



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana

FROM: Elizabeth H. Tyler, FAICP, Community Development Director

DATE: August 4, 2016

SUBJECT: **A RESOLUTION APPROVING HOME LOAN DOCUMENTS BETWEEN THE URBANA HOME CONSORTIUM AND HIGHLAND GREEN, LLC.**

A RESOLUTION APPROVING A CDBG INFRASTRUCTURE AGREEMENT BETWEEN THE CITY OF URBANA AND HIGHLAND GREEN, LLC.

Description

As a requirement of the Low Income Housing Tax Credits (LIHTC) which are being used to finance the construction of the Highland Green residential development, the City of Urbana and Urbana HOME Consortium must convey federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) subsidies to Highland Green in the form of a loan.

A HOME developer agreement was executed between the Urbana HOME Consortium and the development entity, Highland Green, LLC, on July 20, 2016 (Resolution #2016-06-043R). That agreement committed \$291,580 to the project. To implement the project, it is now necessary for the Urbana HOME Consortium to complete the documents listed below to effectuate the transfer of funds in the form of a loan:

- HOME Land Use Restriction
- HOME Promissory Note
- HOME Mortgage

The HOME Land Use Restriction agreement records the requirements of the HOME funding on the physical real estate, effectively acting as a lien on the property to ensure that the HOME funds are used in accordance with Federal regulations. The Promissory Note and Mortgage are standard loan documents which will also be recorded onto the property. They will specify the amount of HOME funding to be conveyed to the developer, as well as the various regulations that accompany the funds.

In addition to the HOME funds, a total of \$208,420 from the City of Urbana's CDBG allocation is also proposed to be dedicated to the development of infrastructure on and around the Highland

Green development site. This funding must also be transferred in the form of a loan, and requires the following documents to be executed with Highland Green, LLC:

- CDBG Infrastructure Agreement
- CDBG Promissory Note
- CDBG Mortgage

The Infrastructure Agreement specifies the amount of CDBG funding that the City is planning to use to subsidize this project, as well as the specific regulations that govern the use of CDBG funds. It will be recorded against the real estate along with a Promissory Note and a Mortgage that are separate from the HOME documents.

Highland Green, LLC's legal counsel requested that the subject documents be prepared as close as possible to the financial and property transfer closing date, which is anticipated to be some time in August. The HOME Rental Housing Developer Agreement was reviewed by the Community Development Commission and has already been approved by the City Council on July 5, 2016. This agreement was instrumental in allowing the Urbana HOME Consortium to commit its funds by the HOME commitment deadline of July 31, 2016.

Background

The City of Urbana released a request for proposals (RFP) in December of 2011 for "a sustainable neighborhood consisting of energy-efficient, affordable, owner-occupied homes on City-owned property located at 401-403 East Kerr Avenue." Brinshore Development, based in Northbrook, IL, as well as the Urbana-based Homestead Corporation of Champaign-Urbana, were selected to implement their proposal. These firms were also responsible for developing the Crystal View Townhomes, which was a redevelopment of the Lakeside Terrace public housing site. The proposed Highland Green development involves 33 units consisting of the following types of single-family homes and duplexes:

- 9 – 1-bedroom Single Family (1-story, approximately 840 sf) (1 accessible, 1 adaptable, 1 HVI)
- 6 – 2-bedroom Single Family (1-story, approximately 990 sf) (2 accessible, 1 adaptable)
- 6 – 2-bedroom Duplex (2-story, approximately 1216 sf)
- 6 – 3-bedroom Single Family (2-story, approximately 1483 sf) (1 accessible if lift installed, 1 adaptable)
- 6 – 3-bedroom Duplex (2-story, approximately 1483 sf)

One of the more recent additions to the project includes a community garden with a pedestrian pathway linking Highland Green to Crystal View Townhomes. Brinshore Development and the Homestead Corporation are also working with the Housing Authority of Champaign County, which has dedicated nine Veterans Affairs Supportive Housing (VASH) vouchers to the development. VASH vouchers are used to subsidize supportive housing for homeless veterans, which includes case management and clinical services. The three development organizations (Brinshore Development, the Housing Authority of Champaign County, and the Homestead Corporation of Champaign-Urbana) have formed Highland Green, LLC to act as the official

development entity for this project.

Highland Green was approved for Low-Income Housing Tax Credits (LIHTC) by the Illinois Housing Development Authority (IHDA) on October 20, 2015, providing a critical financing mechanism for the project. After falling short in accessing these highly competitive funds in previous years, this approval was an important breakthrough that has allowed this development to proceed financially. According to the developers' pro forma, the LIHTC provide almost three-quarters of the permanent financing needed to complete Highland Green.

To fill part of the remaining funding gap to accomplish the project, Brinshore Development submitted an application for HOME Investment Partnerships (HOME) funds to the City of Urbana on September 22, 2015. City Staff has been consulting with the City's Consortium partners at the City of Champaign and the Champaign County Regional Planning Commission, and recently agreed to a division of funds that will provide the anticipated \$291,580 HOME amount to the Highland Green development.

The City of Urbana has also determined that CDBG funds may be used to meet a number of different infrastructural needs that will be required at the Highland Green site to enable the construction of housing units. The developer estimates that site utilities will cost \$915,409, which are eligible expenses under the CDBG program. The current amount of CDBG funding proposed to be transferred to Highland Green, LLC is \$208,420.

The remaining financing is provided through a construction loan, a private mortgage, an IHDA program separate from the LIHTC, funds from the Federal Home Loan Bank of Chicago's Affordable Housing Program, and donation tax credits. Highland Green's proximity to Crystal View Townhomes, which was also developed in part by Brinshore Development through HOME funds, allows for the sharing of amenities such as common areas and community rooms between the two developments.

Discussion

The proposed HOME funding will be used to fund the construction of two specific designated units in the development. Upon completion, these designated HOME units will be subject to restrictions on rent, property maintenance, occupancy, and other factors during the HUD-mandated 20-year affordability period. The developer is aware of these restrictions and is familiar with the proper use of HOME funds on other projects.

In terms of CDBG funds for infrastructure development, the proposed agreement would transfer funds to the developers for the construction of a new private drive that will run through the development, as well as for sidewalks, storm and sanitary sewers, and other related infrastructure, including lighting, waste collection areas, and signage. The City Engineer has allowed for a waiver of the stormwater detention requirement for the project due to its proximity to the Saline Branch and the capacity of storm sewers in the vicinity. The project will involve an upgrading of storm sewers in the area sufficient to meet the demand for the project, as well as for the adjoining site at 405/407 East Kerr Avenue which has granted an easement for the improvement. Part of the agreements include a provision granting permission to the Urbana

Police Department and Parking Enforcement Division to enforce no-parking regulations on private property in order to maintain clear access throughout the property for emergency vehicles.

Federal funds are critical to providing the development team with the capacity to construct Highland Green in a manner that meets the City's goals to provide affordable housing at this site. Use of the funds on this shovel-ready project will allow the City to meet its timeliness goals for both HOME and CDBG funds. Funds that are not committed or expended by the deadlines imposed by the federal government are recaptured by the U.S. Department of Housing and Urban Development.

Goals and Objectives

The parcels that are now 401-403 E. Kerr Avenue were originally purchased by the City in 2004. This property acquisition was made using CDBG funds for the intended purpose of affordable housing. Since that time, the construction of affordable housing on that site has been a long-standing goal, which has been expressed through numerous documents and plans.

Highland Green is referred to in the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan as an anticipated project. The Plan specifically mentions residential development on the Kerr Avenue site as a strategy for overcoming barriers to affordable housing, especially for veterans. This residential development was also referred to as a potential use of City of Urbana HOME Neighborhood Revitalization Funds in the project summary section of the Consolidated Plan. The use of these funds for the project will help to fulfill this goal of the Consolidated Plan.

The development of Highland Green will also help the City to progress with regards to the Urbana City Council and Mayor Goal below:

Goal 7: Quality of Life

Objective 2: Continue to promote affordable housing opportunities and work to eliminate homelessness.

Action/tactic a: Work with developers to provide affordable housing opportunities.

Action/tactic c: Continue to work with Community Housing Development Organizations to create new housing affordable housing opportunities, including those on vacant infill properties where homes have been removed.

The proposed "Kerr Ave. energy-efficient housing project" was specifically mentioned as an implementation step for the above action/tactic a.

This development will also help to fulfill the following Goals and Objectives found in the 2005 Urbana Comprehensive Plan:

Goal 2.0 New development in an established neighborhood will be compatible with the overall urban design and fabric of that neighborhood.

Objectives

2.4 Promote development that residents and visitors recognize as being of high quality and aesthetically pleasing.

Goal 15.0 Encourage compact, contiguous and sustainable growth patterns.

Objectives

15.1 Plan for new growth and development to be contiguous to existing development where possible in order to avoid “leapfrog” development.

Goal 19.0 Provide a strong housing supply to meet the needs of a diverse and growing community.

Objectives

19.2 Encourage residential developments that offer a variety of housing types, prices and designs.

Goal 39.0 Seek to improve the quality of life for all residents through community development programs that emphasize social services, affordable housing and economic opportunity.

Objectives

39.2 Implement strategies to address social issues related to housing, disabilities, poverty and community development infrastructure.

Goal 40.0 Make affordable housing available for low-income and moderate-income households.

Objectives

40.1 Promote strategies identified in the Consolidated Plan to provide additional affordable housing opportunities in Urbana-Champaign.

40.2 Work to promote the development and capacity of Community Housing Development Organizations (CHDOs) to develop affordable housing opportunities.

Goal 42.0 Promote accessibility in residential, commercial and public locations for disabled residents.

Objectives

42.1 Ensure that new developments are sensitive to the mobility and access needs of the disabled.

42.3 Ensure that new developments include adequate access for the disabled through compliance with ADA requirements and other measures.

42.4 Encourage residential developers to consider the market for disabled residents and visitors and to promote the provision of accessible and adaptable units.

Fiscal Impacts

There will be no direct fiscal impact on the City General Fund, as the \$500,000 being dedicated to Highland Green LLC. through these agreements would consist only of Federal grant funding.

The commitment of HOME funds to this project was critical to meeting the HOME commitment shortfall by the deadline of July 31, 2016. Funds not committed by that deadline would have needed to be repaid to HUD. Dedicating CDBG funds to this project will also help to maintain the City's timeliness in terms of expending CDBG funds as well.

According to an analysis completed by the developer, the development will contribute approximately \$1,150 annually per unit to all taxing bodies. This estimate amounts to a total of roughly \$38,000 per year for the entire 33-unit development, and \$4,819 per year for the City of Urbana. Portions of the project may also be eligible for tax abatement under the City's new Enterprise Zone.

Programmatic Impacts

Construction of affordable housing at the Highland Green site has been a goal of the Mayor and City Council for several years and that goal has been expressed in various City documents, including the Urbana City Mayor and Council Goals, the findings of the 2007 Kerr Avenue Sustainable Neighborhood Design Charette, the 2005 Urbana Comprehensive Plan, the 2010-2014 City of Urbana and Urbana HOME Consortium Consolidated Plan, and the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.

Options

The Committee of the Whole can:

1. Forward one or both of the Resolutions approving the agreements with Highland Green, LLC. to the Urbana City Council with a recommendation for approval.
2. Forward one or both of the Resolutions approving the agreements, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not recommend approval to the Urbana City Council of one or both Resolutions.

Recommendations

At its regular meeting on Tuesday, July 26, 2016, the Community Development Commission unanimously voted to forward both Resolutions to the Urbana City Council with a recommendation for approval. Staff recommends that the Committee of the Whole forward the Resolutions approving HOME loan documents and CDBG infrastructure funding, for the construction of housing and related infrastructure respectively, to the Urbana City Council with recommendations for approval.

Prepared by:



Matthew Reje
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING HOME LOAN DOCUMENTS BETWEEN THE URBANA HOME CONSORTIUM AND HIGHLAND GREEN, LLC.
2. A RESOLUTION APPROVING A CDBG INFRASTRUCTURE AGREEMENT BETWEEN THE CITY OF URBANA AND HIGHLAND GREEN, LLC.
3. HOME Land Use Restriction
4. HOME Promissory Note
5. HOME Mortgage
6. CDBG Infrastructure Agreement
7. CDBG Promissory Note
8. CDBG Mortgage

RESOLUTION NO. 2016-08-038R

A RESOLUTION APPROVING A HOME DEVELOPER AGREEMENT BETWEEN THE URBANA HOME CONSORTIUM AND HIGHLAND GREEN, LLC.

WHEREAS, the Congress of the United States has enacted the Cranston-Gonzales National Affordable Housing Act of 1990 which created the HOME Investment Partnerships Program (hereinafter the "HOME Program") to provide funds to state and local government for affordable housing assistance that is most appropriate for local needs; and

WHEREAS, the City of Urbana, the City of Champaign, and Champaign County have been jointly designated as a Participating Jurisdiction by the United States Department of Housing and Urban Development (hereinafter "HUD") for purposes of receiving HOME funds in the name of Urbana HOME Investment Partnerships Consortium under provisions of Title II of Cranston-Gonzales National Affordable Housing Act of 1990 as amended (42 U.S.C. 12701, et seq.) (hereinafter the "National Affordable Housing Act"); and

WHEREAS, Highland Green, LLC (hereinafter the "BORROWER") desires to serve as an owner, BORROWER and developer of an affordable rental housing development within the City of Urbana; and

WHEREAS, the Urbana HOME Consortium (hereinafter the "LENDER") as a member of the Urbana HOME Consortium has authority under the provisions of the HOME Investment Partnerships Program (the "HOME Program") to provide financial assistance for the development of a mixed-income, affordable residential rental development; and

WHEREAS, the BORROWER has submitted a proposal to the LENDER for assistance to construct a number of affordable rental dwelling units (hereafter the "PROJECT") on a property, hereafter the "PROPERTY") commonly known as Highland Green; and

WHEREAS, the LENDER has reviewed said proposal, and has conducted an evaluation of said PROJECT, including a comprehensive review of the site and

building plans that will achieve the minimum property standard, as established by the LENDER, as part of said PROJECT and an estimated total cost of said PROJECT; and

WHEREAS, the LENDER has determined that the PROJECT is eligible for funding under the HOME Program, and

WHEREAS, the BORROWER has been fully informed regarding any and all requirements, and, obligations that must be met by the PROJECT in order to utilize HOME Program funds, including but not limited to the requirement that after construction, the dwelling unit(s) must remain affordable to low-income households (80% of Area Median Income as established by HUD) for a period of 20 years from the date the PROJECT has achieved full initial occupancy, in accordance with 24 CFR Part 92, Sections 203, 251-253; and

WHEREAS, the BORROWER, after said evaluation and assessment of the PROJECT by the LENDER, and having been fully informed regarding the requirements of the HOME Program, is committed to commencing said PROJECT with the assistance of HOME Program funds on or before June 1, 2017 and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROJECT; and

WHEREAS, the BORROWER and the Urbana HOME Consortium have entered into a *Rental Housing Agreement between the Urbana HOME Consortium and Highland Green LLC.*, as described in Resolution 2016-06-043R, which was approved on July 5, 2016; and

WHEREAS, the BORROWER requires the HOME funds to be conveyed in the form of a loan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the loan documents related to the *Rental Housing Agreement between the Urbana HOME Consortium and Highland Green LLC.*, in

substantially the form as attached hereto and incorporated herein by reference, are hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in connection with said Annual Action Plans to implement the HOME program and to provide such additional information as may be required.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

RESOLUTION NO. 2016-08-044R

A RESOLUTION APPROVING A CDBG INFRASTRUCTURE AGREEMENT BETWEEN THE CITY OF URBANA AND HIGHLAND GREEN, LLC.

WHEREAS, the City has been designated as an entitlement community by the U. S. Department of Housing and Urban Development (hereinafter "HUD") under provisions of the Housing and Community Development Act of 1974, as amended, and, as an entitlement community, the City has received an entitlement of Community Development Block Grant (hereinafter "CDBG") funds for the period beginning July 1, 2014 and ending June 30, 2015, as well as the period beginning July 1, 2015 and ending June 30, 2016, pursuant to the CDBG Program; and,

WHEREAS, the Urbana City Council has adopted an Annual Action Plan for the year beginning July 1, 2014 and ending June 30, 2015, and for the year beginning July 1, 2015 and ending June 30, 2016 which allocates a CDBG budget and authorizes allocation of CDBG funds for the development of the Highland Green development (hereinafter "PROJECT"); and

Whereas, the PROJECT is an affordable, mixed-income Low Income Housing Tax Credit development, which PROJECT includes construction of certain infrastructure improvements that will become public-right-of-way upon PROJECT completion; and

WHEREAS, the City has the right and authority under said CDBG Program to allocate a portion of its funds to the Subgrantee for purposes of undertaking and completing said activities; and,

WHEREAS, the City, as a condition of its assistance to the Subgrantee, requires the Subgrantee to file with the City certain attachments which are hereby incorporated and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the *Infrastructure Agreement* between the City of Urbana and Highland Green LLC., in substantially the form as attached hereto and incorporated herein by reference, is hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in connection with said Annual Action Plans to implement the CDBG program and to provide such additional information as may be required.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

This instrument was prepared by:
City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801

After recording, return to:

City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

REGULATORY AND LAND USE RESTRICTION AGREEMENT

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT ("Regulatory Agreement") is made between **Highland Green, LLC**, an Illinois limited liability company, having a principal place of business at 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062 ("Borrower"), and the **City of Urbana**, an Illinois municipal corporation ("City"), having its principal offices at 400 S. Vine Street, Urbana, IL 61801.

Background

Borrower is the owner of certain real property legally described in Exhibit A attached hereto and by this reference made a part hereof (the "Real Estate").

The Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 U.S.C. 12701, *et seq.*, which created the HOME Investment Partnerships Act (the "HOME Act") to provide funds to state and local governments for affordable housing assistance that is most appropriate for local needs. The HOME Investment Partnerships Program ("HOME Program"), 24 CFR Part 92, implements the Act. The City is a Participating Jurisdiction under the Act and receives HOME Program funds.

The City has agreed to make a loan to Borrower in the original, principal amount of Two Hundred Ninety-One Thousand Five Hundred Eighty Dollars (\$291,580) ("Loan"), to be used for the eligible costs associated with the construction of an affordable housing development with 33 total units, as more fully set forth herein.

Borrower has executed and delivered to City its Promissory Note ("Note") as evidence of its indebtedness to City in the principal amount of the Loan or so much thereof as may hereafter be advanced upon the Loan to Borrower by City, payable at the time and in the manner as specified in the Note.

The Loan is evidenced, secured and governed by, among other things: (a) the Note, (b) the Mortgage of even date herewith executed by Borrower and recorded on _____, 2016, in the Recorder's Office of Champaign County ("Mortgage"), (c) the Rental Housing

Agreement entered into by Borrower and City dated as of even date herewith ("Project Agreement"), such agreement being on file at the offices of the City, and (d) this Regulatory Agreement. The Regulatory Agreement, the Project Agreement, the Note, the Mortgage, and all other documents executed by Borrower which evidence, govern or secure the Loan are each referred to as a "Loan Document" and collectively referred to as the "Loan Documents."

As an inducement to City to make the Loan, Borrower has agreed to enter into this Regulatory Agreement in accordance with the terms, conditions, and covenants set forth below and consents to be regulated and restricted by City as herein provided and has agreed to certain rental restrictions as provided for in the HOME Act and the regulations promulgated thereunder and codified at 24 CFR Part 92 as the same may be amended and supplemented from time to time, and as applicable (the "Regulations").

Therefore, the parties agree as follows.

1. Regulatory Compliance. The Borrower's acts regarding the Real Estate and the improvements now or hereinafter located thereon (together referred to as the "Project") at all times shall be in conformance with the HOME Act and the Regulations and any additional rules, regulations, policies and procedures of City promulgated under the HOME Act, all as the same may be amended and supplemented from time to time. The Borrower shall obtain all Federal, State, and local governmental approvals required by law for the Project. The Borrower shall cause the Project to comply with all local codes, ordinances, zoning ordinances, and the United States Department of Housing and Urban Development's ("HUD") Section 8 Housing Quality Standards, as set forth in 24 CFR Part 982.
2. Occupancy and Rental Restrictions. Borrower further represents, warrants, covenants, and agrees that:
 - A. The Project, which is located at 401 and 403 E. Kerr Avenue, Urbana, Illinois 61801, Champaign County, will consist of construction of thirty-three (33) dwelling units in general conformity with site plans approved by the City. Two (2) of the thirty-three (33) dwelling units will be designated as affordable rental dwelling units ("City HOME Units") that will be assisted with HOME funds. Said City HOME Units will be rented to households at 50% or less of median family income, in accordance with the requirements of the HOME Program, including compliance with the Current Maximum Allowable Rents for projects funded by the HOME Program.
 - B. In the advertising, marketing and rental of the City HOME Units and the selection of tenants for the Project, Borrower agrees to abide by the terms and conditions of the Tenant Selection Plan executed by Borrower and approved by City, Affirmative Fair Housing Marketing Plan executed by Borrower and approved by City, the Project Agreement (as such documents may be amended from time to time with the prior written consent of City), the HOME Act, the Regulations, and all applicable ordinances, regulations, rules, procedures and requirements of City.

- C. Borrower shall not, in the selection of tenants, in the provision of services, or in any other manner unlawfully discriminate against any person on the grounds of race, color, creed, religion, sex, unfavorable military discharge, ancestry, disability, national origin, marital status, familial status, or because the prospective tenant is receiving governmental rental assistance. Borrower shall comply with all of the provisions of Paragraph 13 of the Illinois Housing Development Act (20 ILCS 3805/13), as amended, Sections 92.350 and 92.351 of the Regulations (24 C.F.R. §§ 92.350 and 351, as amended) and all other provisions of Federal, State and local law relative to non-discrimination.
- D. In the management, maintenance, and operation of the Project, Borrower agrees to abide by the terms and conditions of the Project Agreement, as such document may be amended from time to time with the prior written approval of City. Borrower shall be responsible for ensuring any management agent's compliance with the HOME Act, the Regulations, and all applicable ordinances, regulations and statutes and the rules, procedures and requirements of City.
- E. On forms approved by City, Borrower shall obtain from each prospective tenant, prior to its admission to the Project, a determination of income in accordance with Section 92.203(a) of the Regulations ("Determination"), and at such intervals thereafter as required by City conduct a reexamination of income in accordance with Section 92.252(h) of the Regulations (the "Reexamination") from all such tenants. Borrower shall submit the initial Determination and results of each subsequent Reexamination to City in the manner prescribed by City.
- F. In the manner prescribed by City, Borrower shall obtain written evidence substantiating the information given for the initial Determination and each subsequent Reexamination and shall retain such evidence in its files at the Project or at the offices of Borrower for three (3) years after the year to which such evidence pertains.
- G. Rent for the City HOME Units shall not be greater than the rent allowed under the terms of the Project Agreement. Any increases in rents for the City HOME Units in accordance with the Project Agreement are subject to the provisions of outstanding leases, and, in any event, Borrower shall provide tenants of City HOME Units not less than thirty (30) days' prior written notice before implementing any increase in rents.
- H. City HOME Units shall be deemed to comply with this Paragraph 2, despite a temporary noncompliance with this Paragraph, if (i) the noncompliance is caused by increases in the incomes of tenants already occupying such City HOME Units; and (ii) actions satisfactory to City are being taken to ensure that all vacancies are filled in accordance with this Paragraph 2 until the noncompliance is corrected. Subject to the limitations set forth in Section 92.252(i)(2) of the Regulations with respect to low-income housing tax credits, if applicable, tenants who no longer qualify as low-

Income tenants must pay as rent an amount not less than thirty percent (30%) of the Family's Adjusted monthly Income, as recertified annually.

- I. Borrower shall require all tenants occupying City HOME Units to execute a lease in a form approved by City in accordance with Section 92.253 of the Regulations (24 CFR 92.253), as amended, and any and all applicable provisions of the Regulations.
- J. Borrower shall cause all Loan proceeds to be used for eligible activities and eligible costs and for the benefit of eligible beneficiaries, as such terms are defined in Sections 92.205 and 92.206 of the Regulations (24 CFR 92.205 and 92.206), as amended.
- K. Borrower shall submit to City on an annual basis the rent schedule for the City HOME Units reflecting the actual rates being charged at the Project.
- L. Borrower shall not evict any tenant from a City HOME Unit in the Project without good cause.
- M. Within thirty (30) days after the end of each calendar year, Borrower shall certify to City that, at the time of such certification and during the preceding calendar year, Borrower was in compliance with the requirements of this Paragraph 2, or, if Borrower is not or has not been in compliance with such requirements, Borrower shall give notice to City of its failure to comply and the corrective action Borrower is taking or has taken.
- N. Subject to termination in the event of foreclosure or transfer in lieu of foreclosure as provided in Section 92.252(e) of the Regulations, the occupancy and rental restriction provisions of this Paragraph 2 shall remain in effect for a period of twenty (20) years from the date of Project Completion (the "Affordability Period"). In the event of foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Project, the City shall have the right, but not the obligation, to acquire the Project prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in Section 92.252 of the Regulations.

3. Acts Requiring City Approval. Except as permitted pursuant to the other Loan Documents, Borrower shall not without the prior written approval of City, which may be given or withheld in City's sole discretion, do any of the following:

- A. Convey, transfer, or encumber the Project or any part thereof, or permit the conveyance, transfer, or encumbrance of the Project or any part thereof.
- B. Convey, assign, or transfer any right to manage or receive the rents and profits from the Project.

- C. Rent any City HOME Unit for less than one (1) year, unless otherwise mutually agreed in writing by Borrower and the tenant in accordance with the Regulations.
- D. Lease or sublease any non-residential facility in the Project or amend or modify any such lease or sublease, which, to the best of Borrower's knowledge, would result in a conflict of interest between any of the parties to such contracts and City, its Board members, officers, employees, agents or members of their respective immediate families.
- E. Require, as a condition of the occupancy or leasing of any City HOME Unit in the Project, any consideration or deposit other than the pre-payment of the first month's rent plus a security deposit in an amount not to exceed one (1) month's rent to guarantee the performance by the tenant of the covenants of such lease. Any funds collected by Borrower as security deposits shall be kept separate and apart from all other funds of the Project.

4. Program Requirements. Borrower further covenants, represents and warrants to City as follows:

- A. Flood Insurance. If required by the City, the Borrower shall procure flood insurance satisfactory to the City if the Project is located in a 100-year flood plain.
- B. Scope of Work. The City and the Borrower agree that the only work to be done in connection with the Project shall be that described in the Project Agreement.
- C. Insurance Proceeds. If the Borrower received insurance proceeds for any damage or destruction to the Real Estate occurring during the Affordability Period, the Borrower shall apply such proceeds to the repair of such damage or destruction, in accordance with the provisions set forth in the Mortgage.
- D. Cooperation and Project Design. Borrower shall expeditiously complete construction of the Project, as set forth in the Project Agreement. Borrower shall design and construct the Project in conformity with (i) applicable Federal, State and local statutes, regulations, ordinances, standards and codes (except as otherwise approved by City), (ii) industry practices in Illinois and (iii) applicable rules, contracts, agreements, procedures, guides and other requirements of City provided to Borrower in writing.
- E. Furnishing Records, Reports, and Information. At the request of City, the Borrower shall furnish such records and information as required by the City in connection with the maintenance, occupancy, and physical condition of the Real Estate. At the request of City, Borrower shall furnish such reports, projections, certifications, budgets, financial reports, operating reports, tax returns, and analyses as required pursuant to the Regulations and any other applicable statutes, rules and regulations.

- F. Audit. The Project and the equipment, buildings, plans, specifications, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto, and the books and records relating to Borrower, shall at all times be maintained in reasonable condition for proper audit, and shall be subject to examination, inspection and copying at the office of Borrower by City or its agents or representatives at any time during regular business hours as City reasonably requires.

5. Violation of Agreement by Borrower. Upon violation of any of the provisions of this Regulatory Agreement by Borrower, City shall give written notice thereof to Borrower in the manner provided in Paragraph 14 hereof. If such violation is not corrected to the satisfaction of City within thirty (30) days after the date such notice is mailed, or within such further time as City in its sole discretion permits (but if such default is of a nature that it cannot be cured within such thirty (30) day period, then so long as Borrower commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, such violation shall not be considered to be a Default), or if any default or event of default under any other Loan Document is not cured within any applicable grace, cure or notice period set forth therein, then the City may declare a default under this Regulatory Agreement ("Default"), effective on the date of such declaration of Default and notice thereof to Borrower, and upon such Default the City may undertake any or all of the following:

- A. Declare the whole of the indebtedness under the Note immediately due and payable and proceed with the rights and remedies set forth in the Mortgage.
- B. Withhold further disbursement of the Loan.
- C. Subject to the rights of Senior Lenders, as defined in the Mortgage, collect all rents and charges in connection with the operation of the Project and use such collections to pay Borrower's obligations under this Regulatory Agreement, the Note, the Mortgage, the other Loan Documents and such other obligations of Borrower in connection with the Project and the necessary expenses of preserving and operating the Project.
- D. Subject to the rights of Senior Lenders, as defined in the Mortgage, take possession of the Project, bring any action necessary to enforce any rights of Borrower in connection with the operation of the Project and operate the Project in accordance with the terms of this Agreement until such time as City, in its sole discretion, determines that Borrower is again in a position to operate the project in accordance with the terms of the Regulatory Agreement and in compliance with the requirements of the Note and the Mortgage.
- E. Apply to any State or Federal court for an injunction against any violation of this Regulatory Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Regulatory Agreement, or for such other relief as may be appropriate. Because the injury to the City arising from a Default

under any of the terms of this Regulatory Agreement would be irreparable and the amount of damages would be difficult to ascertain, Borrower acknowledges and agrees that in the event of a violation of this Regulatory Agreement, the City's remedies at law would be inadequate to assure the City's public purpose under the HOME Act.

- F. Subject to the rights of Senior Lenders, as defined in the Mortgage, use and apply any monies deposited by Borrower with the City regardless of the purpose for which the same were deposited, to cure any such Default or to repay any indebtedness under the Project Agreement or any other Loan Document which is due and owing to the City.
- G. Exercise such other rights or remedies as may be available to the City hereunder, under any other Loan Document, at law or in equity.

6. Waiver. City's remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver of any breach of this Regulatory Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Regulatory Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

7. Termination of Liabilities.

- A. In the event City consents to a sale or other transfer of the Project, or in the event of a permitted sale or other transfer, if any, pursuant to the Loan Documents, all of the duties, obligations, undertakings and liabilities of the transferor under the terms of this Regulatory Agreement shall thereafter cease and terminate as to such transferor; provided, however, as a condition precedent to the termination of the liability of the transferor hereunder, the transferee of the project ("New Borrower") shall assume in writing, on the same terms and conditions as apply hereunder to the transferor, all of the duties and obligations of such transferor arising under this Regulatory Agreement from and after such sale or transfer. Such assumption shall be in form and substance acceptable to the City in its sole discretion.
- B. Any New Borrower shall be bound by the terms of this Regulatory Agreement to the same extent and on the same terms as the present Borrower is bound hereunder and shall execute an assumption of such obligations in form and substance acceptable to City as a condition precedent to such party's admission as a New Borrower.

8. Term of Agreement; Covenants Run with the Land.

- A. The covenants, conditions, restrictions and agreements set forth in this Regulatory Agreement (collectively, the "Obligations") shall be deemed to run with, bind and burden the Real Estate and the Project and shall be deemed to bind any New Borrower and any other future owners of the Real Estate and/or the Project and the

holder of any legal, equitable or beneficial interest therein for the Affordability Period; provided, moreover, that if the date of the cancellation of the Note (the "Cancellation Date") is prior to the expiration date of the Affordability Period, the Obligations shall remain in effect until the last day of the Affordability Period, irrespective of whether the proceeds of the Loan are repaid voluntarily by Borrower or tendered by any party following an acceleration by City of the Note or enforcement by City of its remedies in connection with the Loan. The Borrower shall, if so requested by City, execute a written memorandum, prepared by City, which memorandum shall memorialize said date of Project completion and the foregoing Affordability Period. Any waiver by the City of its right to prepare or record any such memorandum and any failure by the Borrower to execute and deliver the same shall not affect the validity or enforceability of the Obligations. In the event of a foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Project, the City or its designee shall have the right, but not the obligation, to acquire the Project prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in Section 92.252 of the Regulations, as amended, provided that any such acquisition shall be subject to existing mortgages between Borrower and Senior Lender (as defined in the Mortgage).

- B. It is hereby expressly acknowledged by Borrower that the undertaking of the Obligations by Borrower is given to induce City to make the Loan and that, notwithstanding that the Loan may be repaid prior to the expiration of the Affordability Period, the Borrower's undertaking to perform the obligations for the full Affordability Period set forth in the previous paragraph is a condition precedent to the willingness of City to make the Loan.

9. Indemnification

- A. The Borrower shall indemnify the City, its respective officers, agents, employees or servants against any and all liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, reasonable attorneys' fees, settlements or judgments, whether by direct suit or from third parties, arising out of the Borrower's performance under this Regulatory Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the City, or its respective officers, agents, employees or servants, except that the Borrower will have no liability for damages or the costs incident thereto caused by the sole negligence or intentional misconduct of the City, or its officers, employees or agents.
- B. If a claim or suit is brought against the City, or its respective officers, agents, employees or servants, for which the Borrower is responsible pursuant to Paragraph 9(A) above, the Borrower shall defend, at the Borrower's cost and expense, any suit or claim, and shall pay any resulting claims, judgments, damages, losses, costs, reasonable expenses or settlements against the City, or its respective officers, agents, employees or servants.

10. Amendment. This Regulatory Agreement shall not be altered or amended except in a writing signed by the parties hereto.

11. Conflicts and Partial Invalidity. Borrower warrants that it has not executed, and shall not execute, any other agreement with provisions contradictory, or in opposition to, the provisions hereof and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations set forth in such other agreement and supersede any other requirements in conflict therewith; provided, however, that to the extent this Regulatory Agreement conflicts with any provision or requirement set forth in the Project Agreement, Mortgage, Note, or any other Loan Document, as the case may be, the more restrictive provision and requirement shall prevail and control. If any term, covenant, condition or provision of this Regulatory Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Regulatory Agreement, or the application thereof to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, condition and provision of this Regulatory Agreement shall be valid and enforceable to the fullest extent permitted by law. The provisions of this Paragraph 11 shall not be deemed to be violated by, or violate, the Senior Loan Documents, as defined in the Mortgage.

12. Successors. Subject to the provision of Paragraph 7 hereof, this Regulatory Agreement shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest and assigns; provided, however, that Borrower may not assign this Regulatory Agreement or any of its obligations hereunder, without the prior written approval of City.

13. Capitalized terms, Plurals, Gender and Captions. Capitalized terms used in this Regulatory Agreement and not otherwise defined shall have the meanings established in the Project Agreement, and, if not defined therein, then in the HOME Act, and if not defined therein, in the Regulations. The use of the plural herein shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders. The captions used in this Regulatory Agreement are used only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Regulatory Agreement.

14. Notices. Any notice required or permitted to be given under this Regulatory Agreement shall be deemed given (i) when personally delivered, or (ii) three (3) business days after the date deposited in the United States mail, by certified or registered mail, postage prepaid, or (iii) the next business day following the date deposited, with all delivery charges prepaid, with a national delivery service for overnight delivery. Any recipient of notices under this provision may change its address for receipt of copies of notices by giving notice in writing stating its new address to all notice recipients hereunder. Notices shall be addressed as follows:

If to Borrower: Highland Green, LLC
c/o Brinshore Development, L.L.C.
666 Dundee Road, Suite 1102

Northbrook, IL 60062
Attn: Richard J. Sciortino

With copy to:

Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle Street, Suite 1900
Chicago, IL 60605
Attn: Bennett P. Applegate

If to City: City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

15. Survival of Obligations. The Borrower's obligations, as set forth in this Regulatory Agreement, shall survive the disbursement of the Loan, and the Borrower shall continue to cooperate with City and furnish any documents, exhibits, or records reasonably requested pursuant to Section 4(F) of this Regulatory Agreement.

16. Construction. This Regulatory Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.

17. Counterparts. This Regulatory Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Regulatory Agreement must be produced or exhibited, be the Regulatory Agreement, but all such counterparts shall constitute one and the same agreement.

18. Limited Non-Recourse Obligation. Notwithstanding anything herein to the contrary, the indebtedness evidenced by the Note shall be a non-recourse obligation of Borrower and neither Borrower nor any general or limited partner of Borrower or their respective successors or assigns, no any related or unrelated party, shall have any personal liability for repayment of said indebtedness or any other amounts evidence or secured by the Loan Documents, the sole recourse of the City or any subsequent holder of the Note being the exercise of its rights against the Project (as defined in the Project Agreement) and any other collateral under the Loan Documents, including without limitation (i) the Project and the rents issues, profits and income therefrom, (ii) any funds or property held pursuant to any of the Loan Documents, and (iii) insurance proceeds and condemnation awards paid or payable relative to the Project.

19. Waiver of Jury Trial. The parties waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with the Project, this Regulatory Agreement or any of the Loan Documents and agree that any such action or proceeding shall be tried before a court and not before a jury.

20. Subordination. This Regulatory Agreement is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents, both as defined in the Mortgage.

[SIGNATURE PAGES FOLLOW]

This Regulatory Agreement is effective as of the date executed by the City.

City of Urbana

By: _____
Laurel Lunt Prussing
Mayor

_____ Dated

ATTEST:

Phyllis Clark
City Clerk

Highland Green, LLC,
an Illinois limited liability company

By: Highland Green Manager, LLC,
an Illinois limited liability company,
its managing member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
a member

By: RJS Real Estate Services, Inc.,
an Illinois corporation,
a member

By: _____
Richard J. Sciortino
President

_____ Dated

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the said County, in the State aforesaid do hereby certify that Richard John Sciortino, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument in his capacity as the duly authorized President of RJS Real Estate Services, Inc. (D5766-626-9), the said RJS Real Estate Services, Inc. (D5766-626-9) being a Manager of Brinshore Development, L.L.C., the said Brinshore Development, L.L.C. being the Manager of Highland Green Manager, LLC, the said Highland Green Manager, LLC being the Manager of Highland Green, LLC, as his free and voluntary act, and the free and voluntary acts of RJS Real Estate Services, Inc. (D5766-626-9), Brinshore Development, L.L.C., Highland Green Manager, LLC, and Highland Green, LLC for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2016.

Notary Public

Exhibit A
Legal Description

A PART OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF MACKEY SUBDIVISION, AS SHOWN ON A PLAT RECORDED JUNE 19, 1968 AS DOCUMENT NUMBER 778353 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS, SAID POINT ALSO BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF KERR AVENUE; THENCE, SOUTHERLY, ALONG THE EAST LINE OF LOTS 1 THROUGH 4 INCLUSIVE OF SAID MACKEY SUBDIVISION, 245.30 FEET, TO THE SOUTHEAST CORNER OF SAID LOT 4, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, AS SHOWN ON A PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 2009R07821 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS; THENCE, EASTERLY, ALONG SAID NORTHERLY LINE OF CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, 30.41 FEET, TO A NORTHEASTERLY CORNER OF SAID CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION; THENCE, SOUTHERLY, ALONG AN EASTERLY LINE OF SAID CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, 234.32 FEET, TO THE NORTHWESTERLY CORNER OF LOT 7 OF ANDREW BARR'S SUBDIVISION AS SHOWN ON A PLAT RECORDED OCTOBER 5, 1894 IN PLAT BOOK A AT PAGE 257 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS; THENCE, EASTERLY, ALONG THE NORTH LINE OF SAID ANDREW BARR'S SUBDIVISION, 274.26 FEET, TO THE WESTERLY LINE OF THE EAST 205 FEET 4 INCHES OF THE NORTH 30 RODS OF LOT 30 OF A SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, AS PER PLAT RECORDED IN PLAT BOOK "R" AT PAGE 238; THENCE, NORTHERLY, ALONG SAID WESTERLY LINE OF THE EAST 205 FEET 4 INCHES OF LOT 30, 475 FEET, TO ITS INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY LINE OF KERR AVENUE; THENCE, WESTERLY, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 304.67 FEET, TO THE POINT OF BEGINNING.

SAID TRACT CONTAINING 3.17 ACRES, ALL SITUATED IN THE CITY OF URBANA, CHAMPAIGN COUNTY AND BEING COMMONLY KNOWN AS 401 AND 403 EAST KERR AVENUE.

PERMANENT INDEX NUMBERS: 91-21-08-280-035 AND 91-21-08-280-009.

PROMISSORY NOTE

Secured by Mortgage

\$291,580.00

Urbana, Illinois

[_____, 2016]

FOR VALUE RECEIVED, **Highland Green, L.L.C.**, an Illinois limited liability company ("Maker"), promises to pay on or before the "Maturity Date" as defined in the Mortgage (defined below), to the **City of Urbana, Illinois**, a body politic and corporate, or its successors in interest ("Holder"), the total principal sum of Two Hundred Ninety-One Thousand Five Hundred Eighty and No/100ths Dollars (\$291,580.00) or so much thereof as shall from time to time be advanced, with simple interest thereon accruing at 5.0% per annum.

1. The Maker's obligation hereunder is secured by a Mortgage, bearing even date herewith, from Maker on a certain parcel of real property situated in the City of Urbana, Champaign County, Illinois (the "Mortgage"). Maker's obligation hereunder is due on Holder's demand upon the occurrence of an uncured default after the expiration of all applicable cure periods as set forth in the Mortgage.

2. Unless otherwise specified by the Holder hereof, any payment under this Note may be made by check subject to collection, in United States dollars, delivered to Holder at City of Urbana, Grants Management Division, 400 S. Vine Street, Urbana, Illinois 61801, or at such other address as the Holder of this Note shall specify to Maker.

3. If the Holder files suit to recover on this Note, the Maker shall pay all costs of such collection, including reasonable attorneys' fees and court costs.

4. The Maker shall INDEMNIFY and DEFEND the Holder, its agents, employees, officers, and elected officials against all losses, damage, claims or liability whatsoever, including attorney's fees and costs, directly or indirectly resulting from the failure or alleged failure of the Maker to strictly and timely perform its obligations under this Note and the Mortgage referenced in Section 1 herein.

5. This Note is a nonrecourse obligation of the Maker. Neither the Maker nor any of its general and limited partners, or their respective successors and assigns, nor any other party shall have any personal liability for repayment of this Note. The sole recourse of the Holder under this Note for repayment of the loan shall be the exercise of its rights against the project and any related security thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Maker has executed this Note on the date above written.

Highland Green, L.L.C.,
an Illinois limited liability company

By: Highland Green Manager, L.L.C.,
an Illinois limited liability company,
its managing member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
a member

By: RJS Real Estate Services, Inc.,
an Illinois corporation,
a member

By: _____
Richard J. Sciortino
President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the said County, in the State aforesaid do hereby certify that Richard John Sciortino, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument in his capacity as the duly authorized President of RJS Real Estate Services, Inc. (D5766-626-9), the said RJS Real Estate Services, Inc. (D5766-626-9) being a Manager of Brinshore Development, L.L.C., the said Brinshore Development, L.L.C. being the Manager of Highland Green Manager, L.L.C., the said Highland Green Manager, L.L.C., being the Manager of Highland Green, L.L.C., as his free and voluntary act, and the free and voluntary acts of RJS Real Estate Services, Inc. (D5766-626-9), Brinshore Development, L.L.C., Highland Green Manager, L.L.C., and Highland Green, L.L.C. for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2016.

Notary Public

This instrument was prepared by:
City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801

After recording, return to:
City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

MORTGAGE

THIS INDENTURE made as of _____, 2016 by **Highland Green, LLC**, an Illinois limited liability company ("Mortgagor"), having a principal place of business at 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062 in favor of **City of Urbana, Illinois** ("Mortgagee"), having its place of business at 400 S. Vine Street, Urbana, IL 61801, witnesseth:

THAT WHEREAS the Mortgagor is justly indebted to the Mortgagee upon the Note ("Note") of even date herewith, in the principal sum of Two Hundred Ninety-One Thousand Five Hundred Eighty and No/100ths Dollars (\$291,580.00), with simple interest thereon at 5.0% per annum, and with a maturity date of thirty-two (32) years from the date hereof (the "Maturity Date"), payable to the order of and delivered to the Mortgagee (the "Loan"); and

NOW, THEREFORE, to secure the payment of the said principal sum of money and said equity in accordance with the terms, provisions and limitations of this mortgage, and the performance of the Mortgagor's covenants and agreements herein contained, and also in consideration of the sum of Ten Dollars in hand paid, the receipt whereof is hereby acknowledged, the Mortgagor does by these presents CONVEY AND WARRANT unto the Mortgagee, and the Mortgagee's successors and assigns, the real estate, legally described on Exhibit A attached hereto (the "Real Estate"), and all of the estate, right, title and interest therein, situated, lying and being in the City of Urbana, County of Champaign, and State of Illinois, to wit, which, with the property hereinafter described, is referred to herein as the "Premises."

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, awnings, stoves, and water heaters. All the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in

the Premises by Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

TO HAVE AND TO HOLD the Premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever, for the purposes, and upon the uses herein set forth, free from any and all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, if applicable, which said rights and benefits the Mortgagor does hereby expressly release and waive.

The name of the record owner is: Highland Green, LLC, an Illinois limited liability company.

COVENANTS, CONDITIONS AND PROVISIONS

1. Definitions:

“Loan Agreement” means that certain Rental Housing Agreement between the City of Urbana and Mortgagor dated July 18, 2016.

“Project” means the Premises and the improvements to be constructed thereon primarily consisting of a 33-unit affordable housing development known commonly as Highland Green.

“Senior Lender” means collectively:

- a) JP Morgan Chase Bank, N.A. (“JPMC”), which is providing an approximately \$4,800,000 construction loan to the Mortgagor (the “JPMC Construction Loan”); and
- b) IFF (“IFF”), which is providing an approximately \$925,000 permanent loan to the Mortgagor (the “IFF Loan”).

“Senior Loans” means collectively the JPMC Construction Loan and the IFF Loan.

“Senior Loan Documents” means any and all of those certain Mortgages, Security Agreements and Fixture Filings by and between Mortgagor and Senior Lender, and all other documents evidencing, securing or governing the Senior Loans.

2. Mortgagor shall (1) in accordance with paragraph 7 hereof, promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (2) keep said Premises in good condition and repair in accordance with the City of Urbana building codes without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said Premises; (5) comply with all requirements of law or municipal

ordinances with respect to the Premises and the use thereof; (6) make no material alterations in said Premises except for the improvements to be constructed in connection with the Loan and except as required by law or municipal ordinance.

3. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may desire to contest.

4. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it will be unlawful to require Mortgagor to make such payment or (b) the making of such payment will result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

5. If, by the laws of the United States of America or of any state having jurisdiction in the Premises, any tax is due or becomes due in respect of the issuance of the Note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenant to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note secured hereby.

6. At such time as the Mortgagor is not in default either under the terms of the Note secured hereby or under the terms of this Mortgage, the Mortgagors shall have such privilege of making prepayments on the principal of said Note.

7. Mortgagor shall keep all buildings and improvements now or hereafter situated on said Premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee (subject to the rights of Senior Lender as set forth in the Senior Loan Documents), such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the

respective dates of expiration. Subject to the rights of Senior Lender and notwithstanding any provision to the contrary in this Mortgage, in the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Mortgagor shall have the right to rebuild the Project and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Mortgagee for repayment of the Loan or if such proceeds are insufficient, then Mortgagor shall have funded any deficiency, (b) Mortgagor shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement provided that in the event of a disagreement, the decision of the Senior Lender shall control, and (c) no material default then exists under this Mortgage or the Note and Loan Agreement. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding, subject to the rights of the Senior Lender, and partial repayment of the Loan in a manner that provides adequate security to Mortgagee for repayment of the remaining balance of the Loan.

8. In case of default therein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagors in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other moneys advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagor.

9. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

10. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms of the Note or, as applicable, this Mortgage. At the option of the Mortgagee and without notice to Mortgagor, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the Note or in this mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any required payment of principal or interest on the Note; provided, however, that Mortgagor shall have seven (7) business days after receipt of notice of nonpayment to cure said default before Mortgagee can exercise any remedy hereunder, or (b) when default shall occur and continue for thirty (30) days in the performance of any other agreement of the Mortgagor herein contained, which 30-day

period shall be extended by an additional ninety (90) days in the event cure of such default is commenced but cannot by its nature be completed within such 30-day period.

11. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof, subject to the rights of Senior Lender under Senior Loan Documents. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches, and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the Premises or the security hereof.

12. Subject to rights of Senior Lender under the Senior Loan Documents, the remaining proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; fourth, any remainder to Mortgagor, its successors, legal representatives or assigns, as their rights may appear.

13. Subject to rights of Senior Lender under the Senior Loan Documents, upon or at any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint a receiver of said Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagors at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and

operation of the Premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or by an decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

14. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

15. [*Intentionally omitted.*]

16. If the payment of said indebtedness or any part thereof be extended or varied of if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provision hereof shall continue in full force. The Loan is a nonrecourse obligation of Mortgagor. Neither Mortgagor nor any of its general and limited partners, or their respective successors and assigns, nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Mortgagee under the Note and this Mortgage for repayment of the Loan shall be the exercise of its right against the Project and any related security thereunder.

17. Mortgagee shall release this mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

18. This mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the Note secured hereby.

19. If all or any part of the Premises or any interest in it is sold or transferred without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal law as of the date of this Mortgage. Notwithstanding the foregoing, the limited partner of Mortgagor may transfer or assign its limited partner interest without Mortgagee's prior consent. Further, neither the withdrawal, removal, replacement, and/or addition of a general partner of the Mortgagor pursuant to the terms of the Mortgagor's limited partnership agreement, nor the withdrawal, replacement, and/or addition of any of its limited partners or its limited partner's general partners or members, shall

constitute a default under this Mortgage or the Loan, and any such actions shall not accelerate the maturing of the Loan.

20. Unless the Mortgagor is in default as provided in this agreement, the Mortgagee shall forgive and waive payment of the outstanding balance of all loans made under this Loan upon its expiration and shall release the Mortgage made pursuant to this agreement. The Mortgagor shall pay any recordation costs. If, however, the Mortgagor is in default and fails to cure such default within thirty (30) days from receipt of notice from the Mortgagee, the outstanding balance of all loans made under this agreement, if not sooner paid, will be immediately due and payable. This paragraph will survive the termination of this agreement. The Mortgage is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents. That certain Rental Housing Developer Agreement by and between Mortgagor and Mortgagee dated [____], 2016 is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents.

21. Any notice required or permitted to be given under this Mortgage shall be deemed given (i) when personally delivered, or (ii) three (3) business days after the date deposited in the United States mail, by certified or registered mail, postage prepaid, or (iii) the next business day following the date deposited, with all delivery charges prepaid, with a national delivery service for overnight delivery. Notices shall be addressed as follows:

If to Mortgagor: Highland Green LLC
c/o Brinshore Development, L.L.C.
666 Dundee Rd., Suite 1102
Northbrook, IL 60062
Attn: Richard J. Sciortino

With copy to: Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle Street, Suite 1900
Chicago, IL 60605
Attn: Bennett P. Applegate

If to Mortgagee: City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

Any recipient of notices under this provision may change its address for receipt of copies of notices by giving notice in writing stating its new address to all notice recipients hereunder.

(Signature page follows)

IN WITNESS WHEREOF, the MORTGAGOR has caused these presents to be signed by it on the day and year first written.

Highland Green, LLC,
an Illinois limited liability company

By: Highland Green Manager, LLC,
an Illinois limited liability company,
its managing member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
a member

By: RJS Real Estate Services, Inc.,
an Illinois corporation,
a member

Name: Richard J. Sciortino
Title: President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Richard J. Sciortino, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act in his capacity as President of RJS Real Estate Services, Inc., member of Brinshore Development, L.L.C., managing member of Highland Green Manager, LLC, managing member of Highland Green, LLC and as the free and voluntary act of said partnership for the purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2016.

Notary Public

EXHIBIT A
Legal Description

A PART OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF MACKAY SUBDIVISION, AS SHOWN ON A PLAT RECORDED JUNE 19, 1968 AS DOCUMENT NUMBER 778353 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS, SAID POINT ALSO BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF KERR AVENUE; THENCE, SOUTHERLY, ALONG THE EAST LINE OF LOTS 1 THROUGH 4 INCLUSIVE OF SAID MACKAY SUBDIVISION, 245.30 FEET, TO THE SOUTHEAST CORNER OF SAID LOT 4, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, AS SHOWN ON A PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 2009R07821 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS; THENCE, EASTERLY, ALONG SAID NORTHERLY LINE OF CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, 30.41 FEET, TO A NORTHEASTERLY CORNER OF SAID CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION; THENCE, SOUTHERLY, ALONG AN EASTERLY LINE OF SAID CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, 234.32 FEET, TO THE NORTHWESTERLY CORNER OF LOT 7 OF ANDREW BARR'S SUBDIVISION AS SHOWN ON A PLAT RECORDED OCTOBER 5, 1894 IN PLAT BOOK A AT PAGE 257 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS; THENCE, EASTERLY, ALONG THE NORTH LINE OF SAID ANDREW BARR'S SUBDIVISION, 274.26 FEET, TO THE WESTERLY LINE OF THE EAST 205 FEET 4 INCHES OF THE NORTH 30 RODS OF LOT 30 OF A SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, AS PER PLAT RECORDED IN PLAT BOOK "R" AT PAGE 238; THENCE, NORTHERLY, ALONG SAID WESTERLY LINE OF THE EAST 205 FEET 4 INCHES OF LOT 30, 475 FEET, TO ITS INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY LINE OF KERR AVENUE; THENCE, WESTERLY, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 304.67 FEET, TO THE POINT OF BEGINNING.

SAID TRACT CONTAINING 3.17 ACRES, ALL SITUATED IN THE CITY OF URBANA, CHAMPAIGN COUNTY AND BEING COMMONLY KNOWN AS 401 AND 403 EAST KERR AVENUE.

PERMANENT INDEX NUMBERS: 91-21-08-280-035 AND 91-21-08-280-009.

CITY OF URBANA
COMMUNITY DEVELOPMENT BLOCK GRANT

INFRASTRUCTURE AGREEMENT

SUBGRANTEE NAME: Highland Green, LLC
PROJECT NO/NAME: **FY 2015-2016 Highland Green CDBG**
PROJECT ADDRESS: 401 and 403 E. Kerr Avenue, Urbana, IL
CFDA No. 14.218

THIS AGREEMENT, made and entered into by and between the City of Urbana, an Illinois municipal corporation (the "City"), and Highland Green, LLC, an Illinois limited liability company (the "Subgrantee").

Background

The City has been designated as an entitlement community by the U. S. Department of Housing and Urban Development ("HUD") under provisions of the Housing and Community Development Act of 1974 (the "Housing Act"), as amended, and, as an entitlement community, the City will receive an entitlement of Community Development Block Grant ("CDBG") funds for the period beginning July 1, 2014 and ending June 30, 2015, as well as the period beginning July 1, 2015 and ending June 30, 2016, pursuant to the CDBG Program.

The Urbana City Council has adopted an Annual Action Plan for the year beginning July 1, 2014 and ending June 30, 2015, and for the year beginning July 1, 2015 and ending June 30, 2016, which allocates a CDBG budget and authorizes allocation of CDBG funds for the development of Subgrantee Project No. FY 2015-2016 Highland Green CDBG (the "PROJECT").

The PROJECT is an affordable, mixed-income Low Income Housing Tax Credit development, which PROJECT includes construction of certain infrastructure improvements.

The City has the right and authority under said CDBG Program to allocate a portion of its funds to the Subgrantee for purposes of undertaking and completing said activities.

The purpose of this agreement is to pledge FY 2014-2015 and FY 2015-2016 CDBG program funds to the Subgrantee for only the development of infrastructure on and adjacent to the site of the PROJECT known commonly as Highland Green in accordance with all City standards and requirements.

The City, as a condition of its assistance to the Subgrantee, requires the Subgrantee to file with the City certain documents which are attached to this agreement.

Therefore, the parties agree as follows.

1. The City hereby grants to the Subgrantee the sum of two hundred and eight thousand four hundred and twenty dollars and 0/100 Cents (\$208,420). The Subgrantee shall abide by the CDBG Program rules and regulations and use said funds for the purpose of carrying out the PROJECT.

2. The Subgrantee shall not make a request for disbursement of CDBG funds pursuant to this agreement until such funds are needed to pay eligible costs related to the PROJECT. The Subgrantee acknowledges that funding in the full amount of this agreement is contingent upon the City receiving said CDBG funds, and should the entitlement funds be discontinued or reduced for any reason, the Subgrantee acknowledges that funding under this agreement could cease or be reduced without advance notice.
3. No modification of this agreement is effective unless in writing and executed by both the City and the Subgrantee.
4. The City and HUD are permitted to conduct on-site reviews, examine personnel records and to conduct any other procedures and practices to assure compliance with this agreement. The Subgrantee shall execute and abide by the terms of Attachment A, Equal Employment Opportunity Certification, and all City Affirmative Action requirements.
5. The Subgrantee shall complete and adhere to Attachment B, Assurances, and shall submit said Attachment B to the City as a condition of final execution of this agreement.
6. The Subgrantee shall complete and adhere to Attachment C, Statement of Special Conditions, and shall submit said Attachment C to the City as a condition of final execution of this agreement.
7. The Subgrantee shall at all times observe and comply with all laws, ordinances, or regulations of the federal, state, county, and local governments which may in any manner affect the performance of the Subgrantee with respect to this agreement.
8. The Subgrantee represents to the City that construction of the PROJECT will begin on or before September 30, 2016, be completed by September 1, 2017, and that the PROJECT will be completely leased-up by March 1, 2018, unless otherwise agreed to by the City and the Subgrantee in writing.
9. The Subgrantee shall not assign this agreement, or any part thereof, and the Subgrantee shall not transfer or assign any funds or claims due hereunder without the prior written approval of the City. Any transfer or assignment of funds pursuant to the agreement, either in whole or in part, or any interest therein, without prior written consent of the City will be of no force or effect.
10. The allocation of these funds will not obligate the City for any financial responsibility incurred by the PROJECT in excess of the stipulated allocation. The allocation of these funds will not obligate the City to bear responsibilities for the maintenance of any project under the provision of the Housing Act.
11. This agreement neither obligates nor precludes the City from further accepting or distributing funds entitled to the City nor restricts nor limits the powers of the City to use such funds pursuant to the provisions of the Housing Act.
12. This agreement neither obligates nor precludes the Subgrantee from further accepting funds or assistance pursuant to the Housing Act.
13. The Subgrantee shall indemnify and defend the City against any and all claims, costs, causes,

actions and expenses, including but not limited to attorneys' fees incurred by reason of a lawsuit or claim for compensation arising in favor of any person, including the employees or officers or independent contractors or subcontractors or agents of the Subgrantee, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under the PROJECT, whether such loss, damage, injury or liability is contributed to by the negligence of the City or its officers, employees or agents, or by the premises themselves or any equipment thereon whether latent or patent, or from other causes whatsoever, except that Subgrantee will have no liability for damages or the costs incident thereto caused by the sole negligence or intentional misconduct of the City, or its officers, employees or agents.

14. The Subgrantee shall have full control of the ways and means of performing the services referred to herein, subject to all applicable federal regulations and the guidelines established in Attachment C, and the Subgrantee or its employees, representatives, subcontractors, or agents are in no sense employees of the City.
15. The following conflict of interest provisions apply to the procurement of supplies, equipment, construction, and services.
 - A. No persons who exercise or have exercised any functions or responsibilities with respect to activities assisted under this agreement, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, either for themselves or those with whom they have business or family ties, during their tenure or for one year thereafter.
 - B. This conflict of interest provision applies to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Subgrantee or the City.
 - C. Upon written request, exceptions to the conflict of interest provisions may be granted jointly by the City and HUD on a case-by-case basis but only after the Subgrantee has disclosed the full nature of the conflict, submitted proof that the disclosure has been made public, and provided a legal opinion that there would be no violation of state or local law if the exception were granted.
16. Upon execution of this agreement, including the submission of all required attachments, the City and the Subgrantee shall adhere to the following:
 - A. The City and Subgrantee shall adhere to all special conditions described in Attachments A, B, and C of this agreement;
 - B. To the greatest extent feasible, all expenditures made under this PROJECT shall be made to Champaign County firms and individuals;
 - C. Financial records and payments will comply with all federal regulations;

- D. The Subgrantee shall allow any and all audits of its records as may be required and shall permit inspection of PROJECT records by representatives of the City's Grants Management Division and HUD;
 - E. The Subgrantee shall retain all records pertinent to expenditures incurred under this agreement for a period of three (3) years after the termination of all activities funded under this agreement;
 - F. The Subgrantee shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Subgrantee agrees that client information collected pursuant to this agreement is confidential, and the use or disclosure of such information, when not directly connected with the administration of the PROJECT, is prohibited unless prior written consent is obtained from such person receiving service, and in the case of a minor, that of a responsible parent/guardian.
- 17. The City may suspend or terminate this agreement, in whole or in part, if Subgrantee materially fails to comply with any term of the agreement, or with any of the rules, regulations or provisions referred to herein; and the City may declare the Subgrantee ineligible for any further participation in the CDBG program, in addition to other remedies as provided by law.
 - 18. If the City determines that the Subgrantee has not complied with or is not complying with the provisions of the agreement and so notifies the Subgrantee by written notice of said violations, and the Subgrantee fails to correct said violations within thirty (30) days from receipt of said notice, the City may terminate this agreement by written notice and may take other action as may be permitted by this agreement.
 - 19. The Subgrantee shall submit regular Progress Reports to the City in the form, content, and frequency as required by the City. Requirements for said Progress Reports are specified in Attachment C hereto.
 - 20. This agreement, together with its attachments, constitutes the entire agreement between the Subgrantee and the City concerning the subject matter and supersedes all prior agreements or understandings pertaining to the matter of this agreement. All attachments to this agreement are incorporated into this agreement and are made a part of this agreement by this reference
 - 21. Except where the terms of this agreement expressly provide otherwise, the Subgrantee and the City shall give all notices required or permitted by this agreement in writing, addressed as set forth below, unless another address is provided in writing. Notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier.

TO THE CITY:

Kelly H. Mierkowski, Manager
Grants Management Division
Dept. of Community Development Services
400 South Vine Street
Urbana, Illinois 61801

TO THE SUBGRANTEE: Highland Green, LLC.
666 Dundee Road
Suite 1102
Northbrook, IL 60062
Attn: Richard Sciortino

- 22. The Subgrantee's or the City's failure to enforce any provision of this agreement will not be deemed a waiver of future enforcement of that or any other provision. A waiver of any provision of this agreement is valid only if in writing and signed by the parties.
- 23. This agreement will be valid only after the Urbana City Council approves it by resolution or ordinance.
- 24. The parties are permitted to sign this agreement in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

This agreement is effective as of the date executed by the City.

CITY

By: _____
Laurel Lunt Prussing
Mayor

_____ Dated

ATTEST:

DRAFT

Phyllis Clark
City Clerk

Highland Green, LLC,
an Illinois limited liability company

By: Highland Green Manager, LLC, an Illinois limited liability company, its managing member

By: Brinshore Development, L.L.C., an Illinois limited liability company, a member

By: RJS Real Estate Services, Inc., an Illinois corporation, a member

By: _____
Richard John Sciortino
President
Highland Green, LLC

_____ Dated

STATE OF ILLINOIS

)
)
)

ss.

COUNTY OF _____

I, the undersigned, a notary public in and for the said County, in the State aforesaid do hereby certify that Richard John Sciortino, President of RJS Real Estate Services, Inc., member of Brinshore Development, L.L.C., managing member of Highland Green Manager, LLC, managing member of Highland Green, LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument in his capacity as the duly authorized President of Highland Green, LLC.

GIVEN under my hand and official seal, this _____ day of _____ 2016.

Notary Public

DRAFT

ATTACHMENT A
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

The undersigned understands and agrees that it is a Subgrantee of the Urbana CDBG Program and agrees that there shall be no discrimination against any employee who is employed in carrying out work receiving assistance from the City and HUD, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, including but not limited to employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

The Subgrantee further agrees to the following:

- (1) It will be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the City and HUD;
- (2) It will furnish the City and HUD such information as they may require for the supervision of such compliance and will otherwise assist the City and HUD in the discharge of primary responsibility for securing compliance;
- (3) It will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the City or HUD;
- (4) It shall abide by the Urbana Human Rights Ordinance regarding equal employment.
- (5) In the event that it fails or refuses to comply with the undertaking, the City or HUD may cancel, terminate or suspend in whole or in part any contractual agreements the City or HUD may have with the Subgrantee; may refrain from extending any further assistance to the Subgrantee under any program until satisfactory assurance of future compliance has been received from such Subgrantee; or may refer the case to HUD for appropriate legal proceedings.

Name (Please Print): _____

Signature: _____

Title: _____

Date: _____

ATTACHMENT B
ASSURANCES

The Subgrantee hereby assures and certifies with respect to the grant that:

1. It possesses legal authority to receive CDBG Program funds from the City and to execute the proposed project.
2. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing execution of this agreement, including all understandings and assurances contained herein, and directing and designating the authorized representative of the Subgrantee to act in connection with the agreement and to provide such additional information as may be required.
3. Given that the City's CDBG Program has been developed to give maximum feasible priority to activities which will benefit very low-income families, the Subgrantee agrees to give maximum feasible priority to very low-income families when administering the PROJECT described herein.
4. It will comply with the regulations, policies, guidelines, and requirements of OMB Circular A-122 as they relate to the acceptance and use of Federal funds for this federally-assisted project.
5. It will comply with all requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements approved in accordance with OMB Circular A-110.
6. It will comply with all regulations, policies, guidelines, and requirements of OMB Circular A-133 as they relate to audits of non-profit organizations.
7. It will comply with:
 - A. Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, and the regulations issued pursuant thereto (24 CFR Part 100, as amended), which provide that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Subgrantee received federal financial assistance and will immediately take any measure necessary to effectuate this assurance.
 - B. Section 109 of the Housing Act and the regulations issued pursuant thereto (24 CFR 570.601), as amended, which provide that no person in the United States shall, on the ground of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Title I funds.
 - C. Executive Order 11246, and all regulations issued pursuant thereto (24 CFR 100.130), as amended, which provide that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally-assisted contracts.

- D. Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that, to the greatest extent feasible, opportunities for training and employment be given to lower-income residents of Champaign County and contracts for work in connection with the PROJECT be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in Champaign County.
- E. Labor Standards. The requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, Sections 103 & 107 of Contract Work Hours and Safety Standards Act (40 U.S.C. 3701, *et seq.*), as amended, and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this agreement. The Subgrantee agrees to comply with the Copeland Anti-Kickback Act (18 U.S.C. 874 *et seq.*), as amended, and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5, as amended. The Subgrantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the City for review upon request.
- F. Guidelines for Energy Management / Energy Star. Guidelines have been established regarding energy management using Energy Star and are recommended by both HUD and the Illinois Department of Commerce and Economic Opportunity; and subgrantees are encouraged to follow these guidelines.
- G. Clean Air/Clean Water. The Subgrantee agrees to comply with the following requirements insofar as they apply to the performance of this agreement:
- a. Clean Air Act, 42 U.S.C. 7401, *et seq.* as amended;
 - b. Federal Water Pollution Control Act, 33 U.S.C., 1251, *et seq.*, as amended, including Section 308 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 308, and all regulations and guidelines issued thereunder;
 - c. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.
8. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
9. It will comply with the provisions of the Hatch Act (5 U.S.C. 7324), as amended, which limit the political activity of employees. No federally appropriated funds have been paid or will be paid, by or on behalf of Subgrantee, to any person for influencing or attempting to influence an officer or employee of any agency including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or

modification of any federal contract, grant, loan, or cooperative agreement.

10. If any funds other than federally appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any agency including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Subgrantee will complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
11. It will give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the grant.
12. Copyrights. If this agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.
13. Patent Rights. Agencies shall use standard patent rights clause specified in "rights to Inventions made by Non-Profit Organizations and Small Business Firms" (37 CFR Part 401), as amended, when providing support for research and development.
14. Such contractors and subcontractors shall take affirmative action to ensure fair treatment in employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
15. Debarment & Suspension. The Subgrantee certifies that it is not debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. The Subgrantee shall establish procedures to ensure that any award made to contractors or subcontractors at any tier is not in violation of the non-procurement debarment and suspension common. The Subgrantee shall verify and document that none of its contractors or subcontractors are debarred, suspended, or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Non-procurement programs ("List"). The Subgrantee may request assistance from the City to access the List and document results to the file, or verify by using the following website (www.epls.gov) or any other approved method.

Agreement # FY 2015-2016 Highland Green CDBG

These assurances are signed with regard to Subgrantee Project No. FY 2015-2016 Highland Green CDBG of the Urbana CDBG Program.

Highland Green, LLC,

an Illinois limited liability company

By: Highland Green Manager, LLC,
an Illinois limited liability company
its managing member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
a member

By: RJS Real Estate Services, Inc.,
an Illinois corporation,
a member

Name: Richard J. Sciortino, Principal
Title: President

Attest

Date

DRAFT

ATTACHMENT C
STATEMENT OF SPECIAL CONDITIONS

The Subgrantee understands and agrees that it is a Subgrantee of the City of Urbana CDBG Program and is eligible to receive funds for Subgrantee Project No. **FY 2015-2016 Highland Green CDBG** pursuant to this agreement.

The following conditions, in addition to those established in the agreement itself, and other attachments thereto, and federal, state, county and city laws, regulations, and procedures pertinent to this PROJECT, have been set forth and must also be complied with in order for Subgrantee to receive CDBG Program Assistance for Subgrantee Project No. **FY 2015-2016 Highland Green CDBG**.

This agreement is contingent upon Subgrantee operating the Scope of Work herein outlined.

SCOPE OF WORK

1. As part of its services, the Subgrantee shall construct all infrastructure pursuant to the approved construction documents and associated subdivision plat for Highland Green including construction of a private drive south of Kerr Avenue, as well as necessary sewer systems associated with the Highland Green residential development.
2. The Subgrantee shall be responsible for completing the PROJECT herein described, utilizing funds from the CDBG Program in a manner satisfactory to the City and consistent with any standards required as a condition of providing these funds. Such program shall include the following activities eligible under the CDBG Program.
3. The Subgrantee certifies that activities carried out with funds provided under this agreement shall meet one of the CDBG Program's National Objectives which is to benefit low-income persons as defined in 24 CFR Part 570.208. Therefore, the Subgrantee understands and agrees that activities funded under this agreement shall be considered "Low-Mod Area Benefit" and, as such the infrastructure constructed pursuant to this agreement is located in Census Tract 54-5, an area in the City of Urbana where 58.12% of the households have low-moderate household income as defined by HUD.
4. It is expressly agreed and understood that the total amount to be reimbursed to the Subgrantee by the City under this agreement shall not exceed \$ 208,420. Drawdowns for the payment of eligible expenses will be made against the appropriate line item indicated in the City budget. The City shall make payments to the Subgrantee as reimbursement of expenses related to the expenses of the project activities. The City shall make payment to reimburse the Subgrantee within 30 calendar days of receipt of an acceptable billing from Subgrantee. Acceptable billing shall include such documentation as follows:

The Subgrantee shall submit a copy of the Contractor's Verified Statement and Certified Payrolls as required to comply with Davis Bacon regulations, an Architect's Inspection report that indicates percentage of project completion, and other supporting documents as required by the City.

5. The Subgrantee agrees that funds received from the City pursuant to this agreement shall be used to cover project costs. The Subgrantee shall report semi-annually for periods ending December 31st and June 30th all program income generated by activities carried out with CDBG funds made available under this agreement. The Subgrantee shall return program income during the agreement period for activities permitted under this agreement and shall reduce requests for funds by the amount of any such program income balances. The Subgrantee shall return to the City any and all program income (including investments thereof) on hand when this agreement expires, or received after the agreement's expiration. The Subgrantee shall follow the program income requirements as outlined in Section 200.307 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular").
6. The Subgrantee agrees to submit semi-annual Progress Reports to the City in an agreed upon format. Progress Reports shall be due December 31st and June 30th. The City shall not process final billing requests for payment until a final Progress Report upon project completion is submitted.
7. The Subgrantee agrees to maintain financial records in accordance with the applicable federal OMB Circulars A-110 and A-122 and to separately and accurately identify use of CDBG Program funds pursuant to this agreement.
8. The Subgrantee acknowledges and affirms that it has the organizational capacity to adhere to collection and reporting requirements, regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule Subpart D, Sections 200.300-200.303. Such performance measures will be decided upon by the Subgrantee and the City's Housing and Grants Administrator, based on the requirements outlined by HUD for the category of eligible activities that the Subgrantee's program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives and Eligible Activities for Entitlement Communities," and the Guide, as amended, shall be incorporated hereto by reference. The Subgrantee is permitted to demonstrate organizational capacity by various methods, including but not limited to:
 - Use of OMB-approved standard information collections when providing financial and performance information;
 - Providing financial data showing performance accomplishments of the Grant award;
 - Cost information shall be distributed to the City to demonstrate cost effective practices;
 - Subgrantee shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
 - All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the City.
9. The Subgrantee agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the Subgrantee uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the Subgrantee uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines will be attached to this agreement as Attachment D and will be incorporated into this agreement by reference. If the procurement

guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to procurement by (a) small purchase procedures; (b) sealed bids; (c) competitive proposals; or (d) noncompetitive proposals, as directed by and outlined in Section 200.320.

10. The Subgrantee agrees to provide the City's Community Development Services Department with regular reports, and any other reports which the Department may require for compliance under this agreement, including reports on performance measures, as outlined in Section 200.301 of the Omni Circular. The Subgrantee and the City shall decide upon such performance measures based on the requirements outlined by HUD for the category of eligible activities that the Subgrantee's program engages in. These categories have been described within HUD's "Community Development Block Grant Program: Guide to National Objectives and Eligible Activities for Entitlement Communities." The Subgrantee shall use OMB-approved information collection standards, when providing financial and performance information. The Subgrantee shall provide financial data, and its relation to performance accomplishments, of the federal award. The Subgrantee agrees to provide the City with (a) documents pertaining to procedures; (b) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this agreement; and (c) (if applicable) regularly updated schedules of program activities.
11. The Subgrantee shall obtain written permission from the Grants Management Division Manager or Community Development Director prior to any change in the approved budget or program plans following Omni Circular Section 200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the Subgrantee's line item budget. In order for the City to approve such a request, the Subgrantee's written request must contain, at a minimum: (a) the reason and justification for the change; (b) the amounts to be changed; and (c) a description of which line items are affected. Changes made without the City's prior approval may result in non-reimbursement of expenditures from those affected line items.
12. The Subgrantee shall carry sufficient insurance coverage to protect agreement assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any CDBG cash advances. The Subgrantee shall comply with the bonding and insurance requirements of the Omni Circular 200.310 and 200.325, Insurance and Bonding requirements.
13. The Subgrantee further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular Sections 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award or administration of a contract supported by CDBG funds, if that employee, officer or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees or agents of the Subgrantee may not solicit or accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards must also include standards of conduct covering organizational conflicts of interest, in which the Subgrantee may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the Subgrantee and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the Subgrantee will include disciplinary actions to be applied for

violations of such standards.

14. As a non-governmental entity, the Subgrantee shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, *et al*, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule" Omni Circular, as specified in this paragraph:
 - Subpart B - "General Provisions";
 - Subpart C - "Pre-Federal Award Requirements and Contents of Federal Awards," except for Section 200.203, "Notices of funding opportunities," 200.204, "Federal awarding agency review of merit of proposals," 200.205, "Federal awarding agency review of risk posed by applicants," and 200.207, "Specific conditions," which are required only for competitive federal awards;
 - Subpart D - "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 - a. Section 200.305, "Payment." The City shall follow the standards contained in 24 CFR 85.20(b)(7) and 85.21 in making payments to the Subgrantee;
 - b. Section 200.306, "Cost Sharing or Matching";
 - c. Section 200.307, "Program Income." In lieu of paragraph 200.307, the Subgrantee shall follow CDBG program regulations contained in 24 CFR 570.504, as amended, regarding Program Income;
 - d. Section 200.308, "Revision of Budget and Program Plans";
 - e. Section 200.311, "Real property." In lieu of 200.311, the Subgrantee shall follow CDBG program regulations contained in 24 CFR 570.505, Use of real property;
 - f. 24 CFR 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - ii. Equipment not needed by the Subgrantee for CDBG activities shall be transferred to the City for the CDBG program or shall be retained after compensating the recipient;
 - g. 24 CFR 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance";
 - h. 24 CFR 84.52, "Financial Reporting";
 - i. 24 CFR 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual CDBG activities shall be five years following grant close out; and
 - ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

j. 24 CFR 84.61 "Termination". In lieu of the provision of 84.61, the Subgrantee shall comply with 24 CFR 570.503(b)(7) Suspension and Termination; and

- Subpart D - "After-the Award Requirements," except for 24 CFR 84.71,"Closeout Procedures."

15. Records maintained by the Subgrantee pursuant to this agreement shall be available for inspection upon request by the City and HUD.

Name of Subgrantee: _____

Address: _____

Signed by: _____

Title: _____

Date: _____

DRAFT

PROMISSORY NOTE
Secured by Mortgage

\$208,420.00
Urbana, Illinois

[_____, 2016]

FOR VALUE RECEIVED, **Highland Green, L.L.C.**, an Illinois limited liability company ("Maker"), promises to pay on or before the "Maturity Date" as defined in the Mortgage (defined below), to the **City of Urbana, Illinois**, a body politic and corporate, or its successors in interest ("Holder"), the total principal sum of Two Hundred Eight Thousand Four Hundred Twenty and No/100ths Dollars (\$208,420.00) or so much thereof as shall from time to time be advanced, with simple interest thereon accruing at 5.0% per annum.

1. The Maker's obligation hereunder is secured by a Mortgage, bearing even date herewith, from Maker on a certain parcel of real property situated in the City of Urbana, Champaign County, Illinois (the "Mortgage"). Maker's obligation hereunder is due on Holder's demand upon the occurrence of an uncured default after the expiration of all applicable cure periods as set forth in the Mortgage.
2. Unless otherwise specified by the Holder hereof, any payment under this Note may be made by check subject to collection, in United States dollars, delivered to Holder at City of Urbana, Grants Management Division, 400 S. Vine Street, Urbana, Illinois 61801, or at such other address as the Holder of this Note shall specify to Maker.
3. If the Holder files suit to recover on this Note, the Maker shall pay all costs of such collection, including reasonable attorneys' fees and court costs.
4. The Maker shall INDEMNIFY and DEFEND the Holder, its agents, employees, officers, and elected officials against all losses, damage, claims or liability whatsoever, including attorney's fees and costs, directly or indirectly resulting from the failure or alleged failure of the Maker to strictly and timely perform its obligations under this Note and the Mortgage referenced in Section 1 herein.
5. This Note is a nonrecourse obligation of the Maker. Neither the Maker nor any of its general and limited partners, or their respective successors and assigns, nor any other party shall have any personal liability for repayment of this Note. The sole recourse of the Holder under this Note for repayment of the loan shall be the exercise of its rights against the project and any related security thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Maker has executed this Note on the date above written.

Highland Green, L.L.C.,
an Illinois limited liability company

By: Highland Green Manager, L.L.C.,
an Illinois limited liability company,
its managing member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
a member

By: RJS Real Estate Services, Inc.,
an Illinois corporation,
a member

By: _____
Richard J. Sciortino
President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the said County, in the State aforesaid do hereby certify that Richard John Sciortino, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument in his capacity as the duly authorized President of RJS Real Estate Services, Inc. (D5766-626-9), the said RJS Real Estate Services, Inc. (D5766-626-9) being a Manager of Brinshore Development, L.L.C., the said Brinshore Development, L.L.C. being the Manager of Highland Green Manager, L.L.C., the said Highland Green Manager, L.L.C., being the Manager of Highland Green, L.L.C., as his free and voluntary act, and the free and voluntary acts of RJS Real Estate Services, Inc. (D5766-626-9), Brinshore Development, L.L.C., Highland Green Manager, L.L.C., and Highland Green, L.L.C. for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2016.

Notary Public

This instrument was prepared by:
City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801

After recording, return to:
City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

MORTGAGE

THIS INDENTURE made as of _____, by 2016 **Highland Green, LLC**, an Illinois limited liability company ("Mortgagor"), having a principal place of business at 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062 in favor of **City of Urbana, Illinois** ("Mortgagee"), having its place of business at 400 S. Vine Street, Urbana, IL 61801, witnesseth:

THAT WHEREAS the Mortgagor is justly indebted to the Mortgagee upon the Note ("Note") of even date herewith, in the principal sum of Two Hundred Eight Thousand Four Hundred Twenty and No/100ths Dollars (\$208,420.00), with simple interest thereon at 5.0% per annum, and with a maturity date of thirty-two (32) years from the date hereof (the "Maturity Date"), payable to the order of and delivered to the Mortgagee (the "Loan"); and

NOW, THEREFORE, to secure the payment of the said principal sum of money and said equity in accordance with the terms, provisions and limitations of this mortgage, and the performance of the Mortgagor's covenants and agreements herein contained, and also in consideration of the sum of Ten Dollars in hand paid, the receipt whereof is hereby acknowledged, the Mortgagor does by these presents CONVEY AND WARRANT unto the Mortgagee, and the Mortgagee's successors and assigns, the real estate, legally described on Exhibit A attached hereto (the "Real Estate"), and all of the estate, right, title and interest therein, situated, lying and being in the City of Urbana, County of Champaign, and State of Illinois, to wit, which, with the property hereinafter described, is referred to herein as the "Premises."

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, awnings, stoves, and water heaters. All the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in

the Premises by Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

TO HAVE AND TO HOLD the Premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever, for the purposes, and upon the uses herein set forth, free from any and all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, if applicable, which said rights and benefits the Mortgagor does hereby expressly release and waive.

The name of the record owner is: Highland Green, LLC, an Illinois limited liability company.

COVENANTS, CONDITIONS AND PROVISIONS

1. Definitions:

“Loan Agreement” means that certain Infrastructure Agreement between the City of Urbana and Mortgagor dated August ____, 2016.

“Project” means the Premises and the improvements to be constructed thereon primarily consisting of a 33-unit affordable housing development known commonly as Highland Green.

“Senior Lender” means collectively:

- (a) JP Morgan Chase Bank, N.A. (“JPMC”), which is providing an approximately \$4,800,000 construction loan to the Mortgagor (the “JPMC Construction Loan”); and
- (b) IFF (“IFF”), which is providing an approximately \$925,000 permanent loan to the Mortgagor (the “IFF Loan”).

“Senior Loans” means collectively the JPMC Construction Loan and the IFF Loan.

“Senior Loan Documents” means any and all of those certain Mortgages, Security Agreements and Fixture Filings by and between Mortgagor and Senior Lender, and all other documents evidencing, securing or governing the Senior Loans.

2. Mortgagor shall (1) in accordance with paragraph 7 hereof, promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (2) keep said Premises in good condition and repair in accordance with the City of Urbana building codes without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said Premises; (5) comply with all requirements of law or municipal

ordinances with respect to the Premises and the use thereof; (6) make no material alterations in said Premises except for the improvements to be constructed in connection with the Loan and except as required by law or municipal ordinance.

3. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may desire to contest.

4. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it will be unlawful to require Mortgagor to make such payment or (b) the making of such payment will result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

5. If, by the laws of the United States of America or of any state having jurisdiction in the Premises, any tax is due or becomes due in respect of the issuance of the Note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenant to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note secured hereby.

6. At such time as the Mortgagor is not in default either under the terms of the Note secured hereby or under the terms of this Mortgage, the Mortgagors shall have such privilege of making prepayments on the principal of said Note.

7. Mortgagor shall keep all buildings and improvements now or hereafter situated on said Premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee (subject to the rights of Senior Lender as set forth in the Senior Loan Documents), such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the

respective dates of expiration. Subject to the rights of Senior Lender and notwithstanding any provision to the contrary in this Mortgage, in the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Mortgagor shall have the right to rebuild the Project and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Mortgagee for repayment of the Loan or if such proceeds are insufficient, then Mortgagor shall have funded any deficiency, (b) Mortgagor shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement provided that in the event of a disagreement, the decision of the Senior Lender shall control, and (c) no material default then exists under this Mortgage or the Note and Loan Agreement. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding, subject to the rights of the Senior Lender, and partial repayment of the Loan in a manner that provides adequate security to Mortgagee for repayment of the remaining balance of the Loan.

8. In case of default therein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagors in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other moneys advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagor.

9. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

10. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms of the Note or, as applicable, this Mortgage. At the option of the Mortgagee and without notice to Mortgagor, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the Note or in this mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any required payment of principal or interest on the Note; provided, however, that Mortgagor shall have seven (7) business days after receipt of notice of nonpayment to cure said default before Mortgagee can exercise any remedy hereunder, or (b) when default shall occur and continue for thirty (30) days in the performance of any other agreement of the Mortgagor herein contained, which 30-day

period shall be extended by an additional ninety (90) days in the event cure of such default is commenced but cannot by its nature be completed within such 30-day period.

11. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof, subject to the rights of Senior Lender under Senior Loan Documents. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches, and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the Premises or the security hereof.

12. Subject to rights of Senior Lender under the Senior Loan Documents, the remaining proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; fourth, any remainder to Mortgagor, its successors, legal representatives or assigns, as their rights may appear.

13. Subject to rights of Senior Lender under the Senior Loan Documents, upon or at any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint a receiver of said Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagors at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and

operation of the Premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or by an decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

14. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

15. [*Intentionally omitted.*]

16. If the payment of said indebtedness or any part thereof be extended or varied of if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provision hereof shall continue in full force. The Loan is a nonrecourse obligation of Mortgagor. Neither Mortgagor nor any of its general and limited partners, or their respective successors and assigns, nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Mortgagee under the Note and this Mortgage for repayment of the Loan shall be the exercise of its right against the Project and any related security thereunder.

17. Mortgagee shall release this mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

18. This mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the Note secured hereby.

19. If all or any part of the Premises or any interest in it is sold or transferred without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal law as of the date of this Mortgage. Notwithstanding the foregoing, the limited partner of Mortgagor may transfer or assign its limited partner interest without Mortgagee's prior consent. Further, neither the withdrawal, removal, replacement, and/or addition of a general partner of the Mortgagor pursuant to the terms of the Mortgagor's limited partnership agreement, nor the withdrawal, replacement, and/or addition of any of its limited partners or its limited partner's general partners or members, shall

constitute a default under this Mortgage or the Loan, and any such actions shall not accelerate the maturing of the Loan.

20. Unless the Mortgagor is in default as provided in this agreement, the Mortgagee shall forgive and waive payment of the outstanding balance of all loans made under this Loan upon its expiration and shall release the Mortgage made pursuant to this agreement. The Mortgagor shall pay any recordation costs. If, however, the Mortgagor is in default and fails to cure such default within thirty (30) days from receipt of notice from the Mortgagee, the outstanding balance of all loans made under this agreement, if not sooner paid, will be immediately due and payable. This paragraph will survive the termination of this agreement. The Mortgage is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents.

21. Any notice required or permitted to be given under this Mortgage shall be deemed given (i) when personally delivered, or (ii) three (3) business days after the date deposited in the United States mail, by certified or registered mail, postage prepaid, or (iii) the next business day following the date deposited, with all delivery charges prepaid, with a national delivery service for overnight delivery. Notices shall be addressed as follows:

If to Mortgagor: Highland Green LLC
c/o Brinshore Development, L.L.C.
666 Dundee Rd., Suite 1102
Northbrook, IL 60062
Attn: Richard J. Sciortino

With copy to: Applegate & Thorne-Thomsen, P.C.
440 S. LaSalle Street, Suite 1900
Chicago, IL 60605
Attn: Bennett P. Applegate

If to Mortgagee: City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Kelly H. Mierkowski, Manager

Any recipient of notices under this provision may change its address for receipt of copies of notices by giving notice in writing stating its new address to all notice recipients hereunder.

(Signature page follows)

IN WITNESS WHEREOF, the MORTGAGOR has caused these presents to be signed by it on the day and year first written.

Highland Green, LLC,
an Illinois limited liability company

By: Highland Green Manager, LLC,
an Illinois limited liability company,
its managing member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
a member

By: RJS Real Estate Services, Inc.,
an Illinois corporation,
a member

Name: Richard J. Sciortino
Title: President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Richard J. Sciortino, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act in his capacity as President of RJS Real Estate Services, Inc., member of Brinshore Development, L.L.C., managing member of Highland Green Manager, LLC, managing member of Highland Green, LLC and as the free and voluntary act of said partnership for the purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2016.

Notary Public

EXHIBIT A
Legal Description

A PART OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF MACKEY SUBDIVISION, AS SHOWN ON A PLAT RECORDED JUNE 19, 1968 AS DOCUMENT NUMBER 778353 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS, SAID POINT ALSO BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF KERR AVENUE; THENCE, SOUTHERLY, ALONG THE EAST LINE OF LOTS 1 THROUGH 4 INCLUSIVE OF SAID MACKEY SUBDIVISION, 245.30 FEET, TO THE SOUTHEAST CORNER OF SAID LOT 4, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, AS SHOWN ON A PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 2009R07821 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS; THENCE, EASTERLY, ALONG SAID NORTHERLY LINE OF CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, 30.41 FEET, TO A NORTHEASTERLY CORNER OF SAID CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION; THENCE, SOUTHERLY, ALONG AN EASTERLY LINE OF SAID CRYSTAL VIEW TOWNHOMES FIRST SUBDIVISION, 234.32 FEET, TO THE NORTHWESTERLY CORNER OF LOT 7 OF ANDREW BARR'S SUBDIVISION AS SHOWN ON A PLAT RECORDED OCTOBER 5, 1894 IN PLAT BOOK A AT PAGE 257 IN THE OFFICE OF THE RECORDER OF DEEDS, CHAMPAIGN COUNTY, ILLINOIS; THENCE, EASTERLY, ALONG THE NORTH LINE OF SAID ANDREW BARR'S SUBDIVISION, 274.26 FEET, TO THE WESTERLY LINE OF THE EAST 205 FEET 4 INCHES OF THE NORTH 30 RODS OF LOT 30 OF A SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, AS PER PLAT RECORDED IN PLAT BOOK "R" AT PAGE 238; THENCE, NORTHERLY, ALONG SAID WESTERLY LINE OF THE EAST 205 FEET 4 INCHES OF LOT 30, 475 FEET, TO ITS INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY LINE OF KERR AVENUE; THENCE, WESTERLY, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 304.67 FEET, TO THE POINT OF BEGINNING.

SAID TRACT CONTAINING 3.17 ACRES, ALL SITUATED IN THE CITY OF URBANA, CHAMPAIGN COUNTY AND BEING COMMONLY KNOWN AS 401 AND 403 EAST KERR AVENUE.

PERMANENT INDEX NUMBERS: 91-21-08-280-035 AND 91-21-08-280-009.