 10. CONDITIONS PRECEDENT TO CLOSING.

The obligation of the City to convey each City Lot to the Developer is contingent upon the delivery or satisfaction of each of the following items (unless waived by DOH in its sole discretion) at least fifteen (15) Business Days prior to the Closing Date, unless another time period is specified below:

10.1 Budget. The Developer has submitted to DOH, and DOH has approved, the Budget in accordance with the provisions of Section 9 hereof.

10.2 Proof of Financing. The Developer has submitted to DOH, and DOH has approved, the Proof of Financing for the applicable Building(s) in accordance with the provisions of Section 9 hereof.

10.3 Title. On the Closing Date for any City Lot, the Developer shall furnish the City with a copy of the Title Commitment for the City Lot.

10.4 Insurance. The Developer has submitted to the City evidence of insurance for the City Lot. The City shall be named as an additional insured on all liability insurance policies from the Closing Date through the date the City confirms completion of the Project.

10.5 Organization and Authority Documents. The Developer has submitted to the Corporation Counsel its articles of organization, including all amendments thereto, as furnished and certified by the Illinois Secretary of State; a copy of its operating agreement or bylaws, as certified by its manager or secretary; resolutions authorizing it to execute and deliver this Agreement and any other documents required to complete the transaction contemplated by this Agreement and to perform its obligations under this Agreement; a certificate of good standing from the Illinois Secretary of State dated no more than thirty (30) days prior to the Closing Date; and such other corporate authority and organizational documents as the City may reasonably request.

10.6 Due Diligence. The Developer has submitted to the Corporation Counsel the following due diligence searches in its name, showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the Corporation Counsel:

(a) Bankruptcy Search, U. S. Bankruptcy Court for the N.D. Illinois;
(b) Pending Suits and Judgments, U. S. District Court for the N.D. Illinois;
(c) Federal Tax Lien Search, Illinois Secretary of State;
(d) UCC Search, Illinois Secretary of State;

(e) UCC Search, Cook County Recorder;
(f) Federal Tax Lien Search, Cook County Recorder;
(g) State Tax Lien Search, Cook County Recorder;
(h) Memoranda of Judgments Search, Cook County; and
(i) Pending Suits and Judgments, Circuit Court of Cook County.

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

10.7 Economic Disclosure Statement. The Developer has provided to the Corporation Counsel an Economic Disclosure Statement in the City's then current form, dated as of the Closing Date.

10.8 Reconveyance Deed. On the Closing Date, the Developer shall deliver a Reconveyance Deed for the City Lot to the City for possible recording in accordance with Section 19 below, if applicable.

10.9 Representations and Warranties. On the Closing Date, each of the representations and warranties of the Developer in Section 24 and elsewhere in this Agreement shall be true and correct.

10.10 Other Obligations. On the Closing Date, the Developer shall have performed all of the other obligations required to be performed by the Developer under this Agreement as and when required under this Agreement.

SECTION 11. CONSTRUCTION REQUIREMENTS.

11.1 Building Design. The Developer shall deliver design documents for the Buildings to DOH for review and comment. Any material changes to the Building designs after DOH approval shall be submitted to DOH for further review and comment. The Developer shall submit all necessary documents to the DOB, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire Governmental Approvals for each Building. The Developer shall construct each Building in accordance with the final plans and specifications.

11.2 Performance and Payment Bonds. Prior to the commencement of construction of any portion of the Project involving work in the public way or work that constitutes a "public work" under applicable state law and is required to be bonded under such state law, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

11.3 Relocation of Utilities, Curb Cuts and Driveways. The Developer shall be solely responsible for and shall pay all costs associated with: (a) the relocation, installation or construction of public or private utilities, curb cuts and driveways; (b) the repair or reconstruction of any curbs, vaults, sidewalks or parkways required in connection with or damaged as a result of the Developer's construction of the Project; (c) the removal of existing pipes, utility equipment

or building foundations; and (d) the termination of existing water or other utility services. The City shall have the right to approve any streetscaping provided by the Developer as part of the Project, including, without limitation, any paving of sidewalks, landscaping and lighting.

11.4 Survival. The provisions of this Section 11 shall survive the Closing.

SECTION 12. LIMITED APPLICABILITY.

Any approval given by DOH pursuant to this Agreement is for the purpose of this Agreement only and does not constitute the approval required by the City's DOB or any other City department, nor does such approval constitute an approval of the quality, structural soundness or safety of any improvements located or to be located on the Property, or the compliance of said improvements with any Laws, private covenants, restrictions of record, or any agreement affecting the Property or any part thereof.

SECTION 13. COMMENCEMENT & COMPLETION OF PROJECT; PROGRESS REPORTS.

The Developer shall commence construction of each Building in accordance with the schedule attached hereto as Exhibit B (Construction Schedule"), and shall complete the Project no later than indicated in the Construction Schedule; provided, however, DOH, in its sole discretion, may extend the construction commencement and completion dates upon the Developer's written request, by executing a written extension letter. The Developer shall give written notice to the City within five (5) days after it commences construction of each Building, and, thereafter, shall provide written update reports for such Building upon the earlier of (i) 50% completion of the Building, or (ii) three (3) months following commencement of construction of the Building, whichever is earlier ("Construction Report"). The Construction Reports shall detail the Developer's progress in the construction of each Building and explain any inconsistencies with the Construction Schedule.

SECTION 14. CERTIFICATE OF OCCUPANCY AND NOTICE OF CLOSING.

Upon completion of each of the Buildings comprising the Project, the Developer shall deliver to the City a Certificate of Occupancy with a notice of closing ("Notice of Closing") in substantially the form attached hereto as Exhibit C and, prior to scheduling a closing for the sale of each Building, the City shall confirm with DOB that the Building has passed all inspections and that all permits have been closed. Upon such confirmation, the City shall return the Reconveyance Deed to the Developer.

SECTION 15. RESTRICTIONS ON USE.

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

15.1 Compliance with Redevelopment Plan. The Developer shall use the Property in compliance with the Redevelopment Plan.

15.2 Non-Discrimination. The Developer shall not discriminate on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income in the sale, lease, rental, use or occupancy of the Property or the Project or any part thereof.

15.3 Affordable Homes. The Developer shall develop and sell the Buildings in accordance with the following provisions:

(a) The Developer shall ensure that each Building passes all required inspections and that all permits are closed prior to scheduling a closing for the sale of each Building.

(b) The Developer shall sell at least 50% of the Buildings in the Project to Qualified Households for Affordable Prices ("Affordable Buildings") for their Principal Residences.

(c) The Developer must approve the income eligibility of the purchaser of each Affordable Building to confirm that the purchaser is a Qualified Household under the Program Ordinance and must submit to DOH an income qualification affidavit in a form acceptable to the City.

(d) At the closing of each Affordable Building, the Developer shall require the purchaser to execute a mortgage, security and recapture agreement in favor of the City (the "City Junior Mortgage"), in the form of Exhibit D to this Agreement, which shall also include the homebuyer's covenant to use the Affordable Building as the homebuyer's Principal Residence, and shall secure all amounts described in this Agreement as being subject to recapture or repayment. The Land Value Lien Amount shall thereafter reduce in five equal installments on each anniversary date of such conveyance, and after the fifth anniversary date shall be zero. The Additional Land Value Lien Amount shall bear simple interest at three percent (3%) per annum and shall be subject to repayment if the Affordable Building is sold prior to the thirtieth (30th) anniversary of the conveyance date, unless such sale is to a Qualified Household that purchases the Affordable Building for an Affordable Price as its Principal Residence. The City Junior Mortgage shall be junior to any purchase money mortgage and any refinancing of such purchase money mortgage, provided such refinancing is in an amount equal to or less than the homebuyer's purchase price for the Affordable Building.

(e) Pursuant to the BNAH Ordinance, as amended, and subject to availability of funds, the City may provide financial assistance in the form of forgivable grants to eligible homebuyers through DOH's BNAH application process to income eligible homebuyers. The BNAH grant will be secured by the City Junior Mortgage.

(f) At the closing of each Building, the Developer shall deliver to the homebuyer a warranty of habitability. Said warranty of habitability shall have a duration of one year and shall be deemed to run with the land.

(g) The Developer shall give preference in selling accessible Buildings, as that term is defined in Section 17-17-0202 of the Municipal Code, to people with disabilities pursuant to DOH policy. In addition, the Developer shall comply with the marketing plan approved by DOH, and shall utilize solely those marketing materials approved by DOH either prior to or subsequent to the execution date of this Agreement for marketing the Buildings to prospective homebuyers. The Developer agrees to place a sign on at least one of the City Lots stating that the Building was (or will be) constructed by the Developer pursuant to the City Lots for Working Families Program.

(h) The Developer shall refer each prospective homebuyer to pre-purchase counseling, which shall be offered either by DOH, a qualified community organization or lending institution. Each homebuyer must participate in pre-purchase counseling, and provide DOH with a certificate or other evidence of participation.

The Developer, for itself and its successors and assigns, acknowledges and agrees that the use and affordability restrictions set forth in this Section 15 constitute material, bargained-for consideration for the City and are intended to further the public policy of creating affordable housing for working families, and that, but for such use and affordability restrictions, the City would not have agreed to convey the Property to the Developer.

SECTION 16. PROHIBITION AGAINST SALE OR TRANSFER OF PROPERTY.

Except for the sale of Buildings to Qualified Households and market rate buyers as permitted hereunder, the Developer may not, without the prior written consent of DOH, which consent shall be in DOH's sole discretion: (a) directly or indirectly sell, transfer, convey, lease or otherwise dispose of all or any portion of the Property or the Project or any interest therein; or (b) directly or indirectly assign this Agreement (other than to a lender for collateral assignment purposes as permitted under Section 17). The Developer acknowledges and agrees that DOH may withhold its consent under (a) or (b) above if, among other reasons, the proposed purchaser, transferee or assignee (or such entity's principal officers or directors) is in violation of any Laws, or if the Developer fails to submit sufficient evidence of the financial responsibility, business background and reputation of the proposed purchaser, transferee or assignee.

SECTION 17. MORTGAGES AND OTHER LIENS.

17.1 Limitation upon Encumbrance of Project Site. Except for the sale of Buildings to Qualified Households and market rate buyers as permitted hereunder, the Developer may not, without the prior written consent of DOH, which consent shall be in DOH's sole discretion, engage in any financing or other transaction which would create an encumbrance or lien on the Property, except for the Lender Financing, if any, approved pursuant to Section 9, which shall be limited to funds necessary to construct the Project.

17.2 Mortgagees Not Obligated to Construct. Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage authorized by this Agreement (or any affiliate of such holder) shall not itself be obligated to construct or complete the Project, or to guarantee such construction or completion, but shall be bound by the other covenants running with the land specified in Section 18. If any such mortgagee or its affiliate succeeds to the Developer's interest in the Property (or any portion thereof) prior to completion of the Project, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property (or any portion thereof) to another party, such transferee shall be obligated to complete the Project (or such portion of the Project located on the land so transferred), and shall also be bound by the other covenants running with the land specified in Section 18.

SECTION 18. COVENANTS RUNNING WITH THE LAND.

The Parties agree, and each Deed shall so expressly provide, that the covenants, agreements, releases and other terms and provisions contained in Section 13 (Commencement and Completion of Project), Section 15 (Restrictions on Use), Section 16 (Prohibition Against Sale

or Transfer of Property), Section 17 (Limitation Upon Encumbrance of Property), and Section 22.3 (Release and Indemnification), touch and concern and shall be appurtenant to and shall run with the Property. Such covenants, agreements, releases and other terms and provisions shall be binding on the Developer and its successors and assigns (subject to the limitation set forth in Section 17 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. Such covenants, agreements, releases and other terms and provisions shall terminate as follows:

Section	Covenant	Termination
§13	Completion of Project	Upon DOB's issuance of a Certificate of Occupancy for each Building
§15.1	Redevelopment Plan Compliance	Upon expiration of the Redevelopment Plan
§15.2	Non-Discrimination	No limitation as to time
§15.3	Affordable Homes	Upon sale of at least 50% of the Buildings in the Project to Qualified Households and recording of City Junior Mortgages
§16	Sale/Transfer Prohibition	Upon sale of at least 50% of the Buildings in the Project to Qualified Households and recording of City Junior Mortgages
§17	Limitation on Encumbrances	Upon sale of at least 50% of the Buildings in the Project to Qualified Households and recording of City Junior Mortgages
§22.3	Environmental Release	No limitation as to time

SECTION 19. PERFORMANCE AND BREACH.

19.1 Time of the Essence. Time is of the essence in the Developer's performance of its obligations under this Agreement.

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

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement;

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

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

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

(e) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period.

19.3 Cure. If the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have thirty (30) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to completion (so long as continuation of the default does not create material risk of damage to the improvements comprising the Project or injury to persons using the Project). Notwithstanding the foregoing or any other provision of this Agreement to the contrary, there shall be no notice requirement or cure period with respect to Events of Default described in Section 16 (Prohibition Against Transfer of Property).

19.4 Default. If an Event of Default occurs hereunder, and the default is not cured in the time period provided for in Section 19.3 above, the City may terminate this Agreement and pursue and secure any available remedy against the Developer in any court of competent jurisdiction by any action or proceeding at law or in equity, including, but not limited to, damages, injunctive relief, the specific performance of the agreements contained herein, and the right to revest title to one or more City Lots in the City pursuant to the Reconveyance Deeds for such City Lots, provided, however, that the recording of a Reconveyance Deed shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement, and further provided that the City shall have no right to record a Reconveyance Deed for any City Lot that has been improved with a Building following the sale of such Building to a bona fide purchaser. If a Reconveyance Deed is recorded by the City, the Developer shall be responsible for all real estate taxes and assessments which accrued during the period the applicable City Lot was owned by the Developer, and the Developer shall cause the release of all unpermitted liens or encumbrances placed on the City Lot during the period of time the City Lot was owned by the Developer. The Developer will cooperate with the City to ensure that if the City records a Reconveyance Deed, such recording is effective for purposes of transferring title to the applicable City Lot to the City, subject only to those title exceptions that were on title as of the date of the title commitment provided to the City pursuant to Section 7.1 and except for any mortgage authorized by this Agreement.

19.5 Resale of the Property. Upon the reconveyance of a City Lot to the City as provided in Section 19.4, the City may complete the applicable Building at its own cost (if the Building has not been completed) or convey the City Lot to a qualified and financially responsible party reasonably acceptable to the first mortgagee (if any), who (at its own cost) shall assume the obligation of completing the Building or such other improvements as shall be satisfactory to DOH (if the Building has not been completed), and otherwise comply with the covenants that run with the land as specified in Section 18.

19.6 Disposition of Resale Proceeds. If the City sells a City Lot as provided for in Section 19.5, the net proceeds from the sale, after payment of all amounts owed under any mortgage liens authorized by this Agreement in order of lien priority, shall be utilized to reimburse the City for:

(a) the fair market value of the City Lot as if it were vacant, which fair market value shall be calculated at the time of sale; and

(b) costs and expenses incurred by the City (including, without limitation, salaries of personnel) in connection with the recapture, management and resale of the City Lot (less any income derived by the City from the City Lot in connection with such management); and

(c) all unpaid taxes, assessments, and water and sewer charges assessed against the City Lot; and

(d) any payments made (including, without limitation, reasonable attorneys' fees and court costs) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer; and

(e) any expenditures made or obligations incurred with respect to construction or maintenance of the Project; and

(f) any other amounts owed to the City by the Developer.

The Developer shall be entitled to receive any remaining proceeds.

SECTION 20. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer represents and warrants that no agent, official or employee of the City shall have any personal interest, direct or indirect, in the Developer, this Agreement, the Property or the Project, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, association or other entity in which he or she is directly or indirectly interested. No agent, official, director, officer, trustee or employee of the City or the Developer shall be personally liable in the event of any default under or breach of this Agreement or for any amount which may become due with respect to any commitment or obligation under the terms of this Agreement.

SECTION 21. INDEMNIFICATION.

The Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees and agents (each, an "Indemnitee," and collectively the "Indemnitees") harmless from and against any and all Losses in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto, that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating to or arising out of: (a) the failure of the Developer to comply with any of the terms, covenants and conditions applicable to the Developer and contained within this Agreement; (b) the failure of the Developer or any Agent of the Developer to

pay contractors, subcontractors or material suppliers undisputed amounts owed in connection with the construction and management of the Project; (c) the existence of any material misrepresentation or omission in this Agreement or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Agent or Affiliate of the Developer; (d) the Developer's failure to cure any material misrepresentation in this Agreement or any other document relating hereto; and (e) any activity undertaken by the Developer or any Agent or Affiliate of the Developer on the Property prior to or after the first Closing. Notwithstanding the foregoing, no Indemnitee, shall be indemnified for claims to the extent arising out of such Indemnitee's breach of this Agreement or negligence. This indemnification shall survive the Closing and any termination of this Agreement (regardless of the reason for such termination).

SECTION 22. ENVIRONMENTAL MATTERS.

22.1 "AS IS" SALE. THE DEVELOPER PARTIES ACKNOWLEDGE THAT THEY HAVE HAD OR WILL HAVE ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPT THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. THE DEVELOPER PARTIES AGREE TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER PARTIES ACKNOWLEDGE THAT THEY ARE RELYING SOLELY UPON THEIR OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER PARTIES AGREE THAT IT IS THEIR SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

22.2 Environmental Review.

(a) Environmental Documents Review. The City, acting through its Department of Environment ("DOE"), has conducted a limited review ("Limited Review") of certain City records and other information ("Review Documents") in an effort to identify potential environmental concerns associated with the Property. The Developer acknowledges and agrees that the Developer has previously received a summary of DOE's Limited Review, and that the City has made all Review Documents available to the Developer for inspection and copying upon request.

(b) Limited Nature of City's Limited Review. The Developer acknowledges and agrees that the City does not represent or warrant that DOE's methodology for or findings from its Limited Review are accurate or complete or that the environmental condition of or risks to the Property are consistent with DOE's summary of its Limited Review. The Developer acknowledges and agrees that the City did not perform a Phase I Environmental Site Assessment or conduct a thorough environmental investigation of the Property, and that the City's review of the Review Documents was limited. The Developer acknowledges and agrees

that DOE's Limited Review may not have located all City, publicly available, or other documents or information relating to the condition of the Property, and that there may be other conditions, uses, and sources or types of contamination affecting the Property. The Developer acknowledges and agrees that the City is not obligated to locate all such documentation or information or to perform any environmental investigation or evaluation of the Property.

(c) Historic Contamination of Urban Land. The Developer acknowledges and agrees that properties in urban areas, including Chicago, are frequently impacted by historical conditions and uses that may not be documented in the Review Documents, such as (a) buried demolition debris containing lead-based paint or asbestos, (b) underground heating oil tanks, (c) off-site migration of chemicals from existing or former gas stations, dry cleaners, metal finishing operations, lumber treatment facilities, and other commercial, industrial or manufacturing land uses, (d) illegal dumping, (e) nearby railroad operations, and (f) airborne deposit of lead and other contaminants from historical use of lead gasoline and surrounding industries.

22.3 City Lots Requiring Further Environmental Assessment. The following provisions shall govern the Developer's obligations with respect to any City Lots that DOE determines require further environmental assessment.

(a) Environmental Investigation. Prior to the Closing, the Developer shall perform a Phase I ESA of the applicable City Lots. DOE shall have the right to review and approve the sufficiency of the Phase I ESA for the purpose of determining whether any environmental or health risks would be associated with the development of the Project. Upon DOE's request, the Developer shall update or expand the Phase I ESA. If the Phase I ESA identifies any Recognized Environmental Condition(s) ("REC(s)"), the Developer shall perform a Phase II ESA of the applicable City Lots. DOE shall have the right to review and approve the scope of work for the Phase II investigation prior to the commencement of any Phase II work, and the sufficiency of the Phase II ESA upon completion. At DOE's request, the Developer shall perform additional studies and tests for the purpose of determining the presence and extent of contamination, including, without limitation, updating or expanding the Phase I ESA and performing additional Phase II work. If the Phase II ESA or other follow-up tests or reports disclose the presence of contaminants exceeding residential remediation objectives, as determined by 35 Ill. Adm. Code Part 742, the Developer shall enroll the Property (or the applicable portion thereof) in the IEPA's Site Remediation Program ("SRP") and thereafter take all necessary and proper steps to obtain written approval from the IEPA of a Remedial Action Plan ("RAP Approval Letter"), unless DOE otherwise determines that it is not necessary to enroll the Property in the SRP. If DOE requires the Developer to enroll the Property in the SRP, the Developer acknowledges and agrees that construction may not commence until the IEPA issues, and DOE approves, the RAP Approval Letter for the Property. DOE shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work. The City must be named in a reliance letter for all environmental assessment reports produced concerning the Property.

(b) Remediation. After DOE approves the RAP Approval Letter for the applicable City Lots, the Developer covenants and agrees to complete all Remediation Work necessary to obtain a Final NFR Letter using all reasonable means. The Developer

shall cooperate and consult with DOE at all relevant times (and in all cases upon DOE's request) with respect to environmental matters. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final NFR Letter, and any other investigative and cleanup costs associated with the Property. The Developer shall promptly transmit to DOE copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees that the City will not issue a Certificate of Completion for the Project, and the Developer may not request a certificate of occupancy for the Project from DOB, until the IEPA has issued, DOE has approved, and the Developer has recorded a Final NFR Letter with the Cook County Clerk. If the Developer fails to obtain the Final NFR Letter within six (6) months after the submission of the Remedial Action Completion Report to the IEPA, then the City shall have the right to record a notice of default of this RDA against the Property.

22.4 Unanticipated Conditions.

(a) All City Lots. If the Developer encounters underground storage tanks ("USTs") during the development of the Project on any City Lot, the Developer shall remove and close the USTs in accordance with applicable regulations, including 41 Ill. Adm. Code Part 175 or, if the UST is leaking, 35 Ill. Adm. Code Part 734. In addition, if the Developer discovers soil or soil gas not meeting the requirements of 35 Ill. Adm. Code Section 742.305, the Developer shall remove such soil or soil gas. Upon discovering any such environmental conditions, the Developer shall immediately notify DOE and shall obtain DOE's approval of (i) the scope of work of any investigation, remediation or removal activities prior to commencing such work, and (ii) following completion, any reports or other documents demonstrating compliance with all applicable Laws, Including Environmental Laws.

(b) If the Developer discovers any environmental conditions during the development of the Project on any City Lot, in addition to the requirements set forth in Section 22.4(a) above, at DOE's request, the Developer shall enroll the Property in the SRP and take all necessary and proper steps to obtain a Final NFR Letter in accordance with Section 22.3.

22.5 Imported Materials. No bio-solids or bio-solids-based products may be imported to the Property from a wastewater treatment facility or other source. All imported material shall meet applicable SRP standards.

22.6 Public Disclosure. The Developer acknowledges that, except in the case of information specifically designated by the Developer to be treated confidentially as a trade secret or secret process, the City may make environmental assessments, hazardous material building surveys, SRP submittals, and similar environmental documents relating to the Property publicly available, and the Developer consents to the City's publication of those documents.

22.7 Release and Indemnification (All City Lots). The Developer, on behalf of itself and the other Developer Parties, or anyone claiming by, through, or under the Developer Parties, hereby releases, relinquishes and forever discharges the City from and against any and all Losses which the Developer or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums,

of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances and Other Regulated Materials, or threatened release, emission or discharge of Hazardous Substances and Other Regulated Materials; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances and Other Regulated Materials in, on, under or about the Property or the migration of Hazardous Substances and Other Regulated Materials from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend (through an attorney reasonably acceptable to the City), indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims. The Developer Parties waive their rights of contribution and subrogation against the Indemnified Parties.

22.8 Release Runs with the Land (All City Lots). The covenant of release in Section 22.7 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using, or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer for the Purchase Price. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer Parties, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor any of the Developer Parties, will assert that those obligations must be satisfied in whole or in part by the City because Section 22.7 contains a full, complete and final release of all such claims.

22.9 Survival. This Section 22 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 23. EMPLOYMENT OPPORTUNITY.

The Developer agrees, and shall contractually obligate its various contractors, subcontractors and any Affiliate of the Developer operating on the Property (collectively, the "Employers" and individually, an "Employer") to agree, that with respect to the provision of services in connection with the construction of the Project:

23.1 Neither the Developer nor any 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, Section 2-160-010 et seq. of the Municipal Code, as amended from time to time (the "Human Rights Ordinance"). The Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon the foregoing grounds, 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. The Developer and each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Developer and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon the foregoing grounds.

23.2 To the greatest extent feasible, the Developer and each Employer shall (i) present opportunities for training and employment of low and moderate income residents of the City, and (ii) provide that contracts for work in connection with the construction of the Project be awarded to business concerns which are located in or owned in substantial part by persons residing in, the City.

23.3 The Developer and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), both as amended from time to time, and any regulations promulgated thereunder.

23.4 The Developer, in order to demonstrate compliance with the terms of this Section 23, 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.

23.5 The Developer and each Employer shall include the foregoing provisions of this Section 23 in every contract entered into in connection with the construction of 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.

23.6 Failure to comply with the employment obligations described in this Section 23 shall be a basis for the City to pursue remedies under the provisions of Section 19.

SECTION 24. REPRESENTATIONS AND WARRANTIES.

24.1 Representations and Warranties of the Developer. To induce the City to execute this Agreement and perform its obligations hereunder, the Developer represents, warrants and covenants as follows:

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

(b) All certifications and statements contained in the Economic Disclosure Statement submitted to the City by the Developer are true, accurate and complete.

(c) The Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement. The Developer's execution, delivery and performance of this Agreement, and all instruments and agreements contemplated hereby, have been duly authorized by all necessary action, and do not and will not violate the Developer's articles of incorporation or bylaws (as amended and supplemented), or any applicable Laws, nor will such execution, delivery and performance, upon the giving of notice or lapse of time or both, result in a breach or violation of, or constitute a default under, or require any consent under, any other agreement, instrument or document to which the Developer, or any party affiliated with the Developer, is a party or by which the Developer or the Property is now or may become bound.

(d) No action, litigation, investigation or proceeding of any kind is pending or threatened against the Developer or any party affiliated with the Developer, by or before any court, governmental commission, board, bureau or any other administrative agency, and the Developer knows of no facts which could give rise to any such action, litigation, investigation or proceeding, which could: (i) affect the ability of the Developer to perform its obligations hereunder; or (ii) materially affect the operation or financial condition of the Developer.

(e) The Developer is now and for the term of this Agreement shall remain solvent and able to pay its debts as they mature.

(f) The Developer shall procure and maintain all Governmental Approvals necessary to construct, complete and operate the Project.

(g) The Developer is not in default in any material respect with respect to any indenture, loan agreement, mortgage, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound.

(h) The Project will not violate: (i) any applicable Laws, including, without limitation, any zoning and building codes and Environmental Laws; or (ii) any building permit, restriction of record or other agreement affecting the Property.

(i) The Developer has 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 this Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City.

(j) Neither the Developer nor any Affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the

City may not do business under any applicable Laws: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

24.2 Representations and Warranties of the City. To induce the Developer to execute this Agreement and perform its obligations hereunder, the City hereby represents and warrants to the Developer that the City has authority under its home rule powers to execute and deliver this Agreement and perform the terms and obligations contained herein.

24.3 Survival of Representations and Warranties. Each of the Parties agrees that all warranties, representations, covenants and agreements contained in this Section 24 and elsewhere in this Agreement are true, accurate and complete as of the Effective Date and shall survive the Effective Date and shall be in effect until completion of the Project.

SECTION 25. NOTICES.

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

If to the City:	City of Chicago Department of Housing 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attn: Commissioner
With a copy to:	City of Chicago Department of Law 2 North LaSalle Street, Suite 420 Chicago, Illinois 60602 Attn: Real Estate and Land Use Division
If to the Developer:	Inherentance 209 East 75th Street Chicago, Illinois, 60619 Attn: Tim Swanson
With a copy to:	_____ _____ _____ Attn: _____

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile, respectively, provided that such facsimile transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) Business Days

after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 25 shall constitute delivery.

SECTION 26. BUSINESS RELATIONSHIPS.

The Developer acknowledges (a) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (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 described in Section 2-156-080 of the Municipal Code), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (c) notwithstanding anything to the contrary contained in this Agreement, that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that no violation of Section 2-145-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

SECTION 27. PROHIBITION ON CERTAIN CONTRIBUTIONS PURSUANT TO MAYORAL EXECUTIVE ORDER NO. 2011-4.

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

27.2 The Developer represents and warrants that from the later of (a) May 16, 2011, or (b) the date the City approached the Developer, or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to the Mayor's political fundraising committee.

27.3 The Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the

Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

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

27.5 Notwithstanding anything to the contrary contained herein, the Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 27 or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including, without limitation, termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

27.6 If the Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the Closing, the City may elect to decline to close the transaction contemplated by this Agreement.

27.7 For purposes of this provision:

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

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

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

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

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

(ii) neither party is married; and

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

(iv) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and

(v) two of the following four conditions exist for the partners:

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

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

(3) The partners have at least two of the following arrangements:

(A) joint ownership of a motor vehicle;
(B) joint credit account;
(C) a joint checking account;
(D) a lease for a residence identifying both domestic partners as tenants.

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

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

SECTION 28. 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 Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. The Developer understands and will abide by all provisions of Chapter 2-56 of the Municipal Code.

SECTION 29. WASTE ORDINANCE PROVISIONS.

In accordance with Section 11-4-1600(e) of the Municipal Code, the Developer warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, any violation of the Waste Sections by the Developer, its General Contractor or any subcontractor, 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 discretion of the Commissioner of DOH. Such breach and default entitles the City to all remedies under this Agreement, at law or in equity. This section does not limit the duty of the Developer, the General Contractor and any subcontractors to comply with all applicable Laws, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Developer's eligibility for future contract awards.

SECTION 30. 2014 CITY HIRING PLAN.

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

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

30.3 The Developer will not condition, base, or knowingly prejudice or affect any term or aspect to the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

30.4 In the event of any communication to the Developer by a City employee or City official in violation of Section 30.2 above, or advocating a violation of Section 30.3 above, the Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General (the "OIG"), and also to the head of the relevant City department utilizing services provided under this Agreement. The Developer will also cooperate with any inquiries by the OIG.

SECTION 31. FAILURE TO MAINTAIN ELIGIBILITY TO DO BUSINESS WITH THE CITY.

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

SECTION 32. MISCELLANEOUS.

The following general provisions govern this Agreement:

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

32.2 Cumulative Remedies. The remedies of any party hereunder are cumulative and the exercise of any one or more of such remedies shall not be construed as a waiver of any other remedy herein conferred upon such party or hereafter existing at law or in equity, unless specifically so provided herein.

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

32.4 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

32.5 Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements, negotiations and discussions. This Agreement may not be modified or amended in any manner without the prior written consent of the parties hereto. No term of this Agreement may be waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefited by such term.

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

32.7 Force Majeure. Neither the City, the Developer, nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of a delay due to unforeseeable events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder, including, without limitation, fires, floods, strikes, shortages of material and unusually severe weather or delays of subcontractors due to such causes. The time for the performance of the obligations shall be extended only for the period of the delay and only if the party relying on this section requests an extension in writing within twenty (20) days after the beginning of any such delay.

32.8 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

32.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

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

32.11 Limitation of Liability. No member, official, officer, director, trustee or employee of the City or the Developer shall be personally liable in the event of any default or breach under this Agreement or for any amount which may become due to any other party under the terms of this Agreement.

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

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

32.14 Severability. If any term of this Agreement or any application thereof is held invalid or unenforceable, the remainder of this Agreement shall be construed as if such invalid part were never included herein and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

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

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

(*Signature Pages Follow*)

CITY'S SIGNATURE PAGE

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

CITY OF CHICAGO, an Illinois municipal corporation

By:_____
Lissette Castañeda
Commissioner
Department of Housing

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 Lissette Castañeda, the Commissioner of the Department of Housing of the City of Chicago, an Illinois municipal corporation ("City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that, as said Commissioner, she signed and delivered the foregoing instrument pursuant to authority given by the City as her free and voluntary act and as the free and voluntary act and deed of the City, for the uses and purposes therein set forth.

GIVEN under my notarial seal this ____ day of _____, 202__.

_____
NOTARY PUBLIC

DEVELOPER'S SIGNATURE PAGE

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

INHERENTANCE, an Illinois not for profit corporation

By:_____

Name: Timothy Swanson

Its: Board President

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 Timothy Swanson, the board president of Inherentance, an Illinois not for profit corporation (the "Developer"), 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 s/he signed and delivered the foregoing instrument pursuant to authority given by the Developer, as her/his free and voluntary act and as the free and voluntary act and deed of the Developer, for the uses and purposes therein set forth.

GIVEN under my notarial seal this ____ day of _____, 202__.

_____
NOTARY PUBLIC

(SUB) EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY AND ITS MARKET VALUE

(See Exhibit A-1 and Exhibit B to Ordinance)

(SUB) EXHIBIT B

CONSTRUCTION SCHEDULE

PIN	Address	Anticipated Construction Commencement	Anticipated Construction Completion
16-02-414-010-0000	1020 N Kedzie Ave	December 2026	21 weeks from closing
16-02-408-034-0000	1138 N Christiana Ave	December 2026	15 weeks from closing
16-01-228-018-0000	1256 N Artesian Ave	December 2026	21 weeks from closing
16-01-219-003-0000	1353 N Maplewood Ave	December 2026	21 weeks from closing
13-35-320-048-0000	1702 N Monticello Ave	December 2026	15 weeks from closing
13-35-412-027-0000	1728 N Drake Ave	December 2026	18 weeks from closing

(SUB) EXHIBIT C

NOTICE OF CLOSING

City of Chicago
Department of Housing
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Brian O'Donnell

Re: Notice of Closing
Address: _____

Please be advised that Inherentance, an Illinois not for profit corporation, has completed the construction of a home at the above-referenced location in accordance with that certain Agreement for the Sale and Redevelopment of Land dated as of _____, 20___, and recorded with the Office of the Clerk of Cook County, Illinois, Recordings Division, on _____, 20___, as Document No. _____ ("Redevelopment Agreement"), and would like to schedule a closing on _____, 20___.

INHERENTANCE, an Illinois not for profit corporation

By:_____

Name: _____

Its:_____

(SUB) EXHIBIT D

This Document Prepared by and after Recording Return to:

[Attorney in Real Estate Division]
City of Chicago, Department of Law
2 North LaSalle Street, Room 420
Chicago, IL 60602
(312) 744-6814

(Above Space For Recorder's Use Only)

MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING PRIMARY RESIDENCY, NO TRANSFER AND NO REFINANCING COVENANTS

(CL4WF Program and BNAH Program)

	SUMMARY TABLE	AMOUNTS
A.	**Appraised Value of the Home**	$
B.	**Homebuyer Contract Sale Price**	$
C.	**Appraisal Gap (Row A minus Row B)**	$
D.	**Senior Mortgage Amount**	$
E.	**Land Value Recapture Amount (Up to $65,000)** **5-Year Recapture Period**	$
F.	**Additional Land Value Recapture Amount (Above $65,000)** **30-Year Recapture Period**	$
G.	**BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture** **10-Year Recapture Period**	$
H.	**BNAH Purchase Price Assistance Amount That is Not Subject to Recapture**	$
I.	**Total BNAH Grant Amount (Sum of G and H above) Funded From:** **[check only one line]** **CDBG Funds _____** **City Corporate Funds (not including CRP or HED Funds) _____** **CRP Bond Proceeds Funds _____** **HED Bond Proceeds Funds _____**	$
J.	**TOTAL POTENTIAL RECAPTURE AMOUNT (E+F+G) IF DEFAULT**	$

This Mortgage, Security and Recapture Agreement, Including Primary Residency, No

Transfer and Refinancing Covenants ("Mortgage") is made as of _____, by and between _____ ("Mortgagor") and the City of Chicago, an Illinois municipal corporation, acting by and through its Department of Housing (together with any successor department thereto, "DOH"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 ("City" or "Mortgagee").

RECITALS

A. The City Council of the City, by ordinance adopted on November 8, 2017, and published in the Journal of Proceedings of the City Council ("Journal") for such date at pages 59287-59295, as amended by ordinance adopted on July 16, 2025, and published in the Journal for such date at pages 30610-30618, established the City Lots for Working Families Program ("CL4WF Program") in recognition of the shortage of decent housing affordable to working families within the City and to encourage the use of vacant, unused parcels of land located in various neighborhoods of the City for the development of new owner-occupied homes.

B. Pursuant to the objectives of the CL4WF Program, the City and _____, an Illinois limited liability company ("Developer"), entered into that certain Agreement for the Sale and Redevelopment of Land dated _____, and recorded with the Cook County Clerk on _____, as Document No. _____ (the "Redevelopment Agreement"), pursuant to which the City conveyed the land legally described on **Exhibit A** attached hereto (the "Land") to the Developer for $1.00, and the Developer constructed a multi-unit building home thereon (the "Building"). At the time of the sale, the Land had a market value of approximately $_____ (such market value minus $1.00, the "Land Value Write Down").

C. Under the CL4WF Program, the value of the Land up to the first Sixty-five Thousand Dollars ($65,000) constitutes and is referred to hereinafter as the "Land Value Recapture Amount" and the amount by which the Land's value exceeds Sixty-five Thousand Dollars ($65,000) (if at all) constitutes and is referred to hereinafter as the "Additional Land Value Recapture Amount."

D. The City's agreement to sell the Land to the Developer for $1.00 was conditioned upon the Developer's undertaking to construct and then sell the Building to a Qualified Household for an Affordable Price for its Principal Residence, subject to Mortgagor's execution of this Mortgage, which secures certain performance and payment covenants intended to assure that the City achieves the affordable housing objectives of the CL4WF Program.

E. The City Council, by ordinance adopted on October 31, 2018, and published in the Journal for such date at pages 87215-87221 thereof, established the Building Neighborhoods and Affordable Homes Program, as amended by ordinance adopted April 19, 2023, and published in the Journal for such date at pages 899-902 thereof ("BNAH Program").

F. Pursuant to the BNAH Program, the City, simultaneously with the execution and recording of this Mortgage, has agreed to provide to the Mortgagor a grant of funds in the amount of _____ Dollars ($_____) (the "BNAH Purchase Price Assistance"), to assist with the purchase of the Building and to pay some or all of certain closing costs for the Building purchase. The BNAH Purchase Price Assistance shall be provided by the City from one of the following, as set forth in **Row I of the Summary Table**: CDBG Funds, City Corporate Funds, CRP Bond Proceeds funds or HED Bond Proceeds funds, as such terms are defined

herein.

G. Mortgagor has covenanted to Mortgagee herein that Mortgagee meets the income eligibility requirements (a) to participate as an initial homebuyer under the CL4WF Program and the BNAH Program and (b) to receive purchase price assistance under the BNAH Program.

H. Pursuant to the terms of the Redevelopment Agreement, the Developer is now selling the Land and the completed Building to Mortgagor as the initial homebuyer. The Senior Lender (as defined and identified in Section 2.4 below) has obtained an appraisal of the Building establishing the fair market value (the "Appraised Value") as set forth in **Row A** of the table on the first page of this Mortgage (the "Summary Table"). The Developer has contracted to sell the Building to the Mortgagor for the amount set forth in **Row B** of the Summary Table (the "Homebuyer Contract Sale Price"). The difference between the Appraised Value and the Homebuyer Contract Sale Price (the "Appraisal Gap") is set forth in **Row C** of the Summary Table. The Senior Lender has agreed to make a first mortgage loan secured by the Building in the original principal amount set forth in **Row D** of the Summary Table. The Land Value Recapture Amount and the Additional Land Value Recapture Amount (if any) for the Building are set forth in **Rows E and F** of the Summary Table. Finally, the City is providing BNAH purchase price assistance (in amounts both subject to recapture and not) in connection with Mortgagor's purchase of the Building in the amounts set forth as the sum of **Rows G and H** in the Summary Table (the "BNAH Purchase Price Assistance").

I. As a result of the Land Value Write-Down, Additional Land Value Write-Down (if applicable) and BNAH Purchase Price Assistance described above, the Mortgagor has been given the opportunity to buy the Building for a below market price for its Principal Residence.

J. If the Mortgagor sells, refinances (except as permitted herein) or leases the Building, or fails to occupy the Building as its Principal Residence, prior to the date that is five (5) years from the Purchase Date, unless expressly permitted herein, then the Mortgagor shall be required to pay back to the City all or a portion of the Land Value Recapture Amount listed in **Row E** of the Summary Table. Additionally, and concurrently, if the Mortgagor sells, refinances (except as permitted herein) or leases the Building, or fails to occupy the Building as its Principal Residence, prior to the date that is ten (10) years from the Purchase Date, unless expressly permitted herein, then the Mortgagor shall be required to pay back to the City all or a portion of the BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture listed in **Row G** of the Summary Table.

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described herein, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property":

(A) The Land;

(B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, including, without limitation, the Building, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements,

betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All rents and issues of the Land and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in any of the above-described Improvements, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the Land Value Recapture Amount, the Additional Land Value Recapture Amount (if applicable), and the BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture, (b) performance of the primary residency, no transfer and no refinancing covenants described herein and in **Exhibit B** attached hereto, and (c) the payment and performance of all other obligations, covenants, conditions and agreements contained herein and in any other agreement, document or instrument to which reference is expressly made in this Mortgage.

SECTION I

INCORPORATION OF SUMMARY TABLE AND RECITALS; DEFINITIONS

The Summary Table and the recitals set forth above constitute an integral part of this Mortgage and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties. As used herein, the following capitalized terms shall be defined as follows:

"Additional Land Value Affordability Period" means the thirty (30) year period commencing on the Purchase Date.

"Additional Land Value Recapture Amount" means the amount, if any, set forth on Row F in the Summary Table on page 1 of this Mortgage, plus (b) simple interest thereon at three percent (3%) per annum, which entire amount shall be subject to repayment if the Building is sold to a homebuyer during the thirty (30) year period commencing on the Purchase Date, unless such sale is to a Qualified Household who purchases the Building for an Affordable Price, as determined by the City's Department of Housing at the time of such resale, for its Principal Residence.

"Affidavit" means that certain Economic Disclosure Statement and Affidavit dated the Purchase Date and executed by the Mortgagor in connection with the Land Value Write-Down and BNAH Purchase Price Assistance.

"Affordability and Residency Period" means any or all of (i) the Land Value Affordability Period during the five (5) year period commencing on the Purchase Date and ending on the fifth anniversary of the Purchase Date, (ii) the BNAH Residency Period during the ten (10) year period commencing on the Purchase Date and ending on the tenth anniversary of the Purchase Date,

and (iii) the Additional Land Value Affordability Period during the thirty (30) year period commencing on the Purchase Date and ending on the thirtieth anniversary of the Purchase Date.

"Affordable Price" means an amount less than or equal to the price at which monthly homeownership costs (including principal and interest on a 30-year fixed rate residential mortgage in the amount of ninety-seven percent (97%) of the purchase price, taxes, insurance and, as applicable, private mortgage insurance and homeowners' association payments) for the Building would total not more than thirty-three percent (33%) of household income with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Building whose income is equal to one hundred twenty percent (120%) AMI. For purposes of this definition, interest shall be calculated as the 520-week average of interest rates, as calculated by the City based on data provided annually by the Federal Home Loan Mortgage Corporation (Freddie Mac) or any successor organization thereto.

"AMI" means the median household income for the Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development or any successor department thereto.

"BNAH Residency Period" means the ten (10) year period commencing on the Purchase Date.

"BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture" means the amount set forth in Row G of the Summary Table on page 1 of this Mortgage, but which shall decline proportionately (i.e., by 10% of the original amount) on each anniversary date of the Purchase Date, and after the tenth (10^{th}) anniversary date of the Purchase Date shall equal zero dollars ($0.00).

"CDBG Funds" means funds of the City that are derived from a federal Community Development Block Grant.

"City Corporate Funds" means funds of the City that come from the City's corporate fund.

"CRP Bond Proceeds" means funds of the City that come from proceeds of the Chicago Recovery Plan bonds issued pursuant to an ordinance passed by the City Council on October 27, 2021, and was published in the Journal for such date at pages 40213 through 40503, inclusive, which amended an ordinance passed by the City Council on November 24, 2020, that was published in the Journal for such date at pages 24643 through 24723, inclusive.

"Financial Statements" means those financial statements provided by the Recipient to the City with the Grant application on or prior to the Closing Date.

"Grant Documents" means collectively all agreements, instruments and documents executed and delivered to the City previously, now or hereafter by, on behalf of or for the benefit of the Mortgagor in connection with the acquisition of the Building including, but not limited to, this Mortgage, the application for City assistance, the Financial Statements, the Affidavit, the Uniform Residential Loan Application, and the Asset Certification Form, all as from time to time amended, supplemented and restated by the City.

"HED Bond Proceeds" means funds of the City that come from proceeds of the Housing and Development bonds issued pursuant to an ordinance that passed City Council on April 19, 2024, and was published in the Journal for such date at pages 11493 through 11568, inclusive.

"Land Value Affordability Period" means the five (5) year period commencing on the Purchase Date.

"Land Value Recapture Amount" means the amount set forth in Row E of the Summary Table on page 1 of this Mortgage, but which shall decline proportionately (i.e., by 20% of the original amount) on each anniversary date of the Purchase Date, and after the fifth (5^{th}) anniversary date of the Purchase Date shall equal zero dollars ($0.00).

"Qualified Household" means a person or group of people whose household income, at the time of closing, does not exceed (i) one hundred forty percent (140%) AMI (*provided, however*, that if the Total BNAH Grant Amount is funded with CDBG Funds, then the household income at the time of closing cannot exceed eighty percent (80%) AMI), and (ii) if applicable, one hundred fifty percent (150%) AMI following the expiration of the BNAH Residency Period through the expiration of the Additional Land Value Affordability Period.

"Recapture Amount" means if a Recapture Default, as defined in Section 4.2(a), occurs (i) during the Land Value Affordability Period, the Land Value Recapture Amount, (ii) during the BNAH Residency Period, the BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture, or (iii) during the Additional Land Value Affordability Period, the Additional Land Value Recapture Amount.

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

"Purchase Date" means the date hereof.

"Total BNAH Grant Amount" means the sum of (i) the BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture, and (ii) the BNAH Purchase Price Assistance Amount That is Not Subject to Recapture, made by the City to the Mortgagor in the amount set forth in Row H of the Table on page 1 of this Mortgage for financing a portion of the costs of the acquisition of the Building. The Total BNAH Grant Amount shall be provided by the City from the funding source indicated by the check mark shown in Row I of the Table on page 1 of this Mortgage.

SECTION II

COVENANTS, REPRESENTATIONS, AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that:

2.1 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the Mortgaged Property and shall,

upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.2 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as required of Mortgagor by the Senior Lender (as hereinafter defined), paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be cancelled, except upon thirty (30) days prior written notice to Mortgagee.

2.3 Maintenance of the Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor, subject to the rights of the insurer, will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.4 Subordination. This Mortgage shall be subject and subordinate in all respects to that certain mortgage dated as of even date herewith between Mortgagor and Neighborhood Lending Services, Inc, ("Senior Lender") recorded with the Office of the Cook County Clerk to secure an indebtedness in the original principal amount not to exceed the Homebuyer's Contract Sale Price ("Senior Mortgage") pursuant to the terms of the Redevelopment Agreement. This Mortgage shall also be subordinate to any subsequent mortgage that refinances the Senior

Mortgage, so long as such refinancing is not in an original principal amount greater than the Senior Mortgage Amount, unless the Commissioner, in the Commissioner's sole discretion, agrees to senior financing in a greater amount. No refinance of the Senior Mortgage that allows Mortgagor to receive cash at the closing thereof will be approved by the City.

2.5 Income Eligibility. Mortgagor covenants to Mortgagee that (a) it meets the income eligibility requirements established by the City pursuant to the CL4WF Program in order to participate as a homebuyer under the CL4WF Program, and (b) at the time of the closing, it meets the income eligibility requirements established by the City pursuant to the BNAH Program in order to receive the BNAH Purchase Price Assistance.

2.6 Foreclosure of Senior Mortgage. In the event of a transfer of title of the Mortgaged Property through foreclosure or recording of deed in lieu of foreclosure to the Senior Lender pursuant to the Senior Mortgage, the primary residency, no transfer and no refinancing covenants set forth in **Exhibit B** attached hereto, and any other provisions contained herein restricting the sale and occupancy of the Mortgaged Property to buyers or occupants which meet the income eligibility requirements of the CL4WF Program and the BNAH Program shall be released and shall have no further force or effect; provided, however, that all such covenants and affordability restrictions shall be revived according to the original terms if, during the Affordability and Residency Period, the Mortgagor or any member of Mortgagor's household or family reacquires an ownership interest in the Mortgaged Property. Any other person (including the successors and/or assigns of Senior Lender) receiving title to the Mortgaged Property through a foreclosure or deed in lieu of foreclosure of the Senior Mortgage shall also receive title to the Mortgaged Property free and clear of such restrictions.

Further, if Senior Lender acquires title to the Mortgaged Property pursuant to a deed in lieu of foreclosure, the lien of this Mortgage and the restrictions contained herein shall automatically terminate upon the Senior Lender's acquisition of title to the Mortgaged Property, provided that: (i) the Senior Lender has given written notice to Mortgagor of a default under the Senior Mortgage in accordance with its terms, (ii) the Mortgagor shall not have cured the default under the Senior Mortgage within any applicable cure period(s) provided for therein; and (iii) any proceeds from any subsequent sale of the Mortgaged Property, if any, which Mortgagee is entitled to receive after payment of all amounts due pursuant to the Senior Mortgage and pursuant to this Mortgage, are paid to Mortgagee.

SECTION III

PRIMARY RESIDENCY, NO TRANSFER, AND NO REFINANCING COVENANTS

3.1 Mortgagor covenants to comply with the primary residency, no transfer, and no refinancing covenants set forth in **Exhibit B**, which covenants are all materially related to the City's achievement of the affordable housing objectives of the CL4WF Program and the BNAH Program.

SECTION IV

DEFAULT

4.1 Events of Default. The terms "Event of Default" or "Events of Default," wherever

used in the Mortgage, means any one or more of the following events:

(a) Mortgagor's breach of one or more of the primary residency, no transfer or no refinancing covenants set forth in **Exhibit B**, which breach is not cured by Mortgagor within ten (10) business days of Mortgagor's receipt of written notice from Mortgagee of such breach; or

(b) Mortgagor's breach of any other material term, covenant, condition, or agreement of this Mortgage, which breach is not cured by Mortgagor within thirty (30) calendar days of Mortgagor's receipt of written notice from Mortgagee of such breach; provided, however, that in the event such default cannot reasonably be cured within such thirty (30) calendar day period and if Mortgagor has commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default; or

(c) Any default continuing beyond all applicable cure periods under the Senior Mortgage that permits the Senior Lender to foreclose its lien thereunder.

4.2 Remedies.

(a) If an Event of Default arising from a breach of one or more of the covenants set forth in **Exhibit B** occurs during the Affordability and Residency Period (and unless the last paragraph of such exhibit applies) (such a default, a "Recapture Default"), the Recapture Amount shall become immediately due and payable and subject to recapture without further notice or demand and the Mortgagee shall be entitled to immediate payment of such Recapture Amount.

If an Event of Default occurs during the Land Value Affordability Period and the Recapture Amount becomes immediately due and payable as set forth above, the BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture shall be paid in full before the Land Value Recapture Amount shall be paid.

(b) If a Recapture Default or any other Event of Default occurs, Mortgagee shall also be entitled to declare all other amounts secured hereby immediately due and payable without further notice or demand and shall have such rights and remedies as may be available at law or at equity, including, without limitation, and subject to the rights of the Senior Lender, the right to foreclose the lien hereof. The Mortgage and the right of foreclosure hereunder shall not (to the extent permitted by law) be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee hereunder, there shall be allowed and included as additional indebtedness, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.2(b) mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of the Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting the Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by the Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order

of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of any indebtedness secured by any permitted Senior Mortgage or a permitted refinancing thereof; (iii) all recapture amounts and other amounts due under this Mortgage; and (iv) any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

4.3 Mortgagor Waivers. Mortgagor shall not and will not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety.

4.4 Additional Mortgagee Rights. Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (a) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (b) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, and purchases and acquisitions; (c) the cost of such insurance; (d) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (e) other proper charges upon the Mortgaged Property or any part thereof; and (f) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder of the monies and proceeds so received by Mortgagee first to payment of accrued interest; and second to the payment of principal. The balance of such funds, if any, after payment in full of all of the aforesaid amounts, shall be paid to Mortgagor.

4.5 Right to Receiver. Subject to the rights of the Senior Lender, if an Event of Default shall have occurred, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all the rights and powers to the fullest extent permitted by law.

4.6 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price; provided, however, that the Senior Lender has been paid in full.

4.7 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity, or by statute.

4.8 No Waiver By Mortgagee. No delay or omission of Mortgagee or of any holder of this Mortgage to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power, and remedy given by the Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers, or remedies on account of any breach or default by Mortgagor.

SECTION V

MISCELLANEOUS PROVISIONS

5.1 Successors and Assigns. The Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors, and assigns. Whenever a reference is made in the Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors, and assigns of Mortgagor or Mortgagee, as applicable.

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

If to the Mortgagee/City:	City of Chicago Department of Housing 121 North LaSalle Street Room 1000 - City Hall Chicago, Illinois 60602 Attn: Commissioner
With a copy to:	City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attn: Real Estate Division
If to Mortgagor:	_____ _____

Chicago, Illinois 606____

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

5.3 Terminology. All personal pronouns used in the Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of the Mortgage, and all references herein to sections shall refer to the corresponding sections of the Mortgage unless specific reference is made to such sections of another document or instrument.

5.4 Limitation of Liability. The Mortgagor expressly agrees that no member, official, employee or agent of the City shall be individually or personally liable to the Mortgagor, its successors or assigns, in the event of any default or breach by the City under this Mortgage.

5.5 Assignment. The Mortgagor may not sell, assign or transfer this Mortgage. The Mortgagor consents to the City's sale, assignment, transfer or other disposition of this Mortgage at any time in whole or in part.

5.6 Severability. If any provision of the Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of the Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

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

5.8 Disbursements. No disbursement of BNAH Purchase Price Assistance shall be made except for the payment of costs of acquisition as shown on the acquisition Budget. No modification of or amendment to the acquisition budget shall be made without the prior written approval of the City, at its sole discretion.

5.9 No Business Relationship with City Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, 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 an elected official 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. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to any of the Grant Documents, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Grant Documents

and the transactions contemplated thereby. The Mortgagor hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to any of the Grant Documents or the transactions contemplated thereby.

5.10 Security Agreement. The Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by the Mortgage or any other agreement.

5.11 Modification. No change, amendment, modification, cancellation, or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Mortgagor shall have no right to convey the Land into a land trust without obtaining the prior written consent of the Mortgagee.

5.12 No Merger. It being the desire and intention of the parties that the Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, the Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.13 Applicable Law. This Mortgage shall be interpreted, construed, and enforced under the laws of the State of Illinois without regard to its conflict of laws principles.

5.14 Release of Mortgage. If: (a) Mortgagor is not then in default under this Mortgage and retains ownership of the Mortgaged Property until the expiration of the Affordability and Residency Period, or (b) Mortgagor conveys the Mortgaged Property, giving rise to an Event of Default, and Mortgagor pays Mortgagee the amount Mortgagee is entitled to receive pursuant to the provisions of Section 4.2(a) above, then Mortgagor shall be deemed to have fully complied with the provisions contained in this Mortgage. In such event, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

5.15 Further Assurances, Duty to Cooperate. Mortgagor, on request of Mortgagee, from time to time, covenants and agrees to execute and deliver such additional documents, amendments, agreements and undertakings as may be necessary to: correct any scrivener's error contained herein or in any related document; to perfect or to maintain as perfected valid lien(s) upon the Mortgaged Property any lien granted to Mortgagee under this Mortgage or under any other agreement or undertaking; or to more fully and accurately set forth and reflect the affordability requirements of the CL4WF Program and the BNAH Program.

5.16 Joint and Several Obligation. If the Mortgagor consists of more than one individual, all of the representations, warranties, obligations and covenants of the Mortgagor contained herein and in the other Grant Documents shall be joint and several with respect to each such individual, unless otherwise specifically provided.

[Signature Page Follows]

IN WITNESS WHEREOF, the City and the Mortgagor have caused this Mortgage, Security and Recapture Agreement, Including Residency, Transfer and Financing Covenants to be duly executed and delivered as of the date first above written.

MORTGAGOR

_____

_____
[insert second name if joint]

CITY OF CHICAGO, an Illinois municipal corporation, acting by and through its Department of Housing

By: _____
Lissette Castañeda, Commissioner

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, personally known to me as the same person(s) whose name is/are subscribed in the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that she/he/they signed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 2026.

_____
Notary Public

My commission expires

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, _____, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Lissette Castañeda, personally known to me to be the Commissioner of the Department of Housing of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2026.

_____
Notary Public

My commission expires _____.

(SUB)(SUB) EXHIBIT A

LEGAL DESCRIPTION

(TO BE ADDED)

(SUB)(SUB) EXHIBIT B

PRIMARY RESIDENCY, NO TRANSFER AND NO REFINANCING COVENANTS

In consideration of the Land Value Recapture Amount, the Additional Land Value Recapture Amount (if applicable), and the BNAH Purchase Price Assistance, which have reduced Mortgagor's costs of purchasing the Mortgaged Property, Mortgagor covenants to the City that:

(a) Until the expiration of the Affordability and Residency Period, Mortgagor shall own the Mortgaged Property, shall not lease the Mortgaged Property and shall utilize the Building as Mortgagor's Principal Residence.

(b) Until the expiration of the Affordability and Residency Period, Mortgagor shall not directly or indirectly sell or otherwise transfer the Mortgaged Property or execute a deed in lieu of foreclosure. Notwithstanding the foregoing, a sale or transfer arising from the death of the Mortgagor, which operates to transfer the Mortgagor's interest in the Mortgaged Property to the Mortgagor's heirs or beneficiaries, whether by will, trust or a similar estate planning instrument, or by intestacy, shall not be subject to the foregoing prohibition, but the successor(s) in title to the Mortgagor's interest in the Mortgaged Property shall continue to hold such title subject to the terms of this Mortgage.

(c) Until the expiration of the Affordability and Residency Period, Mortgagor shall not refinance the Mortgaged Property, except to refinance the Senior Mortgage in an amount not greater than the Senior Mortgage Amount. Cash-out refinancing is prohibited.

Notwithstanding the above, with respect to the Land Value Recapture Amount and the Additional Land Value Recapture only, Mortgagor may at any time sell the Mortgaged Property to a subsequent homebuyer who meets the then applicable income eligibility requirements of the CL4WF Program and who pays an Affordable Price, as determined by Mortgagee's Department of Housing (or any successor department thereto). In such event, no recapture amounts under the CL4WF Program shall be due and payable (i.e., the Land Value Recapture Amount and the Additional Land Value Recapture Amount (if applicable) during the Affordability and Residency Period), provided that such successor homebuyer assumes the then-remaining CL4WF Program obligations of the Mortgagor under this Mortgage in writing. This provision does not apply to the BNAH Purchase Price Assistance Recapture Amount That is Initially Subject to Recapture, which is due upon sale during the BNAH Residency Period, regardless of the income of the subsequent homebuyer and the purchase price.

EXHIBIT E

FEE REDUCTIONS AND WAIVERS

Department of Buildings

Plan review fees, permit fees and field inspection fees are to be paid in full for the first Building of each Building type. The fees paid for each successive Building type would be reduced by fifty percent (50%). This fee reduction is not applicable to electrical permits.

Department of Planning and Development

Open Space Impact Fees are not waived. For the City Lots for Working Families Program, an Open Space Impact Fee of One Hundred Dollars ($100) per Building shall be assessed to the Developer to be paid to the City 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. 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 Lots are waived. B-boxes, meters and remote readouts are not waived and need to be purchased.