

**FY 2017  
ANNUAL TAX INCREMENT FINANCE  
REPORT**



**STATE OF ILLINOIS  
COMPTROLLER  
SUSANA A. MENDOZA**

Name of Municipality: City of Chicago Reporting Fiscal Year: **2017**  
 County: Cook Fiscal Year End: **12/31/2017**  
 Unit Code: 016/620/30

**TIF Administrator Contact Information**

First Name: David L. Last Name: Reifman  
 Address: City Hall, 121 N LaSalle Title: Administrator  
 Telephone: (312) 744-4190 City: Chicago Zip: 60602  
 Email- TIFreports@cityofchicago.org  
 required

I attest to the best of my knowledge, that this FY 2017 report of the redevelopment project area(s)  
 in the City/Village of: City of Chicago  
 is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]  
 and Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

June 29, 2018

Written signature of TIF Administrator \_\_\_\_\_ Date \_\_\_\_\_

**Section 1** (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	9/29/2022
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th/Torrence	12/21/1994	12/21/2017
24th/Michigan	7/21/1999	7/21/2022
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2022
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th/St. Lawrence	1/10/1996	12/31/2020
51st/Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

60th/Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	7/8/2021
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2019
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet/Cermak	7/29/1998	7/29/2021
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago Lakeside Development - Phase 1	5/12/2010	12/31/2017
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Clark/Montrose	7/7/1999	7/7/2022
Clark/Ridge	9/29/1999	9/29/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-First Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Foster/California	4/2/2014	12/31/2038
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	7/10/2019

	Greater Southwest Industrial (East)	3/10/1999	12/31/2023
	Greater Southwest Industrial (West)	4/12/2000	12/31/2024
	Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
	Harrison/Central	7/26/2006	12/31/2030
	Hollywood/Sheridan	11/7/2007	12/31/2031
	Homan/Arthington	2/5/1998	2/5/2021
	Humboldt Park Commercial	6/27/2001	12/31/2025
	Irving Park/Elston	5/13/2009	12/31/2033
	Irving/Cicero	6/10/1996	12/31/2020
	Jefferson Park	9/9/1998	9/9/2021
	Jefferson/Roosevelt	8/30/2000	12/31/2024
	Kennedy/Kimball	3/12/2008	12/31/2032
	Kinzie Industrial Corridor	6/10/1998	12/31/2022
	Lake Calumet Area Industrial	12/13/2000	12/31/2024
	Lakefront	3/27/2002	12/31/2026
	LaSalle Central	11/15/2006	12/31/2030
	Lawrence/Broadway	6/27/2001	12/31/2025
	Lawrence/Kedzie	2/16/2000	12/31/2024
	Lawrence/Pulaski	2/27/2002	12/31/2026
	Lincoln Avenue	11/3/1999	12/31/2023
	Lincoln/Belmont/Ashland	11/2/1994	12/31/2018
	Little Village East	4/22/2009	12/31/2033
	Little Village Industrial Corridor	6/13/2007	12/31/2031
	Madden/Wells	11/6/2002	12/31/2026
	Madison/Austin Corridor	9/29/1999	12/31/2023
	Michigan/Cermak	9/13/1989	12/31/2025
	Midway Industrial Corridor	2/16/2000	12/31/2024
X	Midwest	5/17/2000	12/31/2036
	Montclare	8/30/2000	12/31/2024
	Montrose/Clarendon	6/30/2010	12/31/2034
	Near North	7/30/1997	7/30/2020
	North Branch North	7/2/1997	12/31/2021
	North Branch South	2/5/1998	2/5/2021
	North Pullman	6/30/2009	12/31/2033
	North/Cicero	7/30/1997	7/30/2020
	Northwest Industrial Corridor	12/2/1998	12/31/2022
	Ogden/Pulaski	4/9/2008	12/31/2032
	Ohio/Wabash	6/7/2000	12/31/2024
	Pershing/King	9/5/2007	12/31/2031
	Peterson/Cicero	2/16/2000	12/31/2024
	Peterson/Pulaski	2/16/2000	12/31/2024
	Pilsen Industrial Corridor	6/10/1998	12/31/2022
	Portage Park	9/9/1998	9/9/2021
	Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
	Pulaski Industrial Corridor	6/9/1999	12/31/2023
	Randolph/Wells	6/9/2010	12/31/2034
	Ravenswood Corridor	3/9/2005	12/31/2029
	Read/Dunning	1/11/1991	12/31/2027
	Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
	River South	7/30/1997	7/30/2020
	River West	1/10/2001	12/31/2025
	Roosevelt/Cicero Industrial Corridor	2/5/1998	2/5/2021

Roosevelt/Racine	11/4/1998	12/31/2034
Roosevelt/Union	5/12/1999	5/12/2022
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary and Ship Canal	7/24/1991	12/31/2027
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/9/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]  
FY 2017**

<b>Name of Redevelopment Project Area (below):</b>	<b>Midwest Redevelopment Project Area</b>
	<b>Primary Use of Redevelopment Project Area*: <u>Combination/Mixed</u></b>

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

<b>If 'Combination/Mixed' List Component Types: <u>Residential/Retail/Institutional</u></b>
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>
<b>Tax Increment Allocation Redevelopment Act</b> <u>  X  </u>
<b>Industrial Jobs Recovery Law</b> _____

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose any Official Statement labeled Attachment I and Attachment J <u>MUST</u> be Yes</b>	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If attachment I is yes, Analysis <u>MUST</u> be attached and labeled Attachment J</b>	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only, not actual agreements labeled Attachment M</b>	X	

**SECTION 3.1 (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d) and 65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))**

**Provide an analysis of the special tax allocation fund.**

**FY 2017**

**TIF NAME: Midwest Redevelopment Project Area**

Special Tax Allocation Fund Balance at Beginning of Reporting Period:

\$ 39,629,012

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 15,613,854	\$ 176,466,178	82%
State Sales Tax Increment			
Local Sales Tax Increment			
State Utility Tax Increment			
Local Utility Tax Increment			
Interest	\$ 639,879	\$ 5,271,388	2%
Land/Building Sale Proceeds			
Bond Proceeds		\$ 30,373,738	14%
Transfers from Municipal Sources	\$ 2,250,000	\$ 3,754,510	2%
Private Sources			
Other (identify source _____; if multiple other sources, attach schedule)		\$ 4,924,000	2%

**All Amount Deposited in Special Tax Allocation by source**

\$ 18,503,733

**Cumulative Total Revenues/Cash Receipts**

\$ 215,889,814      100%

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

\$ 12,298,540

**Transfers to Municipal Sources**

\$ 3,493,570

**Distribution of Surplus**

\$

**Total Expenditures/Disbursements**

\$ 15,792,110

**Net Income/Cash Receipts Over/(Under) Cash Disbursements**

\$ 2,711,623

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 42,340,635

\*If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.

**Schedule of "Other" Sources of Revenue/Cash Receipts Deposited in Fund During Reporting FY□  
(Total and Cumulative Values Carried Forward to Section 3.1)**

**FY 2017**

**TIF NAME: Midwest Redevelopment Project Area**

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 24,000
Note Proceeds		\$ 4,900,000
Non-compliance Payment		
Excess Reserve Requirement		
Build America Bonds Subsidy		
Collection Returns		
Credits from Expenditures		

**Total Schedule of "Other" Sources During Reporting Period**

\$ -

**Cumulative Total Schedule of "Other" Sources**

\$ 4,924,000

**SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))**

**FY 2017**

**TIF NAME: Midwest Redevelopment Project Area**

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**

(by category of permissible redevelopment project costs)

**PAGE 1**

Category of Permissible Redevelopment Project Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	\$ 288,179	
		\$ 288,179
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
	\$ 103,377	
		\$ 103,377
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
	\$ 4,969,623	
		\$ 4,969,623
6. Costs of construction of public works or improvements.		
	\$ 1,992,172	
		\$ 1,992,172





**SECTION 3.2 A**

**PAGE 3**

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.		
Costs of construction of new housing units for low income or very low income households.	\$ 1,055,272	
		\$ 1,055,272
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 12,298,540</b>



SECTION 3.3 [65 ILCS 5/11-74.4-5 (d) (6) 65 ILCS 5/11-74.6-22 (d) (5d)]

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FY 2017

TIF NAME: Midwest Redevelopment Project Area

FUND BALANCE BY SOURCE:

\$	42,340,635
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Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

Restricted for debt service	\$ 28,830,000	\$ 2,894,242

\$	28,830,000	\$	2,894,242
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Total Amount Designated for Obligations

2. Description of Project Costs to be Paid

Restricted for future redevelopment project costs		\$ 39,446,393

Total Amount Designated for Project Costs:

\$	39,446,393
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TOTAL AMOUNT DESIGNATED:

\$	42,340,635
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SURPLUS/(DEFICIT):

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

**FY 2017**

**TIF NAME: Midwest Redevelopment Project Area**

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

**Check here if no property was acquired by the Municipality within the Redevelopment Project Area.**

\_\_\_\_\_

**Property Acquired by the Municipality Within the Redevelopment Project Area.**

Property (1):	
Street address:	3350-58 W. Polk St.
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	3620 W. Lexington St.
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	4845 N. Van Buren Ave.
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	4923-25 W. Jackson
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (5):	
Street address:	5093 W. Jackson
Approximate size or description of property:	
Purchase price:	
Seller of property:	

## SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2017

TIF Name: **Midwest Redevelopment Project Area**Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	_____
2. The Municipality <b>DID</b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	_____ <b>X</b>
<b>2a.</b> The number of projects undertaken by the municipality within the Redevelopment Project Area:	<b>14</b>

**LIST** the projects undertaken by the Municipality Within the Redevelopment Project Area:

<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ 97,613,738	\$ -	\$ 139,418,228
Public Investment Undertaken	\$ 30,537,867	\$ 2,214,425	\$ 59,436,719
Ratio of Private/Public Investment	3 12/61	-	2 28/81

\*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

**Project 1\*: SBIF - Midwest\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 7,500,000
Public Investment Undertaken	\$ 1,866,901	\$ 225,000	\$ 3,750,000
Ratio of Private/Public Investment		-	2

**Project 2\*: NIF - Midwest\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 13,500,000
Public Investment Undertaken	\$ 6,105,612	\$ 250,000	\$ 6,750,000
Ratio of Private/Public Investment		-	2

**Project 3\*: Liberty Square Apartments (DOH) (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 12,438,917
Public Investment Undertaken	\$ 498,255	\$ 93,166	\$ 1,900,000
Ratio of Private/Public Investment		-	6 35/64

**Project 4\*: New West Kedzie, LLC (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 17,744,426
Public Investment Undertaken	\$ 2,658,486	\$ 90,987	\$ 3,500,000
Ratio of Private/Public Investment		-	5 3/43

**Project 5\*: Lawndale Restoration Apartments (Project Completed)**

Private Investment Undertaken (See Instructions)	\$ 19,846,475	-	\$
Public Investment Undertaken	\$ 8,950,000	-	\$
Ratio of Private/Public Investment	2 5/23	-	

**Project 6\*: Renaissance Place (Project Completed)**

Private Investment Undertaken (See Instructions)	\$ 8,767,263	-	\$
Public Investment Undertaken	\$ 2,000,000	-	\$
Ratio of Private/Public Investment	4 28/73	-	

**Project 7\*: New Homes Chicago - Resurrection (Project Completed) (1)**

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken (2)		-	\$
Ratio of Private/Public Investment		-	

**Project 8\*: Rockwell West End - Phase II-A Rental (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 38,123,910
Public Investment Undertaken		-	\$ 1,250,000
Ratio of Private/Public Investment		-	30 1/2

**Project 9\*: TIFWorks - Midwest\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken	\$ 824,342	-	\$ 885,000
Ratio of Private/Public Investment		-	

**Project 10 Vacant Bldg Purch Rehab SF Prog - Midwest\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		\$ 500,000	\$ 1,000,000
Ratio of Private/Public Investment		-	

**Project 11 Harvest Homes (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 13,063,323
Public Investment Undertaken	\$ 519,772	\$ 519,772	\$ 1,039,544
Ratio of Private/Public Investment		-	12 17/30

**Project 12 Maple Jack LLC (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 25,593,384
Public Investment Undertaken	\$ 2,614,500	\$ 535,500	\$ 3,150,000
Ratio of Private/Public Investment		-	8 1/8

**Project 13 East Park SRO (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)		-	\$ 11,454,268
Public Investment Undertaken		-	\$ 5,212,175
Ratio of Private/Public Investment		-	2 16/81

**Project 14 SINAI Health System (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	\$ 69,000,000	-	\$
Public Investment Undertaken	\$ 4,500,000	-	\$ 31,000,000
Ratio of Private/Public Investment	15 1/3	-	

**Project 15**

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

## Section 5 Notes

**FY 2017**

**TIF NAME: Midwest Redevelopment Project Area**

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

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

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

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

(1) This project straddles the Midwest Redevelopment Project Area and the Western/Ogden Redevelopment Project Area and the Pilsen Industrial Corridor Redevelopment Project Area.

(2) This line reports the amounts that have been or are anticipated to be funded from increment received from this Area only. The aggregate amount of Public Investment Undertaken for this Project is the sum of these figures and the corresponding figures from the other Area or Areas that this Project straddles.



Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. **\*even though optional MUST be included as part of complete TIF report**

**SECTION 6**

**FY 2017**

**TIF NAME: Midwest Redevelopment Project Area**

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV

List all overlapping tax districts in the redevelopment project area. If overlapping taxing district received a surplus, list the surplus.

\_\_\_\_\_ Check if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

**SECTION 7**

Provide information about job creation and retention:

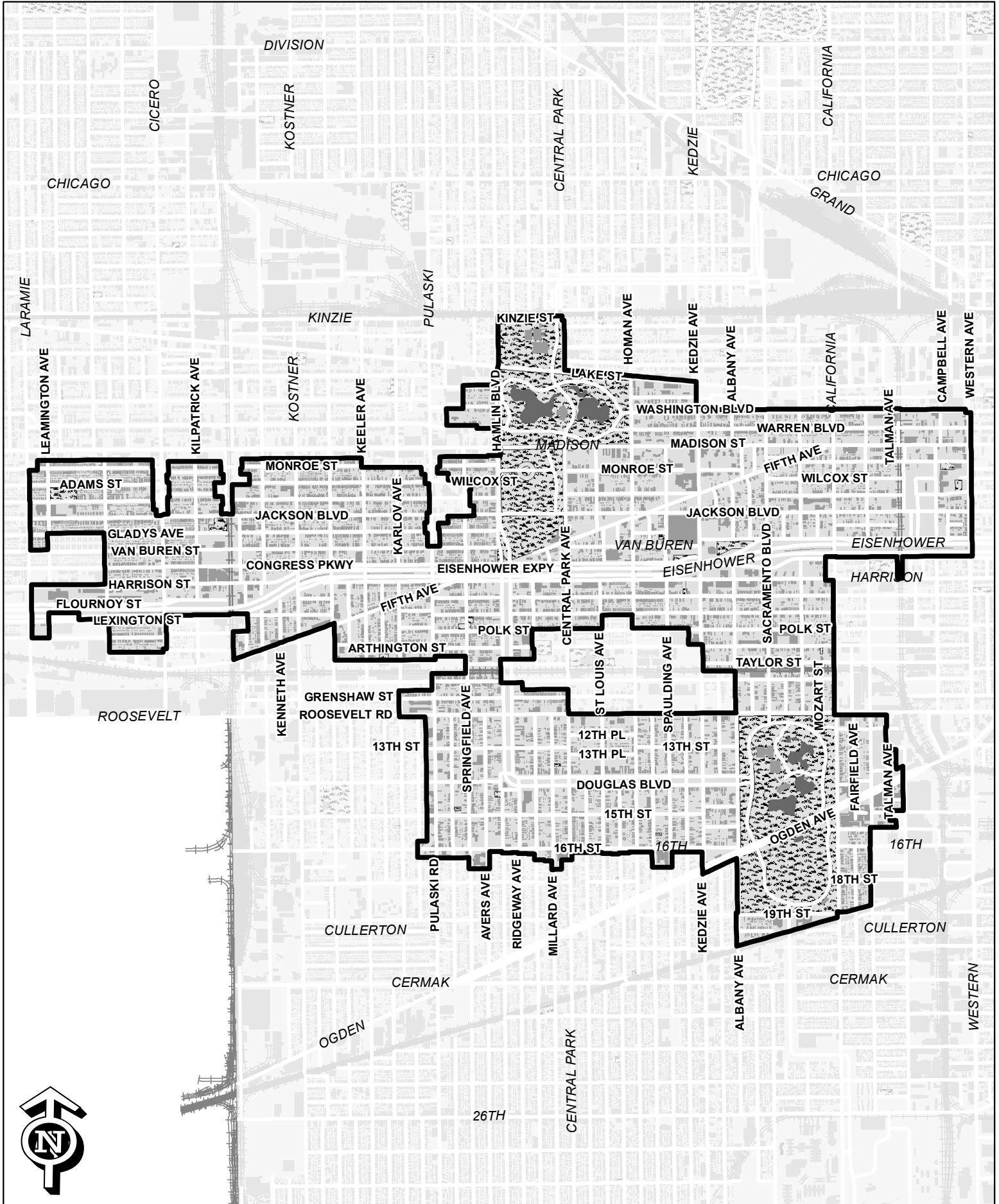
Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

**SECTION 8**

Provide a general description of the redevelopment project area using only major boundaries:

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	X

# Midwest TIF 2017 Annual Report



STATE OF ILLINOIS        )  
  )  
COUNTY OF COOK         )

**CERTIFICATION**

TO:

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

Janice Jackson  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

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

Jay Stewart  
Interim Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

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

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

Michael P. Kelly, General Superintendent  
CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

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

**Attachment B**

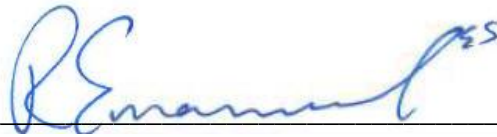
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the “City”) and, as such, I am the City’s Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2017, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

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

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

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 29th day of June, 2018.



Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW  
CITY OF CHICAGO

June 29, 2018

**Attachment C**

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

Janice Jackson  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
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Cook County Bureau of Economic Dev.  
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P.O. Box 1030  
Harvey, Illinois 60426

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

Michael P. Kelly, General Superintendent  
CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

Re: Midwest Redevelopment Project Area  
(the "Redevelopment Project Area")

Dear Addressees:

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

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

In my capacity as Corporation Counsel, I have relied on the factual certification of the Commissioner of the Department of Planning and Development attached hereto as Schedule 1, along with the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 2.

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

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

Very truly yours,



Edward N. Siskel  
Corporation Counsel

**SCHEDULE 1**  
June 29, 2018  
**CERTIFICATION**

Commissioner  
Department of Planning and Development  
City of Chicago

I, David L. Reifman, am the Commissioner of the Department of Planning and Development (“DPD”) of the City of Chicago, Illinois (the “City”) and, in such capacity, I am the head of DPD. I am also the TIF Administrator for the City for purposes of the Report (defined below). In such capacity, I am providing this Certification for the Corporation Counsel of the City to rely upon in connection with the opinion required by either Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”), or by Section 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (the “Law”), as the case may be, in connection with the submission of an annual report (the “Report”) containing the information required by Section 11-74.4-5(d) of the Act or Section 11-74.6-22(d) of the Law for each of the Redevelopment Project Areas listed in Section 1 of the Report and hereby incorporated into this Certification (the “Redevelopment Project Areas”).

I hereby certify the following to the Corporation Counsel of the City:

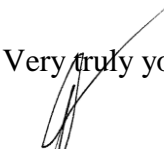
1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City’s Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under my supervision and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.
3. I have reviewed, or caused to be reviewed by DPD personnel to my reasonable satisfaction, each certified audit report, to the extent such an audit report is required to be obtained by Section 11-74.4-5(d)(9) of the Act or by Section 11-74.6-22(d)(9) of the Law and submitted as part of the Report, which is required to review compliance with the Act or the Law in certain respects, to determine if such audit report contains information that might affect this Certification.
4. I have also reviewed, or caused to be reviewed by DPD personnel to my reasonable satisfaction, such other documents and records as I have deemed reasonably necessary to enable me to provide this Certification.
5. Nothing has come to my attention that would result in my need to qualify this

Certification except for the current, ongoing compliance issues within certain of the Redevelopment Project Areas, which issues are set forth and briefly explained in the Exception Schedule attached hereto as Exhibit A. With respect to these compliance issues, DPD staff continues to monitor and work with the owners and property managers of the projects noted on Exhibit A to correct the issues and bring these projects into full compliance with the Act and the Law.

Based on the foregoing, I hereby certify to the Corporation Counsel of the City that, in all material respects, DPD has taken the appropriate actions to ensure that the City is in compliance with the provisions and requirements of the Act and the Law in effect and then applicable at the time actions were taken from time to time with respect to each of the Redevelopment Project Areas.

This Certification is given in an official capacity and not personally and no personal liability shall derive herefrom. Further, this Certification may be relied upon only by the Corporation Counsel of the City in providing the required legal opinion in connection with the Report, and not by any other party.

Very truly yours,



David L. Reifman  
Commissioner  
Department of Planning and Development



**EXHIBIT A TO SCHEDULE 1**  
**Exception Schedule**

<b>TIF Area</b>	<b>Project Name</b>	<b>Ongoing Compliance Issues as of the Date of this Certification</b>
43rd/Cottage Grove	Hearts United – Phase III	DPD is working to verify this project’s compliance or lack of compliance with the Act
43rd/Cottage Grove	Mahogany Shops and Lofts 47 - Phase I	DPD is working to verify this project’s compliance or lack of compliance with the Act
67th/Cicero	Midway Village Senior Affordable	DPD is working to verify this project’s compliance or lack of compliance with the Act
Archer Courts	Archer Courts Phase I	DPD is working to verify this project’s compliance or lack of compliance with the tax credits extended use period
Bronzeville	Pershing Courts	Rents exceed limits at several units; not compliant with affordability covenants; inaccurate utility allowances
Central West	Horner IIA2 - Midrise	DPD is working to verify this project’s compliance or lack of compliance with the Act
Madden/Wells	Madden Wells 1A Rental Madden Wells 1B Rental Madden Wells 2A Rental	Rents exceed limits at several units; not compliant with affordability covenants
Chicago/Central Park	Rosa Parks Apartments	Rents exceed limits at several units; not compliant with affordability covenants
Wilson Yard	Clifton Magnolia	DPD is working to verify this project’s compliance or lack of compliance with the Act
Montclare	Montclare Belden Phase II	DPD is working to verify this project’s compliance or lack of compliance with the Act

## **SCHEDULE 2**

(Exception Schedule)

- No Exceptions
- Note the following Exceptions:

FY 2017

TIF NAME: Midwest Redevelopment Project Area

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

<u>Name of Project</u>
East Park SRO

[leave blank 3" x 5" space for recorder's office]



\*1709441104\*

Doc# 1709441104 Fee \$200.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 04/04/2017 10:47 AM PG: 1 OF 82

2 of 17  
JF  
NOV 16 17

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

### EAST PARK SRO REDEVELOPMENT AGREEMENT

This East Park SRO Redevelopment Agreement (the "**Agreement**") is made as of this 31st day of March, 2017, by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), and East Park Redevelopment Limited Partnership, an Illinois limited partnership ("**Partnership**"), East Park Redevelopment LLC, an Illinois limited liability company and the Partnership's general partner (the "**General Partner**"), Generations Housing Initiatives, an Illinois not-for-profit corporation and a member of the General Partner ("**Generations**," collectively with the Partnership, and General Partner, are referred to herein as the "**Developer Parties**").

#### RECITALS:

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

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

**C. City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on May 17, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Midwest Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Midwest Redevelopment Project Area as a Redevelopment Project Area

Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Midwest Redevelopment Project Area" (the "**TIF Adoption Ordinance**"). Items (1)-(3) were amended by ordinances adopted on May 17, 2012 and December 9, 2015 (the "**Midwest Amendments**"). Items (1)-(3), as amended by the Midwest Amendments, are collectively referred to herein as the "**TIF Ordinances**". The Redevelopment Area (as defined below) is legally described on Exhibit A.

**D. The Project:** The Partnership shall acquire from East Park Limited Partnership, an Illinois limited partnership and Affiliate, certain property generally located at 3300 West Maypole Avenue and located wholly within the Redevelopment Area as legally described on Exhibit B hereto (the "**Property**"). In accordance with this Agreement and within the time frames set forth in Section 3.01 hereof, the Developer Parties shall commence and complete the following: rehabilitate each of the 153 units in the building and improve the overall site and building (the "**Facility**") on the Property, which will consist of 152 single residency occupancy units, one residential managers unit, and related common areas. The Facility shall include the environmental features detailed in Section 8.23 hereof. The rehabilitation of the Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit D) are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

**E. Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago Midwest Tax Increment Finance Program Redevelopment Plan and Project, as amended from time-to-time (the "**Redevelopment Plan**").

**F. City Financing and Assistance:** The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes to pay or reimburse the Developer Parties for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. In addition, the City may, in its discretion, issue tax increment allocation bonds ("**TIF Bonds**") secured by Incremental Taxes (as defined below) pursuant to a TIF bond ordinance (the "**TIF Bond Ordinance**"), at a later date as described and conditioned in Section 4.07 hereof. The proceeds of the TIF Bonds (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes.

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

## AGREEMENT:

### SECTION 1: RECITALS HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area

2. Definitions	B	*Property Legal Description
3. The Project	C-1	*Project Budget
4. Financing	C-2	*Construction (MBE/WBE) Budget
5. Conditions Precedent	D	*TIF-Funded Improvements
6. Agreements with Contractors	E	Construction Contract
7. Completion of Construction or Rehabilitation	F	Intentionally omitted.
8. Covenants/Representations/Warranties of Developer	G	*Permitted Liens
9. Covenants/Representations/Warranties of the City	H	Opinion of Developer Parties Counsel
10. Developer's Employment Obligations	I	Form of Payment Bonds
11. Environmental Matters	J	Requisition Form
12. Insurance	K	*Funding Sources
13. Indemnification	L	Escrow Agreement
14. Maintaining Records/Right to Inspect	M	Tenant Lease
15. Defaults and Remedies		(An asterisk (*) indicates which exhibits are to be recorded.)
16. Mortgaging of the Project		
17. Notice		
18. Miscellaneous		

## SECTION TWO: DEFINITIONS

For purposes of this Agreement the following terms shall have the meanings stated below:

**“Act”** has the meaning defined in the recitals.

**“Actual Residents of the City”** has the meaning defined for such phrase in Section 10.02(c) hereof.

**“Affiliate”** means any individual, corporation, partner, partnership, trust or entity which owns or controls a controlling interest, or is owned or controlled by, or is under common ownership or control with, in whole or in part, a Developer Party or any successor to a Developer Party or its respective subsidiary(ies) or parent(s).

**“Affordable Units”** has the meaning defined in Section 8.27 hereof.

**“Agreement”** has the meaning defined in the Agreement preamble.

**“AMI”** shall mean Chicago-area median income, adjusted for family (as defined in 24 C.F.R. Part 5.403) size, as determined from time to time by HUD.

**“Annual Compliance Report”** shall mean a signed report from the Partnership to the City (a) itemizing each of the Developer Parties' obligations under this Agreement during the preceding calendar year, (b) certifying the Developer Parties' compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer Parties are not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include, but not be limited to, the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.12); (2) delivery of updated insurance certificates, if applicable (Section 8.13); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.14); (4) compliance with the Affordable Housing

Covenant (Section 8.27); and (5) compliance with all other executory provisions of this Agreement.

**“Available Incremental Taxes”** means, for each payment, an amount equal to the Incremental Taxes on deposit in the Redevelopment Project Area Special Tax Allocation Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which is available for the financing or payment of Redevelopment Project Costs, after deducting (i) the City Fee, (ii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged for the Prior Obligations, and (iii) debt service payments with respect to the Bonds, if any.

**“Available Project Funds”** means: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity, and (iv) any other amounts deposited by the Developer pursuant to this Agreement.

**“Bonds”** has the meaning defined in Section 8.05 hereof.

**“Business Day”** means any day other than Saturday, Sunday or a legal holiday in the State.

**“Certificate”** means the Certificate of Completion of Construction described in Section 7.01.

**“Change Order”** means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.04.

**“City”** has the meaning defined in the Agreement preamble.

**“City Contract”** has the meaning defined in Section 8.01(n) hereof.

**“City Council”** means the City Council of the City of Chicago as defined in the recitals.

**“City Fee”** means the funds described in Section 4.09 hereof.

**“City Funds”** means the funds described in Section 4.03(b) hereof.

**“City Group Member”** has the meaning defined in Section 8.10 hereof.

**“City Regulatory Agreement”** means that certain Regulatory Agreement entered into on the date hereof by Partnership and the City.

**“Closing Date”** means the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

**“Construction Contract”** means collectively those certain contracts substantially in the form of Exhibit E, to be entered into between Developer Parties and the General Contractor (as defined below) providing for construction of the Project.

**“Construction Program”** has the meaning defined in Section 10.03 hereof.

**“Corporation Counsel”** means the City's Office of Corporation Counsel.

**“Davis-Bacon Act”** shall mean 40 U.S.C. Section 276a et seq.

**“Developer Parties”** has the meaning defined in the Agreement preamble.

**“DPD”** means the City’s Department of Planning and Development, or any successor department thereto.

**“EDS”** means the City’s Economic Disclosure Statement and Affidavit, on the City’s then current form.

**“East Park Redevelopment Limited Partnership”** has the meaning defined in the Agreement preamble.

**“Employer(s)”** has the meaning defined in Section 10.01 hereof.

**“Environmental Laws”** means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called “Superfund” or “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code, including but not limited to the Municipal Code, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

**“Equity”** means funds of Developer Parties (other than funds derived from Lender Financing (as defined below)) available as and when required for the Project, in the amount stated in Exhibit K attached hereto, which amount may be increased pursuant to Section 4.07 hereof (Cost Overruns).

**“Escrow Agreement”** means that certain Escrow Agreement entered into as of the Closing Date by the City, Developer Parties, Lenders and other parties, in substantially the form attached as Exhibit L.

**“Event of Default”** has the meaning defined in Section 15.01 hereof.

**“Existing Mortgages”** has the meaning defined in Section 16.01 hereof.

**“Facility”** has the meaning defined in the recitals.

**“Financial Statements”** means, for each of the Developer Parties, the financial statements of such Developer Party regularly prepared by such Developer Party, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, and which are delivered to the Lenders pursuant to Partnership’s loan agreement(s), if any.

**“FOIA”** has the meaning defined in Section 8.25(a) hereof.



**“General Contractor”** means the general contractor(s) hired by Developer Parties under Section 6.01 hereof.

**“Governmental Charge”** has the meaning defined in Section 8.18(a) hereof.

**“Hazardous Materials”** means any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PNAs), polychlorinated biphenyls (PCBs), RCRA metals which exceed the IEPA Tier 1 remediation objectives, crude oil, any fraction thereof, or refined petroleum products such as oil, gasoline, or other petroleum-based fuels, lead paint, asbestos or asbestos-containing materials, urea formaldehyde, any radioactive material or by-product material, radon and mold.

**“Housing Act”** shall mean the United States Housing Act of 1937 (42 USC §1437, et seq.) as amended from time to time, any successor legislation and all implementing regulations issued thereunder or in furtherance thereof.

**“HUD”** shall mean the United States Department of Housing and Urban Development.

**“Human Rights Ordinance”** has the meaning defined in Section 10.01(a) hereof.

**“In Balance”** has the meaning defined in Section 4.08(g) hereof.

**“Incremental Taxes”** means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the Redevelopment Project Area Special Tax Allocation Fund.

**“Indemnitee”** and **“Indemnitees”** have the respective meanings defined in Section 13.01 hereof.

**“Lender”** means any governmental agency or financial lending institution providing Lender Financing.

**“Lender Financing”** means funds borrowed by Partnership from Lenders and available to pay for costs of the Project, in the amount stated in Exhibit K, if any.

**“Limited Partner”** means Stratford East Park Investors Limited Partnership, a Massachusetts limited partnership, or another affiliate of Stratford Capital Group LLC and its successors and assigns.

**“Local Records Act”** has the meaning defined in Section 8.25(c) hereof.

**“MBE(s)”** has the meaning defined in Section 10.03 hereof.

**“MBE/WBE Budget”** shall mean the budget attached hereto as Exhibit C-2, as described in Section 10.03 hereof.

**“MBE/WBE Program”** has the meaning defined in Section 10.03 hereof.

**“Municipal Code”** means the Municipal Code of the City of Chicago as presently in

effect and as hereafter amended from time to time.

**“New Mortgage”** has the meaning defined in Section 16.01 hereof.

**“Non-Governmental Charges”** means all non-governmental charges, liens, claims, or encumbrances relating to Developer Parties, the Property or the Project.

**“Partnership”** has the meaning defined in the Agreement preamble.

**“Permitted Liens”** means those liens and encumbrances against the buildings in the Project and/or the Project stated in Exhibit G.

**“Permitted Mortgage”** has the meaning defined in Section 16.01 hereof.

**“Phase I Report”** has the meaning defined in the recitals.

**“Plans and Specifications”** means final construction documents containing a site plan and working drawings and specifications for the Project.

**“Prior Obligations”** shall mean, collectively, the following:

Modern Schools Bonds Debt Service:

Raby Horticultural  
Westinghouse  
DePriest  
Austin  
Collins

City Gardens RDA  
Douglas Library  
Garfield Center  
Harvest Homes RDA  
Heritage Homes RDA  
Liberty Square Apartments RDA  
Sinai Hospital RDA  
Retail Thrive Zone  
11<sup>th</sup> District Police Station

Intergovernmental Agreements:

Park District: Garfield Park Conservatory  
CPS: Dodge  
CPS: Ericson  
CPS: Faraday  
CPS: Jensen  
CPS: Penn  
CPS: Sumner

Tree Planting – 2<sup>nd</sup> Ward

ALL INFRASTRUCTURE PROJECTS APPROVED PRIOR TO CITY COUNCIL  
APPROVAL DATE OF EAST PARK SRO ORDINANCE NOVEMBER 1, 2016.

Neighborhood Improvement Program-Midwest  
Purchase Rehabilitation Program-MF-Midwest  
Small Business Improvement Fund  
TIF Works

**“PrivateBank”** means The PrivateBank and Trust Company, an Illinois state chartered bank.

**“Procurement Program”** has the meaning defined in Section 10.03 hereof.

**“Project”** has the meaning defined in the recitals.

**“Project Budget”** means the budget stated in Exhibit C-1, showing the total cost of the Project by line item, as furnished by Partnership to DPD, in accordance with Section 3.03 hereof.

**“Property”** has the meaning defined in the recitals.

**“Redevelopment Area”** has the meaning defined in the recitals.

**“Redevelopment Plan”** has the meaning defined in the recitals.

**“Redevelopment Project Area Special Tax Allocation Fund”** means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes are to be deposited.

**“Redevelopment Project Costs”** means redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget stated in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

**“Requisition Form”** shall mean the document, in the form attached hereto as Exhibit J, to be delivered by the Developer to DPD pursuant to Section 4.03(c) hereof.

**“Scope Drawings”** means preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

**“Site Plan”** has the meaning defined in the recitals.

**“State”** means the State of Illinois as defined in the recitals.

**“Survey”** means an urban plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 90 days prior to the Closing Date, reasonably acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and any updates thereof to reflect improvements to the Property as required by the City or the Lenders, if any).

**“Term of the Agreement”** means the period of time commencing on the Closing Date and ending on the date that is the 30-year anniversary of the issuance of the Certificate.

**“TIF Adoption Ordinance”** has the meaning defined in the recitals.

**“TIF Bonds”** has the meaning defined in the recitals.

**“TIF Bond Ordinance”** has the meaning defined in the recitals.

**“TIF Bond Proceeds”** has the meaning defined in the recitals.

**“TIF Ordinances”** has the meaning defined in the recitals.

**"TIF-Funded Improvements"** means those improvements of the Project which: (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement, and (iv) are stated in Exhibit D.

**"Title Company"** means Near North National Title LLC, an Illinois limited liability company.

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

**"Ujamaa"** has the meaning defined in Section 6.01(a) hereof.

**"WARN Act"** means the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

**"WBE(s)"** has the meaning defined in Section 10.03 hereof.

### SECTION THREE: THE PROJECT

3.01 **The Project.** Developer Parties will, pursuant to the Plans and Specifications and subject to the provisions of Section 18.18 hereof and the receipt of all necessary permits: (i) begin redevelopment construction no later than ninety days after the Closing Date, and (ii) complete redevelopment construction no later than the second anniversary of the Closing Date, subject to the provisions of Section 18.16 (Force Majeure).

3.02 **Scope Drawings and Plans and Specifications.** Partnership has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved them. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to DPD as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and all applicable Federal, State and local laws, ordinances and regulations. Developer Parties will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 **Project Budget.** Partnership has furnished to DPD, and DPD has approved, a Project Budget which is Exhibit C-1, showing total costs for the Project in an amount not less than \$16,666,443. Partnership hereby certifies to the City that: (a) in addition to City Funds, the Lender Financing and/or Equity described in Exhibit K shall be sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Partnership will promptly deliver to DPD copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 **Change Orders.** All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by the Partnership to DPD. The Partnership shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Partnership of DPD's written approval, which shall not be unreasonably withheld, conditioned or delayed. The Construction Contract, and

each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Partnership.

3.05 **DPD Approval.** Any approval granted by DPD under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by DPD under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, or investment quality of the Property or the Project.

3.06 **Other Approvals.** Any DPD approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer Parties' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals). The Developer Parties shall not commence construction of the Project until Developer Parties have obtained all necessary permits and approvals (including but not limited to DPD's approval of the Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as and when required hereunder.

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Partnership will provide DPD with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring DPD's written approval under Section 3.04). Partnership must also deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Partnership's MBE/WBE Commitment). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Partnership acceptable to DPD to address and cure such shortfall. At Project completion, upon the request of DPD, Partnership will provide 3 copies of an updated Survey to DPD reflecting improvements made to the Property.

3.08 **Inspecting Agent or Architect.** The independent agent or architect (other than Partnership's architect) selected by the non-governmental Lender will also act as the inspecting agent or architect for DPD for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by the Developer Parties. The inspecting agent or architect will perform periodic inspections with respect to the Project, providing written certifications with respect thereto to DPD, prior to requests for disbursements for costs related to the Project.

3.09 **Barricades.** When applicable, Partnership has installed (or shall install) a construction barricade of a type and appearance satisfactory to the City and which barricade was constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Project) installed after the date of this Agreement.

3.10 **Signs and Public Relations.** Partnership will erect in a conspicuous location on the Property during the Project a sign of commercially reasonable size and style, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and any other pertinent, non-confidential

information regarding Developer Parties and the Project in the City's promotional literature and communications.

3.11 **Accessibility for Disabled Persons.** Partnership acknowledges that it is in the public interest to design, construct and maintain the Project in a manner that promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and related improvements have been reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

#### SECTION FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$16,666,443 to be applied in the manner stated in the Project Budget and funded from the sources identified in Exhibit K.

4.02 **Developer Parties Funds.** Equity and Lender Financing will be used to pay the majority of Project costs, including but not limited to costs of TIF-Funded Improvements.

#### 4.03 **City Funds.**

(a) **Uses of City Funds.** City Funds may only be used to pay directly or reimburse the Developer Parties for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit D sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.03(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) **Sources of City Funds.** Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide up to \$5,212,175 of City funds (the "**City Funds**") from Available Incremental Taxes to pay for or reimburse the Developer Parties for the costs of the TIF-Funded Improvements; provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Five Million Two Hundred Twelve Thousand One Hundred Seventy Five Dollars (\$5,212,175); and provided further, that the \$5,212,175 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any, shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only to the extent that the amount of the Available Incremental Taxes deposited into the Redevelopment Project Area Special Tax Allocation Fund shall be sufficient to pay for such costs.

The Developer Parties acknowledge and agree that the City's obligation to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer Parties pursuant to Section 4.01 hereof shall increase proportionately until such City Funds are available.

(c) **Disbursement of City Funds.** Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.08 and Section 5 hereof, the City shall disburse the City Funds in three payments to a Developer Party as follows: (i) 25% of the City Funds upon the completion of 50% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; (ii) 25% of the City Funds upon the completion of 75% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation the issuance of the Certificate; and

(iii) 50% of the City Funds upon the issuance of the Certificate.

4.04 **Construction Escrow.** The City and the Developer Parties hereby agree to enter into the Escrow Agreement. All disbursements of Project funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

4.05 **Sale or Transfer of the Property or Project by Developer Parties.**

Prior to the Date of Issuance of the Certificate. Subject to Section 16.01 hereof, Partnership must obtain the prior approval of the City for any sale or transfer to an entity that is not a Developer Party of any part of the Property or the Project prior to the issuance of the Certificate. Such approval by the City will be subject to the reasonable discretion requirement stated in Section 18.19. For purposes of this Section 4.05, the phrase: "sale or transfer of any part of the Property or Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Partnership's assets or equity but does not include the lease of residential units in accordance with Section 8.27 hereof.

4.06 Intentionally omitted.

4.07 **Cost Overruns.** If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, or if the cost of completing the Project exceeds the Project Budget, Developer Parties will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project.

4.08 **Preconditions of Disbursement.** Prior to each disbursement of City Funds hereunder, the Partnership shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Partnership to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

(c) the Developer Parties have approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Agreement are true and correct and the Developer Parties are in compliance with all covenants contained herein;

(e) the Developer Parties have received no notice and have no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

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

(g) the Project is In Balance. The Project shall be deemed to be in balance (“**In Balance**”) only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. The Developer Parties hereby agree that, if the Project is not In Balance, the Developer Parties shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require the Developer Parties to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer Parties. In addition, the Developer Parties shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.09 **City Fee.** Annually, the City may allocate an amount not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

4.10 **Conditional Grant.** The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer Parties' compliance with the provisions of this Agreement. The City Funds are subject to being suspended, terminated and/or reimbursed as provided in Sections 7.03 and 15.02 hereof.

4.11 **TIF Bonds.** The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The costs of issuance of the TIF Bonds would be borne solely by the City. The Developer Parties will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

## SECTION FIVE: CONDITIONS PRECEDENT

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.01 **Project Budget.** Developer Parties will have submitted to DPD, and DPD will have approved, a Project Budget in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer Parties will have submitted to DPD, and DPD will have approved, the Scope Drawings and Plans and Specifications as provided in Section 3.02.

5.03 **Other Governmental Approvals.** Developer Parties will have secured or applied for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will



submit evidence thereof to DPD.

**5.04 Financing.**

(a) Developer Parties will have furnished evidence acceptable to the City that Developer Parties have Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 and Exhibit K, which are sufficient to complete the Project and satisfy their obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer Parties will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer Parties as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01 and Exhibit K) to complete the Project.

(b) Prior to the Closing Date, Partnership will deliver to DPD a copy of the Escrow Agreement. The Escrow Agreement must provide that DPD will receive copies of all construction draw request materials submitted by Partnership after the date of this Agreement.

(c) Any financing liens against the Property and Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in Section 7.02(b) of this Agreement under a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Partnership, in the Office of the Recorder of Deeds of Cook County.

(d) The City agrees that the Developer Parties may collaterally assign their respective interests in this Agreement to any of their Lenders if such Lender requires such collateral assignment.

**5.05 Acquisition and Title.** On the Closing Date, Developer Parties will furnish the City with a copy of the Title Policy for the Property, showing Partnership as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit G and will evidence the recording of this Agreement under the provisions of Section 8.17. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (i.e., Zoning 3.1 plans and specifications) with parking, contiguity, location, access, and survey.

**5.06 Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer Parties, at their own expense, will have provided the City with current searches under the names of each of the entities comprising Developer Parties as follows:

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

showing no liens against Developer Parties, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 **Surveys.** Developer Parties will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Partnership, at its own expense, will have insured the Property and the Project as required under Section 12. Prior to the Closing Date, certificates required under Section 12 evidencing the required coverages will have been delivered to DPD.

5.09 **Opinions of Developer Parties' Counsel.** On the Closing Date, Developer Parties will furnish the City with an opinion of counsel, substantially in the form of Exhibit H, with such changes as may be required by or acceptable to Corporation Counsel. If any Developer Party has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in Exhibit H, such opinions shall be obtained by such Developer Party from its general corporate counsel.

5.10 Intentionally omitted.

5.11 **Financial Statements.** Developer Parties will have provided Financial Statements to DPD for their fiscal year 2016, or for the most recently available year, and their most recently available unaudited interim Financial Statements.

5.12 **Additional Documentation.** Partnership will have provided documentation to DPD, satisfactory in form and substance to DPD concerning Partnership's employment profile operating leases and other tenant leases executed by Partnership for leaseholds in the Project, if any.

5.13 **Environmental Audit.** Partnership will have provided DPD with copies of all phase I environmental audits completed with respect to the Property, if any, and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. If environmental issues exist on the Property, the City will require written verification from the Illinois Environmental Protection Agency that all identified environmental issues have been or will be resolved to its satisfaction.

5.14 **Entity Documents.** Each of Developer Parties shall provide a copy of its current Articles of Incorporation or incorporation or partnership agreements, with all amendments, containing the original certification of the Secretary of State of its state of incorporation or organization; certificates of good standing from the Secretary of State of its state or incorporation and all other states in which each Developer Party is qualified to do business; its current bylaws; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such organizational documentation as the City may request. Partnership shall provide comparable organizational documentation.

The Developer has provided to the City, an EDS in the City's then current form, dated as of the Closing Date, which is incorporated by reference, and the Developer further will provide any other affidavits or certifications as may be required by Law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City pursuant to the requirements of Section 2-154-020 of the Municipal Code, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, and failure to promptly provide such updated EDS(s) to the City will constitute an Event of Default under this Agreement.

5.15 **Litigation.** Developer Parties will provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving Developer Parties or any Affiliate of Developer Parties (excluding any limited partners of the Partnership) specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

## SECTION SIX: AGREEMENTS WITH CONTRACTORS

### 6.01 **Bid Requirement for General Contractor and Subcontractors.**

(a) DPD acknowledges that Partnership has selected Griggs Mitchell & Alma, an Illinois limited liability company as the general contractor (the "General Contractor"). General Contractor plans to collectively manage the construction for the Project with Ujamaa Construction Inc., an Illinois corporation ("Ujamaa"). Partnership will cause the General Contractor and Ujamaa to solicit bids for work on the Project solely from qualified subcontractors eligible to do business with the City of Chicago.

(b) Partnership must submit copies of the Construction Contract to DPD as required under Section 6.02 below. Upon the written request of the City, Partnership will provide photocopies of all subcontracts entered or to be entered into in connection with the Project within five (5) Business Days of the execution thereof. The Partnership must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project until the Plans and Specifications have been approved by the City and all requisite permits have been obtained.

6.02 **Construction Contract.** Prior to the execution thereof, Partnership must deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to work on the Project, for DPD's prior written approval. Following execution of such contract by Developer Parties, the General Contractor and any other parties thereto, Partnership must deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 **Performance and Payment Bonds.** Prior to commencement of construction of any portion of the Project, Developer Parties will require that the General Contractor and any applicable subcontractor(s) be bonded for their respective payment and performance by sureties having an AA rating or better using the bond form attached as Exhibit I. The City will be named as obligee or co-obligee on such bond.

6.04 **Employment Opportunity.** Developer Parties will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy or the failure of any one subcontractor to satisfy, such obligation shall not result in a default or a termination of this Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

6.05 **Other Provisions.** In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (MBE/WBE Commitment), Section 12 (Insurance) and Section

## SECTION SEVEN: COMPLETION OF CONSTRUCTION

### 7.01 Certificate of Completion of Construction.

(a) Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Partnership's written request, DPD will issue to Developer Parties a recordable certificate of completion of construction (the "**Certificate**") certifying that Developer Parties have fulfilled their obligations to complete the Project in compliance with the terms and conditions of this Agreement. DPD will respond to Partnership's written request for a Certificate within 30 days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer Parties in order to obtain the Certificate. Partnership may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate.

(b) Each Developer Party acknowledges and understands that the City will not issue a Certificate if there exists an Event of Default which is continuing or there exists a condition or event, which, with the giving of notice or the passage of time or both, would constitute an Event of Default. Each Developer Party further acknowledges and understands that the City will not issue the Certificate until (i) the City's Monitoring and Compliance unit has determined in writing that Partnership is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage) as required in this Agreement, (ii) the Project, including all 153 residential units, the parking spaces and all related improvements, has been completed, and (iii) Developer Parties have received a Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD that the Developer Parties have complied with building permit requirements.

### 7.02 Effect of Issuance of Certificate; Continuing Obligations.

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

(b) Those covenants specifically described at Sections 8.01(m), 8.01(n), 8.02 (Covenant to Redevelop), 8.18 (Real Estate Provisions), 8.27 (Affordable Housing Covenant) 8.24 (Annual Compliance Report), as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement; provided that upon the issuance of the Certificate, the covenants in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of the Certificate will be binding only upon each Developer Party or a permitted assignee of such Developer Party who, as provided in Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of such Developer Party's rights under this Agreement and assume such Developer Party's liabilities hereunder.

7.03 Failure to Complete. If Developer Parties fail to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to,

any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed under this Agreement;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available under Section 4.01, Partnership will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the Developer Parties, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status, if any, of any TIF Bonds.

**7.04 Notice of Expiration of Term of Agreement.** Upon the expiration of the Term of the Agreement, DPD will provide Developer Parties, at their written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

## **SECTION EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER PARTIES**

**8.01 General.** Each of Developer Parties represent, warrant, and covenant, as of the date of this Agreement as follows. Representations, warranties and covenants denoted (Partnership only), (General Partner only), (Generations only) or (Habitat only) shall be deemed to have been made only by Partnership, General Partner or Generations, as applicable; otherwise, they shall be deemed to apply to all.

(a) Generations is an Illinois not-for-profit corporation, duly organized, validly existing and in good standing (Generations only);

(b) General Partner is an Illinois limited liability company, duly organized, validly existing and in good standing (General Partner only);

(c) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate Generation's Articles of Incorporation as amended and supplemented, its bylaws, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Generations is now a party or by which Generations or any of its assets is now or may become bound (Generations only); Generations has the right, power and authority to enter into, execute, deliver and perform this Agreement or has otherwise applied for permits and approvals required to complete the Project (Generations only);

(d) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate General Partner's Articles of Organization as amended and supplemented, its bylaws, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which General Partner is now a party or by which General Partner or any of its assets is now or may become bound (General Partner only); General Partner has the right, power and authority to enter into, execute, deliver and perform this Agreement or has otherwise applied for permits and approvals required to complete the Project (General Partner only);

(e) Partnership (i) is an Illinois limited partnership duly organized and validly existing in the State of Illinois, (ii) has the right, power and authority to enter into, execute, deliver and perform this Agreement, and (iii) has been duly authorized by all necessary limited partnership action to execute, deliver and perform its obligations under this Agreement, which execution, delivery and performance does not and will not violate its certificate of limited partnership or partnership agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Partnership is now a party or by which it may become bound (Partnership only);

(f) Partnership has acquired and will maintain good and merchantable leasehold title, or fee simple title, as the case may be, to the Property (and improvements) free and clear of all liens except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget (Partnership only);

(g) Developer Parties are now, and until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which Partnership has no further economic interest in the Project, will remain solvent and able to pay its debts as they mature;

(h) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending or, to Developer Parties actual knowledge threatened or affecting each Developer Party entity which would impair its ability to perform under this Agreement;

(i) Developer Parties have or will acquire as necessary and will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(j) Developer Parties are not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which each Developer Party is a party or by which each Developer Party or any of its assets is bound which would materially adversely affect its ability to comply with its obligations under this Agreement;

(k) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of each of the Developer Parties; and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of each Developer Party since the date of each of the Developer Parties' most recent Financial Statements;

(l) prior to the issuance of the Certificate, if it would materially adversely affect Partnership's ability to perform its obligations under this Agreement, Partnership will not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or in accordance with Section 4.05; (3) enter into any transaction outside the ordinary course of Partnership's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing or tax credit equity investment for the Project); or (5) enter into any transaction that would cause a material and detrimental

change to Partnership's financial condition; provided, however, this section shall not apply to any leases entered into in the ordinary course of business of renting to tenants, it being acknowledged that Partnership shall have the right to enter into leases in the ordinary course of business for all or any portion of the Property for lease to tenants in accordance with Section 8.27 hereof on such terms as are determined by Partnership (Partnership only);

(m) Partnership has not incurred and, prior to the issuance of the Certificate, will not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Project other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget (Partnership only);

(n) None of the Developer Parties has made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or under City ordinance, for services to any City agency ("**City Contract**") as an inducement for the City to enter into the Agreement or any City Contract with such Developer Party in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended;

(o) None of the Developer Parties or any affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subsection only, "affiliate" means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise;

(p) The Developer Parties represent, acknowledge and agree that (1) payments of City Funds are subject to the amount of Available Incremental Taxes on deposit in the Redevelopment Project Area Special Tax Allocation Fund being sufficient for such payments. If the Available Incremental Taxes turn out to be insufficient to make such payments, such insufficiency shall not give the Developer or any other party any claim or right to any other Incremental Taxes or other funds of the City; (2) the City Funds are limited obligations of the City, payable from Available Incremental Taxes on deposit in the Redevelopment Project Area Special Tax Allocation Fund; (3) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (4) Developer Parties have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (5) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; (6) the Developer Parties have sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds; (7) there is no assurance as to the amount or timing of receipt of City Funds, and that the amount of City Funds actually received by such party may be substantially less than the maximum amounts set forth in Section 4.03(b) hereof; (8) except as set forth in Section 5.04(d), the Developer Parties may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part without the prior written consent of the City, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses,

claims, damages or expenses relating to or based upon any, sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and (9) the City has no continuing obligation to provide it with any information concerning the City Funds or otherwise, except as set forth in this Agreement; and

8.02 **Covenant to Redevelop.** Upon DPD's approval of the Scope Drawings and Plans and Specifications as provided in Section 3.02, and DPD's approval of the Project Budget as provided in Section 3.03, and Partnership's receipt of all required building permits and governmental approvals, Developer Parties will redevelop the Property in compliance with this Agreement, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Partnership.

The covenants set forth in this Section 8.02 will run with the land and will be binding upon any transferee of the Property, or a portion thereof, but shall be deemed satisfied upon the issuance and recording of the Certificate.

8.03 **Redevelopment Plan.** Developer Parties represent that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

8.04 **Use of City Funds.** City Funds disbursed to Developer Parties will be used by Developer Parties solely to pay for or reimburse Developer Parties for their payment for the TIF-Funded Improvements as provided in this Agreement.

8.05 **Other Bonds.** At the request of the City, Developer Parties will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) TIF Bonds or other bonds ("**Bonds**") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements; provided, however, that any such amendments will not have a material adverse effect on Developer Parties or the Project. Developer Parties will cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition, and assisting the City in its preparation of an offering statement with respect thereto. None of the Developer Parties will have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer Parties that is determined to be false and misleading.

8.06 **Job Creation; Employment Opportunity; Progress Reports.**

(a) The Developer Parties anticipate that the Project will result in the creation of 40 temporary FTE construction jobs and preservation of 6 permanent FTE jobs (collectively, the "Jobs"). Throughout the Term of the Agreement, the Developer shall submit certified employment reports disclosing the number of Jobs at the Project to DPD as a part of the Developer's submission of the Annual Compliance Report. Notwithstanding any other provision in this Agreement to the contrary, the failure to create the specified number of Jobs shall not constitute an Event of Default.

(b) The Developer Parties covenant and agree to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer Parties shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.08, 10.02 and



10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer Parties shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer Parties shall correct any shortfall.

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

8.08 **Prevailing Wage.** Developer Parties covenant and agree to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the federal government pursuant to the Davis-Bacon Act, to all their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If federal prevailing wage rates are revised, the revised rates will apply to all such contracts. Upon the City's request, Partnership will provide the City with copies of all such contracts entered into by any Developer Party or the General Contractor to evidence compliance with this Section 8.08.

8.09 **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of a Developer Party may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer Parties will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to an Affiliate by a Developer Party and reimbursement to such Developer Party for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

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

8.11 **Disclosure of Interest.** None of the Developer Parties' counsel has direct or indirect financial ownership interest in a Developer Party, the Property, or any other feature of the Project.

8.12 **Financial Statements.** Partnership will obtain and provide to DPD Financial Statements for Partnership's fiscal year ended 2015 and each year thereafter for the Term of the Agreement. In addition, if requested by DPD, Partnership will submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.13 **Insurance.** Solely at their own expense, Developer Parties will comply with all provisions of Section 12 hereof.

**8.14 Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, and subject to subsection (b) below, Developer Parties agree to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Project, or any fixtures that are or may become attached thereto and which are owned by a Developer Party, which create, may create, or appear to create a lien upon all or any portion of the Project; provided however, that if such Non-Governmental Charges may be paid in installments, Developer Parties may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer Parties will furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other evidence satisfactory to DPD, evidencing payment of the Non-Governmental Charges in question.

(b) **Right to Contest.** Developer Parties will have the right, before any delinquency occurs:

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

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

**8.15 Developer's Liabilities.** No Developer Party will enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Each Developer Party will immediately notify DPD of any and all events or actions which may materially affect such party's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related to this Agreement or the Project.

**8.16 Compliance with Laws.** To the best of each Developer Party's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project. Upon the City's request, Developer Parties will provide evidence satisfactory to the City of such current compliance.

**8.17 Recording and Filing.** Partnership will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Partnership will pay all fees and charges incurred in connection with any such recording. Upon recording, Partnership will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Subject to subsection (ii) below, Developer Parties agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer Parties, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer Parties or all or any portion of the Property or the Project. "**Governmental Charge**" means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer Parties, the Property, or the Project, including but not limited to real estate taxes.

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

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

(y) Developer Parties will furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD may require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(iii) Notification to the Cook County Assessor of Change in Use and Ownership. Prior to the Closing Date, the Partnership shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. On the Closing Date, the Partnership shall pay to the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, the Partnership shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

(b) Developer Parties' Failure To Pay Or Discharge Lien. If Developer Parties fail to pay or contest any Governmental Charge or to obtain discharge of the same as required by this Section 8.18, Partnership will advise DPD thereof in writing, at which time DPD may, but will not

be obligated to, and without waiving or releasing any obligation or liability of Developer Parties under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to DPD by Developer Parties. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer Parties fail to pay any Governmental Charge, the City, in its sole discretion, may require Developer Parties to submit to the City audited Financial Statements at Developer Parties' own expense.

8.19 Intentionally omitted.

8.20 **Job Readiness Program.** If requested by the City, Partnership will use its best efforts to encourage its tenants at the Project to participate in job readiness programs established by the City to help prepare individuals to work for businesses located within the Redevelopment Area.

8.21 **Broker's Fees.** Partnership has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.22 **No Business Relationship with City Elected Officials.** Partnership acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Partnership hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

8.23 **Environmental Features.** The design of the Project incorporates the following environmentally-friendly elements for which Partnership shall be responsible: exceeding the ASHREA standards, creating a bicycle storage area; installing permeable pavers covering the entry walkway and area adjacent to the bicycle storage; use of high efficiency heating and hot water systems; insulated domestic hot water tanks; and maximizing the use of low voltage lighting systems.

8.24 **Annual Compliance Report.** Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Partnership shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.25. **FOIA and Local Records Act Compliance.**

(a) FOIA. The Developer Parties acknowledge that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer Parties receive a request from the City to produce records within the scope of FOIA, then the Developer Parties covenant to comply with such request within 48 hours of the date of such request. Failure by the Developer Parties to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer Parties submit to the City under Section 8.24, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer Parties to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer Parties mark any such documents as "proprietary, privileged or confidential." If a Developer Parties marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer Parties acknowledge that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer Parties covenant to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

**8.26 Inspector General.** It is the duty of the Developer Parties and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer Parties' officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

**8.27 Affordable Housing Covenant.** Developer Parties agree and covenant to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of the City Regulatory Agreement shall govern the terms of the Developer Party's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

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

(b) 152 of the units in the Facility shall be available for occupancy to and be occupied solely by one or more qualifying as Low Income Families (as defined below) upon initial occupancy (the "Affordable Units"); and

(c) 152 of the units in the Facility have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by

a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this Section 8.27, the following terms has the following meanings:

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

(ii) "Low Income Families" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition. It is required that at least ten percent (10%) of the units shall be rented to families whose annual income does not exceed fifty percent (50%) of the Chicago-area median income and that all of the remaining units shall be rented to families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income.

(e) The covenants set forth in this Section 8.27 shall run with the land and be binding upon any transferee.

(f) The City and Developer Parties may enter into a separate agreement to implement the provisions of this Section 8.27.

(g) All tenant leases for the Affordable Units shall be in the form attached hereto as Exhibit M.

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

## **SECTION NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY**

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

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

## SECTION TEN: DEVELOPER PARTIES' EMPLOYMENT OBLIGATIONS

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

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

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

(c) Each Employer will comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et seq. (2002 State Bar Edition, as amended), and any subsequent amendments and regulations promulgated thereto.

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

(e) Each Employer will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project (other than for remediation and demolition entered into prior to the date of this Agreement), and will require inclusion of these provisions in every subcontract entered into by any subcontractors and every agreement with any Affiliate operating on the Property, so that each such provision will be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

#### 10.02 City Resident Construction Worker Employment Requirement.

(a) Developer Parties agree for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer Parties, the General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer Parties, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) Partnership may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

(c) **“Actual residents of the City”** means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

(d) Partnership, the General Contractor and each subcontractor will provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer will maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

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

(f) Upon 2 Business Days prior written notice, Developer Parties, the General Contractor and each subcontractor will provide full access to their employment records related to the Construction of the Project to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer Parties, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the Construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

(g) At the direction of DPD, affidavits and other supporting documentation will be required of Developer Parties, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of Developer Parties, the General Contractor and



each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When work at the Project is completed, in the event that the City has determined that Developer Parties have failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual residents of the City or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project Budget undertaken by Developer Parties (and specifically excluding any tenant improvements which are not undertaken by Developer Parties) (the product of .0005 x such aggregate hard construction costs) (as the same will be evidenced by approved contract value for the actual contracts) will be surrendered by Partnership to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer Parties, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer Parties pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer Parties must surrender damages as provided in this paragraph.

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

(k) Developer Parties will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project (other than contracts for remediation and demolition entered into prior to the date of this Agreement).

**10.03 Developer Parties' MBE/WBE Commitment.** Developer Parties agree for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "**Construction Program**," and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the aggregate hard construction costs (as set forth in the Project Budget) shall be expended for contract participation by minority-owned businesses ("**MBEs**") and by women-owned businesses ("**WBEs**"):

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only:

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

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer Parties' MBE/WBE commitment may be achieved in part by Developer Parties' status as an MBE or WBE (but only to the extent of any actual work performed on the Project by such Developer Party) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer Parties utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer Parties' MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, Developer Parties shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) The Partnership shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer Parties or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer Parties' compliance with this MBE/WBE commitment. Developer Parties shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer Parties, on five Business Days' notice, to allow the City to review Developer Parties' compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Partnership shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and,

if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of Developer Parties' MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, Partnership shall be required to meet with the City's monitoring staff with regard to Developer Parties' compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Partnership shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Partnership shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Partnership is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Partnership, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Partnership to halt the Project, (2) withhold any further payment of any City Funds to Developer Parties or the General Contractor, or (3) seek any other remedies against Partnership available at law or in equity.

## SECTION 11. ENVIRONMENTAL MATTERS

Developer Parties hereby represent and warrant to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer Parties agree to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer Parties or any of its Affiliates under any Environmental Laws relating to the Property.

## SECTION TWELVE: INSURANCE

12.01 **Insurance.** The Partnership and General Partner must provide and maintain, at Partnership's and General Partner's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction Prior to the construction of any portion of the Project, Partnership and General Partner will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$ 500,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Partnership and General Partner must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk /Builders Risk

When Partnership and General Partner undertake any construction, including improvements, betterments, and/or repairs, the Partnership and General Partner must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Partnership and General Partner must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction: All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements: The Partnership and General Partner must furnish the City of Chicago, Department of Planning Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Partnership must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Partnership and General Partner is not a waiver by the City of any requirements for the Partnership and General Partner to obtain and maintain the specified coverages. The Partnership and General Partner shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Partnership and General Partner of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

The Partnership and General Partner hereby waive and agree to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

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

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Partnership and General Partner under the Agreement.

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

If Partnership and General Partner are a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

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

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

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

### SECTION THIRTEEN: INDEMNIFICATION

13.01 **General Indemnity.** Each of Developer Parties agrees to severally, but not jointly, indemnify, pay and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an “Indemnitee,” and collectively the “Indemnites”) harmless from and against, any and all liabilities, obligations, losses, damages (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnites in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnites shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnites by a third party in any manner relating to or arising out of:

- (i) Such Developer Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (ii) Such Developer Party's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project feature or improvement; or
- (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Developer Party or any of its Affiliates or any of their respective agents, employees, contractors or persons acting under the control or at the request of such Developer Party or any of its Affiliates; or
- (iv) a Developer Party's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (v) any act or omission by such Developer Party or any of its Affiliates.

provided, however, that no Developer Party shall have any obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, such Developer Party will contribute the maximum portion that it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnites or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 will survive the termination of this Agreement.

## SECTION FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer Parties will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Partnership's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Partnership's offices for inspection, copying, audit and examination by an authorized representative of the City, at Partnership's expense. No Developer Party will pay for salaries or fringe benefits of auditors or examiners. Developer Parties must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by a Developer Party with respect to the Project.

14.02 **Inspection Rights.** Upon 3 Business Days notice, any authorized representative of the City will have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

## SECTION FIFTEEN: DEFAULT AND REMEDIES

15.01 **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, will constitute an "Event of Default" by a Developer Party, as applicable, hereunder:

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

(b) the failure of a Developer Party to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of such party under any other agreement with any person or entity if such failure may have a material adverse effect on such party's business, property (including the Property or the Project), assets (including the Property or the Project), operations or condition, financial or otherwise;

(c) the making or furnishing by a Developer Party to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect when made;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by a Developer Party to create, any lien or other encumbrance upon the Property or the Project, including any fixtures now or hereafter attached thereto, other than the Permitted Liens and/or liens bonded by a Developer Party or insured by the Title Company to the satisfaction of DPD, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against a Developer Party or for the liquidation or reorganization of a Developer Party, or alleging that a Developer Party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of a Developer Party's debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving a Developer Party; provided, however, that if such commencement of proceedings is involuntary, such action



will not constitute an Event of Default unless such proceedings are not dismissed within 180 days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for a Developer Party, for any substantial part of a Developer Party's assets, or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of a Developer Party; provided, however, that if such appointment or commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 180 days after the commencement thereof;

(g) the entry of any judgment or order against a Developer Party which remains unsatisfied or undischarged and in effect for 180 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of any Developer Party;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against a Developer Party or any natural person who owns a material interest in a Developer Party, which is not dismissed within 60 days, or the indictment of a Developer Party or any natural person who owns a material interest in a Developer Party, for any crime (other than a misdemeanor); or

(k) The failure of a Developer Party, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to a Developer Party, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(j) hereof, a natural person with a material interest in a Developer Party is one owning in excess of thirty-three percent (33%) of such party's (or such party's ultimate parent entity's) issued and outstanding ownership shares or interest.

Notwithstanding anything to the contrary contained herein, City hereby agrees that, in addition to the cure rights set out in Section 15.04 below, any cure of any default made or tendered by one or more of Partnership's limited partners or PrivateBank shall be deemed to be a cure by the Partnership and/or Developer Parties and shall be accepted or rejected on the same basis as if made or tendered by Partnership and/or Developer Parties.

**15.02 Remedies.** Subject to Section 15.04, upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer Parties are or shall be parties and/or suspend disbursement of City Funds, except as otherwise provided in Section 4.03(c)(vii). The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. Without limiting the generality of the foregoing, with respect to Events of Defaults by a Developer Party, the City shall be entitled to seek reimbursement of City Funds from Developer Parties.

### 15.03 Curative Period.

(a) In the event a Developer Party fails to perform a monetary covenant which it is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless the applicable party has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event a Developer Party fails to perform a non-monetary covenant which it is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless the applicable party (or the non-defaulting Developer Party) has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, the applicable party will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that there shall be no cure period with respect to the filing of the Annual Compliance Report pursuant to Section 8.24 hereof.

**15.04 Right to Cure by the Limited Partner and/or Lender.** If a default occurs under this Agreement and as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, or any other remedy under this Agreement, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Limited Partner and Lenders, and the Limited Partner (including, without limitation, by exercise of management take over rights of the Owner under its partnership agreement) and Lenders shall have the right (but not the obligation) to cure such default as follows:

(a) if a monetary default exists, the Limited Partner may cause to be cured such monetary default within 90 days after the later of (and Lenders, except as provided in Section 15.04(h) below, and the City shall take no action during such 90 day period): (i) the expiration of the cure period, if any, granted under Section 15.03 to Developer Parties with respect to such monetary default; or (ii) receipt by the Limited Partner and Lenders of notice of default from the City. If the Limited Partner does not cause such monetary default to be cured within such 90-day time period set forth in the preceding sentence, then the Lenders may cure such monetary default in the manner set forth in Section 15.04(c); and

(b) if a non-monetary default exists (except for a Personal Developer Default, as later defined), the Limited Partner may cause to be cured such non-monetary default within 90 days after the later of (and Lenders, except as provided in Section 15.04(h) below, and the City shall take no action during such 90 day period): (i) the expiration of the cure period, if any, granted under Section 15.03 to Developer with respect to such non-monetary default; or (ii) receipt by the Limited Partner and Lenders of notice of default from the City. If the Limited Partner does not cause such non-monetary default to be cured within such 90-day time period set forth in the preceding sentence, then a Lender may cure such monetary default in the manner set forth in Section 15.04(d); and

(c) if a monetary default exists, a Lender may cure such monetary default within 60 days after the later of (and the non-electing party and the City shall take no action during such 60-day period): (i) the expiration of the Limited Partner's 90-day cure period; or (ii) receipt by a Lender of notice from the City that the Limited Partner has failed to cure the default within the timeframe set forth in Section 15.04(a) above; provided however, to the extent the cure right set

forth in this Section 15.04(c) is exercised by a Lender, the exercise of such cure right shall be first by the non-governmental Lender, if any, and secondly by any governmental Lender; and

(d) if a non-monetary default exists (except for a Personal Developer Default), a Lender may cure such non-monetary default within 90 days after the later of (and the non-electing party and the City shall take no action during such 90-day period): (i) the expiration of the Limited Partner's 90-day cure period; or (ii) receipt by a Lender of notice from the City that the Limited Partner has failed to cure the default within the timeframe set forth in Section 15.04(b) above; provided, however, if such non-monetary default is of a nature that is not subject to cure in 90 days, the cure period will be extended for the time period needed to cure such default (including any time period required by a Lender to take control of the Project by initiating foreclosure of its mortgage and/or appointing a receiver) and the City shall forbear from exercising its remedies hereunder so long as diligent and continuous efforts are being pursued to cure such default; provided further, to the extent the cure right set forth in this Section 15.04(d) is exercised by a Lender, the exercise of such cure right shall be first by the non-governmental Lender(s), if any, and secondly by any governmental Lender(s); and

(e)(1) If such non-monetary default would be an Event of Default set forth in Section 15.01(e), (f), (g), (i), (j) or (k) hereof (each such default being a "Personal Developer Default"), the Limited Partner or Lenders (as applicable and in that strict order as more fully provided in this Section 15.04(e) below and not otherwise, the "Electing Party"), may provide written notice (the "Assumption Notice") to the City and the Limited Partner or Lenders (as applicable, the "Non-Electing Parties") within 30 days of receipt of notice from the City of such Personal Developer Default, as more fully provided in Section 15.04(e)(2) below. Such Assumption Notice, if and when delivered within said 30-day period, shall set forth how the Electing Party shall, in accordance with Section 15.04(e)(2) below, either cure or cause to be cured such Personal Developer Default by the assignment pursuant to Section 18.14 hereof of all of the Developer Parties' rights, obligations and interests in this Agreement to the Electing Party or any other party agreed to in writing by Lender and the City, which assumption shall be deemed to cure the Personal Developer Default.

(2) Upon receipt by the City and Lenders (as applicable) of an Assumption Notice from the Limited Partner or a Lender, as applicable, pursuant to subsection (e)(1) above, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of the Developer Parties' rights, obligations and interests in this Agreement (but in no event longer than 120 days without the written consent of the City and the non-assuming Lenders). If the Limited Partner or a Lender, as applicable, does not (i) provide such Assumption Notice within the 30-day period specified in subsection (e)(1), or (ii) identify to the City and the Non-Electing Parties any other party (which may be an affiliate of the Limited Partner other than any of the Developer Parties) to assume the Developer Parties' rights, obligations and interests in this Agreement within 30 days from the date of the Assumption Notice, then such Lender shall have 30 days to cure such Personal Developer Default by the assignment, in accordance with the provisions of Section 18.14 hereof, of all of the Developer Parties' rights, obligations and interests in this Agreement to such Lender, or an affiliate thereof, or any other party agreed to in writing by the Lenders and the City.

(f) If such Personal Developer Default is not cured by the Limited Partner or any Lender within the timeframes set forth in Section 15.04(e), then the City shall have available all remedies set forth in this Agreement, including those in Sections 15.02.

(g) During all such times as a Personal Developer Default exists and remains uncured after the expiration of all cure periods, no payments of City Funds shall occur until such time as such Personal Developer Default is thereafter cured.

(h) The City agrees that at any time during which an Event of Default has occurred under the Lender Financing Documents, during the period that a Lender is diligently and continuously pursuing actions or remedies under the Lender Financing, with or without the Developer Parties, which are intended to cause substantial completion of the Project, and, as part of such actions or remedies, continues to fund or make advances to pay Project costs, the City shall likewise forbear from exercising its remedies under Section 15.02.

(i) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, the continuation of any cure periods under Section 15.03 and Section 15.04, in the event Lender initiates a foreclosure proceeding, or the Limited Partner and Lender provide a joint notice of discontinuance of actions or remedies intending to achieve substantial completion, the City may immediately commence to exercise any and all of the remedies specified in Section 15.02 above.

## SECTION SIXTEEN: MORTGAGING OF THE PROJECT

16.01 **Mortgaging of the Project.** All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the “**Existing Mortgages.**” Any mortgage or deed of trust that a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof without obtaining the prior written consent of the City is referred to herein as a “**New Mortgage.**” Any mortgage or deed of trust that a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a “**Permitted Mortgage.**” It is hereby agreed by and between the City and the Developer Parties as follows:

(a) If a mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of such Developer Party's interest hereunder in accordance with Section 18.14 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the land specified in Section 7.02.

(b) If any mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of a Developer Party's interest hereunder in accordance with Section 18.14 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of a “Developer Party” hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of a Developer Party's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of such Developer Party which occurred prior to the time such party succeeded to the interest of such Developer Party under this Agreement, nor shall the City have the right to record a lien against or otherwise enforce any remedies hereunder against the Project, in which case such Developer Party will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of such

Developer Party's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land specified in Section 7.02.

(c) Prior to the issuance by the City to Developer Parties of a Certificate under Section 7 hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of DPD. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of DPD is not required for any such New Mortgage.

#### **SECTION SEVENTEEN: NOTICES**

17.01 **Notices.** All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (C) be given at the following respective addresses:

If to the City:	City of Chicago Department of Planning and Development Attn: Commissioner 121 North LaSalle Street, Room 1000 Chicago, IL 60602 312/744-2271 (Fax)
With Copy:	City of Chicago Corporation Counsel Attn: Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to a Developer Party:	East Park Redevelopment Limited Partnership 350 West Hubbard Street Chicago, Illinois 60654
And to:	Stratford East Park Investors Limited Partnership c/o Stratford Capital Group LLC 100 Corporate Place, Suite 404 Peabody Massachusetts 01960 Attn: Asset Management – East Park
With copy to:	Katten Muchin Rosenman LLP 525 West Monroe Street, Suite 1600 Chicago, Illinois 60661 Attention: David P. Cohen, Esq. Fax: 312-902-1061
With copy to:	DLA Piper US LLP 444 West Lake Street, Suite 900 Chicago, Illinois 60606 Attention: Gregory R.A. Dahlgren, Esq. Email: gregory.dahlgren@dlapiper.com
With copy to:	The PrivateBank and Trust Company

120 South LaSalle Street  
Chicago, Illinois 60603  
Attn: Cheryl Wilson

And to: Dykema Gossett PLLC  
10 South Wacker Drive, Suite 2300  
Chicago, Illinois 60606  
Attn: Heather Aeschleman, Esq.

or at such other address or telecopier/fax number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

**17.02 Developer Requests for City or DPD Approval.** Any request under this Agreement for City or DPD approval submitted by a Developer Party will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer Parties to request City or DPD approval;
- (c) if applicable, note in bold type that failure to respond to such Developer Party's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DPD;
- (d) if applicable, state the outside date for the City's or DPD's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of such Developer Party's request.

## **SECTION EIGHTEEN: ADDITIONAL PROVISIONS**

**18.01 Amendments.** Except as provided in this Section 18.01, and except for changes or amendments that are otherwise expressly identified as being in the discretion of the Commissioner, this Agreement and the Schedules and Exhibits attached hereto may not be materially amended without the written consent of all parties. In addition to consents and discretion expressly identified herein, the Commissioner, in his sole discretion, may amend or otherwise revise: (a) any exhibits containing legal descriptions in order to correct a surveyor's, scrivener's or clerical error in such a legal description, or to reflect any new subdivision of property index numbers, provided that such correction does not have a material effect on any portion of the Project; and (b) Exhibits C-1 and C-2 in connection with updated budgets and/or the approval of Change Orders resulting in changes in the Project Budget in accordance with Section 3.05; (c) Exhibit D to adjust allocations between line items or to add new line items permitted under the Plan; (d) Exhibit K to reflect the terms of the final project financing, so long as such financing is not materially inconsistent with that contemplated hereunder; and (e) Exhibit G to correct inadvertent omissions or permit other minor title encumbrances not in the nature of a lien. Amendments required in clauses (b) and (d) shall also require the

Partnership's consent. The City in its sole discretion, may amend, modify or supplement the Redevelopment Plan. For purposes of this Agreement, Developer Parties are only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter.

18.03 **Limitation of Liability.** No member, elected or appointed official or employee or agent of the City shall be individually, collectively or personally liable to Developer Parties or any successor in interest to Developer Parties in the event of any default or breach by the City or for any amount which may become due to Developer Parties or any successor in interest, from the City or on any obligation under the terms of this Agreement.

18.04 **Further Assurances.** Developer Parties and City each agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 **Remedies Cumulative.** The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein must not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 **Parties in Interest/No Third Party Beneficiaries.** Except as provided in Section 15.04 herein, the terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or the Developer Parties, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer Parties.

18.08 **Titles and Headings.** The Section, section and paragraph headings contained herein are for convenience of reference only and are not intended to limit, vary, define or expand the content thereof.

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be

construed together and will constitute one and the same instrument.

18.10 **Severability**. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.11 **Conflict**. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

18.12 **Governing Law**. This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

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

18.14 **Assignment**. Prior to the issuance by the City to Developer Parties of the Certificate, Developer Parties may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that the Developer Parties may collaterally assign their respective interests in this Agreement to any Lender identified to the City as of the Closing Date if any such Lender requires such collateral assignment. Any successor in interest to Developer Parties under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.26 (Survival of Covenants) hereof, for the Term of the Agreement. Each Developer Party hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 **Binding Effect**. This Agreement is binding upon the Developer Parties, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer Parties the City and their respective successors and permitted assigns (as provided herein).

18.16 **Force Majeure**. Neither the City nor Developer Parties nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, terrorism, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 **Exhibits and Schedules**. All of the exhibits and schedules attached hereto are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been



set forth verbatim herein.

18.18 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2002 State Bar Edition, as amended), if Partnership is required to provide notice under the WARN Act, Partnership will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Partnership has locations in the State. Failure by Partnership to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.19 **Approval.** Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.20 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.21 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding Business Day.

18.22 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

18.23 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

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

18.25 **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Partnership agrees to pay upon demand the City's out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the City is determined to be the prevailing party in an action for enforcement. This includes, subject to any limits under applicable law, reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or

injunction), appeals, and any anticipated post-judgment collection services. Partnership also will pay any court costs, in addition to all other sums provided by law.

[The remainder of this page is intentionally left blank and the signature page follows]

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

IN WITNESS WHEREOF, the parties hereto have caused this East Park SRO  
Redevelopment Agreement to be signed on or as of the day and year first above written.

CITY OF CHICAGO

By: \_\_\_\_\_  
David L. Reifman, Commissioner,  
Department of Planning and Development

**EAST PARK REDEVELOPMENT LIMITED PARTNERSHIP**, an Illinois limited partnership

By: East Park Redevelopment LLC, its General Partner

By: Habitat East Park Redevelopment LLC, its Sole Manager

By: The Habitat Company LLC, its Sole Manager

By: \_\_\_\_\_  
Name:  
Its:

**EAST PARK REDEVELOPMENT LLC**, an Illinois limited liability company

By: Habitat East Park Redevelopment LLC, its Sole Manager

By: The Habitat Company LLC, its Sole Manager

By: \_\_\_\_\_  
Name:  
Its:

**GENERATIONS HOUSING INITIATIVES**, an Illinois not-for-profit corporation

By: \_\_\_\_\_  
Name:  
Its:


**IN WITNESS WHEREOF**, the parties hereto have caused this East Park SRO Redevelopment Agreement to be signed on or as of the day and year first above written.

**CITY OF CHICAGO**

By: \_\_\_\_\_  
David L. Reifman, Commissioner,  
Department of Planning and Development


**EAST PARK REDEVELOPMENT LIMITED PARTNERSHIP**, an Illinois limited partnership

By: East Park Redevelopment LLC, its General Partner  
By: Habitat East Park Redevelopment LLC, its Sole Manager  
By: The Habitat Company LLC, its Sole Manager

By:   
Name: Matthew G. Fiascone  
Its: President

**EAST PARK REDEVELOPMENT LLC**, an Illinois limited liability company

By: Habitat East Park Redevelopment LLC, its Sole Manager  
By: The Habitat Company LLC, its Sole Manager

By:   
Name: Matthew G. Fiascone  
Its: President

**GENERATIONS HOUSING INITIATIVES**, an Illinois not-for-profit corporation

By: \_\_\_\_\_  
Name:  
Its:

IN WITNESS WHEREOF, the parties hereto have caused this East Park SRO  
Redevelopment Agreement to be signed on or as of the day and year first above written.

**CITY OF CHICAGO**

By: \_\_\_\_\_  
David L. Reifman, Commissioner,  
Department of Planning and Development

**EAST PARK REDEVELOPMENT LIMITED PARTNERSHIP**, an Illinois limited partnership  
By: East Park Redevelopment LLC, its General Partner  
By: Habitat East Park Redevelopment LLC, its Sole Manager  
By: The Habitat Company LLC, its Sole Manager

By: \_\_\_\_\_  
Name:  
Its:

**EAST PARK REDEVELOPMENT LLC**, an Illinois limited liability company  
By: Habitat East Park Redevelopment LLC, its Sole Manager  
By: The Habitat Company LLC, its Sole Manager

By: \_\_\_\_\_  
Name:  
Its:

**GENERATIONS HOUSING INITIATIVES**, an Illinois not-for-profit corporation

By: Jeffrey Hearn  
Name: Jeffrey Hearn  
Its: President

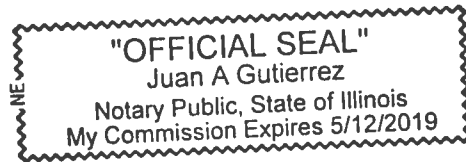
STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Juan A. Gutierrez, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David L. Reifman, personally known to me to be Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 31<sup>st</sup> day of March, 2017.

J A G  
Notary Public

My Commission Expires 5/12/19



STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that ~~Matthew G. Fiasone~~ as the President of The Habitat Company LLC, an Illinois limited liability company ("Habitat"), the sole manager of Habitat East Park Redevelopment LLC, an Illinois limited liability company ("Manager"), the sole manager of East Park Redevelopment LLC, an Illinois limited liability company, as the general partner ("General Partner") of East Park Redevelopment Limited Partnership ("Owner") personally known to me to be the same whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by Habitat, as the free and voluntary act of such person, and as the free and voluntary act and deed of Habitat, for the uses and purposes therein set forth.

Given under my hand and official seal this 31<sup>st</sup> day of March, 2017.

(SEAL)



Lori Chacos  
Notary Public

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Matthew Frascara as the President of The Habitat Company LLC, an Illinois limited liability company ("Habitat"), the sole manager of Habitat East Park Redevelopment LLC, an Illinois limited liability company ("Manager"), the sole manager of East Park Redevelopment LLC, an Illinois limited liability company, personally known to me to be the same whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by Habitat, as the free and voluntary act of such person, and as the free and voluntary act and deed of Habitat, for the uses and purposes therein set forth.

Given under my hand and official seal this 31<sup>st</sup> day of March, 2017.

*Lori F Chacos*  
\_\_\_\_\_  
Notary Public



(SEAL)



STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Jeffrey Head, personally known to me to be the President of Generations Housing Initiatives, an Illinois not-for-profit corporation ("Generations") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, she signed and delivered the said instrument, pursuant to authority given by the Board, as the free and voluntary act of such person, and as the free and voluntary act and deed of Generations, for the uses and purposes therein set forth.

Given under my hand and official seal this 31<sup>st</sup> day of March, 2017.

(SEAL)



Lori F Chacos  
Notary Public

EXHIBIT A  
REDEVELOPMENT AREA

See attached.

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

*Exhibit "A".*

*Legal Description Of Expanded Area.*

All that part of Sections 11, 12, 13, 14, 15, 16, 22, 23 and 24 in Township 39 North, Range 13, East of the Third Principal Meridian and Sections 7 and 18 in Township 39 North, Range 14, East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the west line of California Avenue with the south line of Roosevelt Road; thence east along said south line of Roosevelt Road to the west line of Talman Avenue; thence south along said west line of Talman Avenue to the south line of Lot 20 in the subdivision of Lots 6 to 10 in Block 1 in Cook and Anderson's Subdivision of the west half of the northeast quarter of Section 24, Township 39 North,

Range 13, East of the Third Principal Meridian, said south line of Lot 20 being also the north line of 12<sup>th</sup> Place; thence west along said north line of 12<sup>th</sup> Place to the northerly extension of the east line of Lot 1 in Ogden North Subdivision of Lots 1 through 8 and 23 through 30 in Pope's Subdivision of Lots 11, 14, 15, 18, 19, 2, 23 and 26 of Block 1 of Cook and Anderson's Subdivision of the west half of the northeast quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, said east line of Lot 1 in Pope's Subdivision being also the west line of Talman Avenue; thence south along said northerly extension and the west line of Talman Avenue to the westerly extension of the north line of Lot 1 in the subdivision of Lot 24 of Block 1 of Cook and Anderson's Subdivision of the west half of the northeast quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, said north line of Lot 1 in John Berry Jr., Guardian's Subdivision being also the south line of vacated 13<sup>th</sup> Street; thence east along said westerly extension and along the south line of vacated 13<sup>th</sup> Street to the east line of said Lot 1 in the subdivision of Lot 24 of Block 1 of Cook and Anderson's Subdivision, said east line of said Lot 1 being also the west line of the alley east of Talman Avenue; thence south along said west line of the alley east of Talman Avenue to the southeasterly line of Lot 14 in the subdivision of Lots 1 to 5 and Lot 7 in Block 4 and Lots 1 to 6 and 11 to 14 in Block 3 and Lots 3, 4 and 5 in Block 5 in Cook and Anderson's Subdivision of the west half of the northeast quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, said southeasterly line of Lot 14 being also the northwesterly line of the alley northwesterly of Ogden Avenue; thence northeasterly along said northwesterly line of the alley northwesterly of Ogden Avenue to the west line of Rockwell Street; thence south along said west line of Rockwell Street to the north line of 15<sup>th</sup> Street; thence west along said north line of 15<sup>th</sup> Street to the northerly extension of the west line of Lot 11 in Pope's Subdivision of Lots 1, 2, 3, 4, 10, 11, 12 and 13, all in Block 8 in Cook and Anderson's Subdivision in the west half of the northeast quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian; thence south along said northerly extension and the west line of Lot 11 in said Pope's Subdivision to the south line of said Lot 11, said south line of Lot 11 being also the north line of the alley north of 15<sup>th</sup> Place; thence east along said north line of the alley north of 15<sup>th</sup> Place to the northerly extension of the west line of Lot 17 in said Pope's Subdivision; thence south along said northerly extension and the west line of Lot 17 in said Pope's Subdivision to the north line of 15<sup>th</sup> Place; thence west along said north line of 15<sup>th</sup> Place to the west line of Washtenaw Avenue; thence south along said west line of Washtenaw Avenue to the northwesterly line of 19<sup>th</sup> Street; thence southwesterly along said northwesterly line of 19<sup>th</sup> Street to the south line of Lot 24 in Block 4 in McMahon's Subdivision of the west half of the west half of the southeast quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, said south line of Lot 24 in Block 4 in McMahon's Subdivision being also the north line of 19<sup>th</sup> Street; thence west along said north line of 19<sup>th</sup> Street and along the westerly extension thereof to the west line of California Avenue; thence south along said west line of California Avenue to the northerly line of the Chicago Burlington & Quincy Railroad right-of-way; thence southwesterly along said northerly line of the Chicago Burlington & Quincy Railroad right-of-way to the west line of Albany Avenue; thence north along said west line of Albany Avenue to the north line of 19<sup>th</sup> Street; thence east along said north

line of 19<sup>th</sup> Street to the west line of Albany Avenue; thence north along said west line of Albany Avenue to the southerly line of Ogden Avenue; thence southwesterly along said southerly line of Ogden Avenue to the west line of Kedzie Avenue; thence north along said west line of Kedzie Avenue to the south line of Lot 2 in Block 1 in Prescott's Douglas Park Addition to Chicago in Section 23, Township 39 North, Range 13, East of the Third Principal Meridian, a subdivision of Blocks 1, 2, 5 and 10 of Circuit Court Partition of the east half of the northeast quarter and that part of the east half of the southeast quarter (lying north of the centerline of Ogden Avenue) of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian; thence west along said south line of Lot 2 in Block 1 in Prescott's Douglas Park Addition to Chicago and along the westerly extension thereof, and along the south line of Lot 28 in said Block 1 in Prescott's Douglas Park Addition to Chicago, and along the westerly extension thereof, and along the south line of Lot 2 in Block 2 in said Prescott's Douglas Park Addition to Chicago, and along the westerly extension thereof, and along the south line of Lot 40 in said Block 2 in Prescott's Douglas Park Addition to Chicago to the west line of said Lot 40, said west line of Lot 40 being also the east line of Spaulding Avenue; thence south along said east line of Spaulding Avenue to the easterly extension of the north line of Lot 15 in Sherman and Walter's Resubdivision of Block 11 in Circuit Court Partition of the east half of the northeast quarter and that part of the east half of the southeast quarter (lying north of the centerline of Ogden Avenue) of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian; thence west along said easterly extension and the north line of Lot 15 in Sherman and Walter's Resubdivision and along the westerly extension thereof, and along the north line of Lot 39 in said Sherman and Walter's Resubdivision and along the westerly extension thereof to the west line of Christiana Avenue; thence north along said west line of Christiana Avenue to the south line of Lot 2 in the resubdivision of Block 12 in said Circuit Court Partition of the east half of the northeast quarter and that part of the east half of the southeast quarter (lying north of the centerline of Ogden Avenue) of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian; thence west along said south line of Lot 2 in the resubdivision of Block 12 in Circuit Court Partition and along the westerly extension thereof, and along the south line of Lot 64 in said resubdivision of Block 12 in Circuit Court Partition, and along the westerly extension thereof, and along the north line of Lot 3 in Block 1 in Lyman Trumbull's Subdivision of that part of the east half of the west half of the southeast quarter of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian to the west line of said Lot 3, said west line of Lot 3 being also the east line of the alley west of Homan Avenue; thence south along said east line of the alley west of Homan Avenue to the easterly extension of the south line of the north 10 feet of Lot 46 in said Block 1 in Lyman Trumbull's Subdivision; thence west along said easterly extension and the south line of the north 10 feet of Lot 46 in Block 1 in Lyman Trumbull's Subdivision and along the westerly extension thereof to the west line of Trumbull Avenue; thence south along said west line of Trumbull Avenue to the south line of the north 5 feet of Lot 4 in Block 2 in said Lyman Trumbull's Subdivision; thence west along said south line of the north 5 feet of Lot 4 in Block 2 in Lyman Trumbull's Subdivision and along the westerly extension thereof to the east line of Lot 45 in said Block 2 in Lyman Trumbull's Subdivision, said east line of Lot 45 being also the west line of the alley west of

Trumbull Avenue; thence north along said west line of the alley west of Trumbull Avenue to the north line of said Lot 45 in Block 2 in Lyman Trumbull's Subdivision; thence west along said north line of said Lot 45 in Block 2 in Lyman Trumbull's Subdivision and along the westerly extension thereof to the west line of St. Louis Avenue; thence north along said west line of St. Louis Avenue to the south line of Lot 2 in Wood's Lawndale Subdivision of that part lying north of Ogden Avenue of the east half of the west half of the west half together with the north 265 feet of the west half of the west half of the southeast quarter of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian; thence west along said south line of Lot 2 in Woods Lawndale Subdivision and along the westerly extension thereof and along the south line of Lot 96 in said in Wood's Lawndale Subdivision to the east line of Drake Avenue; thence south along said east line of Drake Avenue to the easterly extension of the south line of Lot 99 in said Wood's Lawndale Subdivision; thence west along said easterly extension and the south line of Lot 99 in Wood's Lawndale Subdivision and along the westerly extension thereof and along the south line of Lot 114 in said Wood's Lawndale Subdivision to the east line of Central Park Avenue; thence south along said east line of Central Park Avenue to the easterly extension of the north line of Lot 9 in J. T. Matthew's Subdivision of Lots 1 and 20 in J. H. Kedzie's Subdivision of part of the southwest quarter of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian; thence west along said easterly extension and the north line of Lot 9 in J. T. Matthew's Subdivision and along the westerly extension thereof to the east line of Lot 6 in Block 1 in the resubdivision of Blocks 1 to 5 and vacated alleys in Lansingh's Second Addition to Chicago, a subdivision of Lots 2, 3, 4, 17, 18 and 19 (except the west 146.17 feet of said Lots 4 and 17) in J. H. Kedzie's Subdivision of part of the southwest quarter of Section 23, Township 39 North, Range 13 East of the Third Principal Meridian, said east line of Lot 6 being also the west line of the alley west of Central Park Avenue; thence south along said west line of the alley west of Central Park Avenue to the south line of Lot 11 in said Block 1 in the resubdivision of Blocks 1 to 5 and vacated alleys in Lansingh's Second Addition to Chicago; thence west along said south line of Lot 11 in Block 1 in the resubdivision of Blocks 1 to 5 and vacated alleys in Lansingh's Second Addition to Chicago and along the westerly extension thereof to the west line of Millard Avenue; thence north along said west line of Millard Avenue to the south line of Lot 6 in Block 2 in said resubdivision of Blocks 1 to 5 and vacated alleys in Lansingh's Second Addition to Chicago; thence west along said south line of Lot 6 in Block 2 in the resubdivision of Blocks 1 to 5 and vacated alleys in Lansingh's Second Addition to Chicago and along the westerly extension thereof to the east line of Lot 154 in Lansingh's Addition to Chicago, a subdivision of Lots 5, 6, 15, 16 and the west 146.17 feet of Lots 4 and 17 in J. H. Kedzie's Subdivision of part of the southwest quarter of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian, said east line of Lot 154 in Lansingh's Addition to Chicago being also the west line of the alley west of Millard Avenue; thence north along said east line of Lot 154 in Lansingh's Addition to Chicago to the north line of said Lot 154; thence west along said north line of Lot 154 in Lansingh's Addition to Chicago and along the westerly extension thereof to the west line of Lawndale Avenue; thence north along said west line of Lawndale Avenue to the south line of Lot 143 in said Lansingh's Addition to Chicago; thence west along said south line

of Lot 143 in said Lansingh's Addition to Chicago and along the westerly extension thereof to the east line of Lots 3 and 4 in said Lansingh's Addition to Chicago, said east line of Lots 3 and 4 in Lansingh's Addition to Chicago being also the west line of the alley west of Lawndale Avenue; thence north along said west line of the alley west of Lawndale Avenue to the south line of the north 11.5 feet of Lot 3 in said Lansingh's Addition to Chicago; thence west along said south line of the north 11.5 feet of Lot 3 in Lansingh's Addition to Chicago and along the westerly extension thereof to the west line of Ridgeway Avenue; thence north along said west line of Ridgeway Avenue to the south line of the north 16 feet of Lot 2 in Downing's Subdivision (except streets) of Lots 7 to 14, inclusive, in J. H. Kedzie's Subdivision of part of the southwest quarter of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian; thence west along said south line of the north 16 feet of Lot 2 in Downing's Subdivision to the west line of said Lot 2, said west line of Lot 2 being also the east line of the alley east of Hamlin Avenue; thence south along said east line of the alley east of Hamlin Avenue to the easterly extension of the south line of Lot 150 in said Downing's Subdivision; thence west along said easterly extension and the south line of Lot 150 in said Downing's Subdivision and along the westerly extension thereof to the west line of Hamlin Avenue; thence north along said west line of Hamlin Avenue to the south line of Lot 152 in said Downing's Subdivision in the west half of the southwest quarter of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian; thence west along said south line of Lot 152 in Downing's Subdivision and along the westerly extension thereof and along the south line of Lot 313 in said Downing's Subdivision to the east line of Avers Avenue; thence south along said east line of Avers Avenue to the easterly extension of the north line of Lot 21 in Block 1 in Moore's Subdivision of Lot 1 of Superior Court Partition of the west 60 acres north of South Western Plank Road of the southwest quarter of Section 23, Township 39 North, Range 13, East of the Third Principal Meridian, said north line of Lot 21 being also the south line of the alley north of 18<sup>th</sup> Street; thence west along said easterly extension and along the south line of the alley north of 18<sup>th</sup> Street and along the westerly extension thereof to the west line of Springfield Avenue; thence north along said west line of Springfield Avenue to the north line of Lot 12 in Block 2 in said Moore's Subdivision, said north line of Lot 12 being also the south line of the alley south of 16<sup>th</sup> Street; thence west along said south line of the alley south of 16<sup>th</sup> Street to the east line of Lot 12 in Block 1 in Reyels and Loeffler's Addition to Chicago, a subdivision of Lot 1 in Superior Court Partition of the southeast quarter of Section 22 aforesaid, said east line of Lot 12 being also the west line of Pulaski Road; thence north along the west line of Pulaski Road to the south line of the alley lying south of 16<sup>th</sup> Street; thence west along said south line of the alley lying south of 16<sup>th</sup> Street to the west line of Komensky Avenue; thence north along said west line of Komensky Avenue to the westerly extension of the south line of Lot 31 in Block 8 in Our Home Addition to Chicago, a subdivision of the east half of the northeast quarter of Section 22, Township 39 North, Range 13, East of the Third Principal Meridian except the north 50 acres thereof, said south line of Lot 31 being also the north line of the alley north of 16<sup>th</sup> Street; thence east along said westerly extension and the south line of Lot 31 in Block 8 in Our Home Addition to Chicago to the southeasterly line of said Lot 31; thence northeasterly along said southeasterly line of Lot 31 in Block 8 in Our Home Addition to Chicago to the east line

of said Lot 31, said east line of Lot 31 being also the west line of the alley west of Pulaski Road; thence north along said west line of the alley west of Pulaski Road to the south line of Lot 6 in Block 1 in WM. A. Merigold's Resubdivision of the north 50 acres of the east half of the northeast quarter of Section 22, Township 39 North, Range 13, East of the Third Principal Meridian, said south line of Lot 6 being also the north line of the alley south of Roosevelt Road; thence west along said south line of Lot 6 and along the south line of Lot 7, all in Block 1 in WM. A. Merigold's Resubdivision to the west line of the east 4.50 feet of said Lot 7; thence north along said west line of the east 4.50 feet of Lot 7 in Block 1 in WM. A. Merigold's Resubdivision to the south line of Roosevelt Road; thence west along said south line of Roosevelt Road to the west line of Karlov Avenue; thence north along said west line of Karlov Avenue to the westerly extension of the north line of Lot 25 in Block 8 in 12<sup>th</sup> Street Land Association Subdivision in the east half of the southeast quarter of Section 15, Township 39 North, Range 13, East of the Third Principal Meridian, said north line of Lot 25 being also the south line of the alley north of Grenshaw Street; thence east along said westerly extension and along the south line of the alley north of Grenshaw Street to the west line of Pulaski Road; thence north along said west line of Pulaski Road to the westerly extension of the north line of Lot 1 in L. E. Ingall's Subdivision of that part of Blocks 5 and 6 in Circuit Court Partition lying south of the Wisconsin Railroad, said north line of Lot 1 in L. E. Ingall's Subdivision being also the south line of the alley north of Fillmore Street; thence east along said westerly extension and the south line of the alley north of Fillmore Street to the west line of Springfield Avenue; thence north along said west line of Springfield Avenue to the south line of Lot 1 in Block 2 in W. J. and D. F. Anderson's Subdivision of Sub-block 1 (except the west 100 feet of the south half thereof conveyed to the Chicago, Harlem & Batavia Railroad Company), of Block 5 and all of Subblock 1 of Block 6, all in the Circuit Court Partition of the west half of the southwest quarter of Section 14, Township 39 North, Range 13, East of the Third Principal Meridian, said south line of Lot 1 in Block 2 in W. J. and D. F. Anderson's Subdivision being also the north line of the alley south of Arthington Street; thence west along said north line of the alley south of Arthington Street to the east line of Pulaski Road; thence south along said east line of Pulaski Road to the easterly extension of the south line of Lot 48 in Block 1 in 12<sup>th</sup> Street Land Association Subdivision of Blocks 1, 5, 8, and 9 of the partition of that part of the east half of the southeast quarter lying south of the center of Barry Point Road except the north 26 acres of said part of the east half of the southeast quarter of Section 15, Township 39 North, Range 13, East of the Third Principal Meridian, said south line of Lot 48 in Block 1 in 12<sup>th</sup> Street Land Association Subdivision being also the north line of Taylor Street; thence west along said easterly extension and along the north line of Taylor Street to the east line of Kildare Avenue; thence north along said east line of Kildare Avenue to the northerly line of Fifth Avenue; thence southwesterly along said northerly line of Fifth Avenue to the west line of Lot 20 in Block 6 in the subdivision of that part of the east half of the southwest quarter of Section 15, Township 39 North, Range 13, East of the Third Principal Meridian lying north of Barry Point Road, said west line of Lot 20 being also the east line of Belt Railway Company of Chicago right-of-way; thence north along said east line of Belt Railway Company of Chicago right-of-way to the north line of Polk Street; thence east along said north line of Polk Street and along the easterly extension thereof



to the east line of Kolmar Avenue; thence north along said east line of Kolmar Avenue to the north right-of-way line of Lexington Street; thence west along the north right-of-way line of Lexington Street to the east right-of-way line of Cicero Avenue; thence south along the east right-of-way line of Cicero Avenue to the north right-of-way line of Arthington Street; thence west along the north right-of-way line of Arthington Street to the east line of Lot 17 in Hopson's Subdivision of Lots 163, 164 and 169 in School Trustees' Subdivision of the north part of Section 16 aforesaid, said east line of Lot 17 being the west right-of-way line of Cicero Avenue; thence south along the west right-of-way line of Cicero Avenue to the north right-of-way line of Arthington Street; thence west along the north right-of-way line of Arthington Street to the east right-of-way line of Lavergne Avenue; thence north along the east right-of-way line of Lavergne Avenue to the north right-of-way line of Lexington Street; thence west along the north right-of-way line of Lexington Street to the east line of Lot 189 in School Trustees' Subdivision of the north part of Section 16 aforesaid; thence north along the east line of Lot 189 in School Trustees' Subdivision aforesaid to the north line of said Lot 189; thence west along the north line of Lot 189 in School Trustees' Subdivision aforesaid to the west right-of-way line of Leamington Avenue; thence south along the west right-of-way line of Leamington Avenue to the centerline of vacated Polk Street; thence west along the centerline of vacated Polk Street to the east right-of-way line of Laramie Avenue; thence north along the east right-of-way line of Laramie Avenue to the north right-of-way line of Harrison Street; thence east along the north right-of-way line of Harrison Street to the west right-of-way line of Lavergne Avenue; thence north along the west right-of-way line of Lavergne Avenue to the north right-of-way line of Gladys Avenue; thence west along the north right-of-way line of Gladys Avenue to the west right-of-way line of Leamington Avenue; thence south along the west right-of-way line of Leamington Avenue to the north right-of-way line of Van Buren Street; thence west along the north right-of-way line of Van Buren Street to the east right-of-way line of Laramie Avenue; thence north along the east right-of-way line of Laramie Avenue to the south right-of-way line of Monroe Street; thence east along the south right-of-way line of Monroe Street to the point of intersection with the southerly extension of the west line of Lot 22 in Britigan's Madison Street Subdivision in the northeast quarter of Section 16 aforesaid; thence north along the southerly extension of the west line of Lot 22 aforesaid to the north line of Lot 22, said line being also the south right-of-way line of an alley lying south of Madison Street; thence east along the south right-of-way line of an alley lying south of Madison Street to the east line of Lot 6 in D.G. Davis' Subdivision of Lots 2 and 3 in School Trustees' Subdivision of the north part of Section 16 aforesaid, said east line of Lot 6 also being the west right-of-way line of an alley lying west of Cicero Avenue; thence south along the west right-of-way line of an alley lying west of Cicero Avenue to the north line of Lot 6 in S.E. Gross' Subdivision of Lots 8, 9, 24 and 25 of School Trustees' Subdivision aforesaid, said north line of Lot 6 being also the south right-of-way line of an alley lying north of Jackson Boulevard; thence east along the south right-of-way line of an alley lying north of Jackson Boulevard to the east line of Lot 4 in S.E. Gross' Subdivision aforesaid; thence south along the east line of Lot 4 in S.E. Gross' Subdivision aforesaid to the north right-of-way line of Jackson Boulevard; thence east along the north right-of-way line of Jackson Boulevard to the west line of Lot 28 in Block 6 in Hobart's Subdivision of the

northwest quarter of the northwest quarter of Section 15 aforesaid; thence north along the west line of Lot 28 and the west line of Lot 21 in Block 6 in Hobart's Subdivision aforesaid to the south right-of-way line of Adams Street; thence east along the south right-of-way line of Adams Street to a point of intersection with the southerly extension of the easterly line of the westerly 8 feet of Lot 29 in Block 3 in Hobart's Subdivision aforesaid; thence north along the southerly extension of the easterly line of the westerly 8 feet of Lot 29 in Block 3 in Hobart's Subdivision to the north right-of-way line of an alley lying north of Adams Street; thence west along the north right-of-way line of an alley lying north of Adams Street to the westerly line of the easterly 9 feet of Lot 22 in Block 3 in Hobart's Subdivision aforesaid; thence north along the westerly line of the easterly 9 feet of Lot 22 in Block 3 in Hobart's Subdivision aforesaid to the south right-of-way line of Monroe Street; thence east along the south right-of-way line of Monroe Street to a point of intersection with the southerly extension of the west line of Lot 29 in Block 2 in Hobart's Subdivision aforesaid; thence north along the southerly extension of the west line of Lot 29 in Block 2 in Hobart's Subdivision to the south right-of-way line of an alley lying south of Madison Street; thence east along the south right-of-way line of an alley lying south of Madison Street to the east line of Lot 42 in E.A. Cummings' Subdivision of the east half of the northwest quarter of the northwest quarter of Section 15 aforesaid; thence south along the east line of Lot 42 in E.A. Cummings' Subdivision aforesaid to the south right-of-way line of Monroe Street; thence east along the south right-of-way line of Monroe Street to the east line of Lot 49 in E.A. Cummings' Subdivision aforesaid; thence south along the east line of Lot 49 in E.A. Cummings' Subdivision to the north right-of-way line of an alley lying north of Adams Street; thence west along the north right-of-way line of an alley lying north of Adams Street to a point of intersection with the northerly extension of the east line of Lot 83 in E.A. Cummings' Subdivision aforesaid; thence south along the northerly extension of the east line of Lot 83 in E.A. Cummings' Subdivision aforesaid to the south right-of-way line of Adams Street; thence east along the south right-of-way line of Adams Street to the east line of Lot 96 in E.A. Cummings' Subdivision aforesaid; thence south along the east line of Lot 96 in E.A. Cummings' Subdivision aforesaid to the north right-of-way line of an alley lying north of Jackson Boulevard; thence west along the north right-of-way line of an alley lying north of Jackson Boulevard to a point of intersection with the northerly extension of the east line of Lot 134 in E.A. Cummings' Subdivision aforesaid; thence south along the northerly extension of the east line of Lot 134 in E.A. Cummings' Subdivision aforesaid to the north right-of-way line of Jackson Boulevard; thence east along the north right-of-way line of Jackson Boulevard to the west line of Lot 14 in Block 1 in Boynton's Subdivision of the west half of the west half of the northeast quarter of the northwest quarter of Section 15 aforesaid; thence north along the west line of Lot 14 in Block 1 in Boynton's Subdivision aforesaid and its northerly extension to the south right-of-way line of Wilcox Street; thence east along the south right-of-way line of Wilcox Street to a point of intersection with the southerly extension of the west line of Lot 16 in Block 3 in D.S. Place's Addition to Chicago, a subdivision of the east three quarters of the northeast quarter of the northwest quarter of Section 15 aforesaid, thence north along the southerly extension of the west line of Lot 16 in Block 3 in D.S. Place's Addition to Chicago aforesaid to the north right-of-way line of an alley lying south of Monroe Street; thence west along the north

right-of-way line of an alley lying south of Monroe Street to the west line of Lot 4 in Block 3 in Boynton's Subdivision aforesaid; thence north along the west line of Lot 4 in Block 3 in Boynton's Subdivision aforesaid to the south right-of-way line of Monroe Street; thence east along the south right-of-way line of Monroe Street to a point of intersection with the southerly extension of the west line of Lot 22 in Block 4 in Boynton's Subdivision aforesaid; thence north along the west line of Lot 22 in Block 4 in Boynton's Subdivision aforesaid to the south right-of-way line of an alley lying south of Madison Street; thence east along the south right-of-way line of an alley lying south of Madison Street to the west right-of-way line of Keeler Avenue; thence south along the west right-of-way line of Keeler Avenue to the south right-of-way line of Monroe Street; thence east along the south right-of-way line of Monroe Street to the east line of Lot 7 in Block 4 in W.M. Derby's Subdivision of the northeast quarter of the northeast quarter of Section 15 aforesaid; thence south along the east line of Lot 7 in Block 4 in W.M. Derby's Subdivision aforesaid to the south right-of-way line of an alley lying south of Monroe Street; thence east along the south right-of-way line of an alley lying south of Monroe Street to the east line of Lot 45 in Block 4 in W.M. Derby's Subdivision aforesaid; thence south along the east line of Lot 45 in Block 4 in W.M. Derby's Subdivision to the south right-of-way line of Wilcox Street; thence east along the south right-of-way line of Wilcox Street to the west right-of-way line of Pulaski Road; thence south along the west right-of-way line of Pulaski Road to the north right-of-way line of Jackson Boulevard; thence west along the north right-of-way line of Jackson Boulevard to a point of intersection with the northerly extension of the east line of Lot 3 in Block 1 in James H. Brewster's Subdivision of the north 20 acres of the south 40 acres of the east half of the northeast quarter of Section 15 aforesaid; thence south along the northerly extension of the east line of Lot 3 in Block 1 in James H. Brewster's Subdivision aforesaid to the north right-of-way line of an alley lying north of Gladys Avenue; thence west along the north right-of-way line of an alley lying north of Gladys Avenue to a point of intersection with the northerly extension of the east line of Lot 44 in Block 1 in James H. Brewster's Subdivision aforesaid; thence south along the northerly extension of the east line of Lot 44 in Block 1 in James H. Brewster's Subdivision aforesaid to the south right-of-way line of Gladys Avenue; thence east along the south right-of-way line of Gladys Avenue to the east line of Lot 3 in Block 4 in James H. Brewster's Subdivision aforesaid; thence south along the east line of Lot 3 in Block 4 extended south to the north right-of-way line of Van Buren Street; thence east along the north right-of-way line of Van Buren Street to the east line of the west 4 feet of Lot 30 in Block 11 in Lambert Tree's Subdivision of the west half of the northwest quarter of Section 14 aforesaid; thence north along the east line of the west 4 feet of Lot 30 in Block 11 in Lambert Tree's Subdivision aforesaid to the south right-of-way line of an alley lying north of Van Buren Street; thence west along the south right-of-way line of an alley lying north of Van Buren Street to a point of intersection with the southerly extension of the west line of Lot 19 in Block 11 in Lambert Tree's Subdivision; thence north along the southerly extension of the west line of Lot 19 in Block 11 in Lambert Tree's Subdivision to the north right-of-way line of Gladys Avenue; thence west along the north right-of-way line of Gladys Avenue to the west line of Lot 29 in Block 10 in Lambert Tree's Subdivision aforesaid; thence north along the west line of Lot 29 in Block 10 in Lambert Tree's Subdivision aforesaid to the south right-of-way line

of an alley lying south of Jackson Boulevard; thence east along the south right-of-way line of an alley lying south of Jackson Boulevard to a point of intersection with the southerly extension of the west line of the east 4.14 feet of Lot 13 in Block 10 in Lambert Tree's Subdivision aforesaid; thence north along the southerly extension of the west line of the east 4.14 feet of Lot 13 in Block 10 in Lambert Tree's Subdivision aforesaid to the south right-of-way line of Jackson Boulevard; thence east along the south right-of-way line of Jackson Boulevard to a point of intersection with the southerly extension of the west line of Lot 34 in Block 8 in Lambert Tree's Subdivision aforesaid; thence north along the west line of Lot 34 in Block 8 in Lambert Tree's Subdivision aforesaid to the north right-of-way line of an alley lying south of Adams Street; thence west along the north right-of-way line of an alley lying south of Adams Street to the west line of the east 6 feet of Lot 25 in Block 8 in Lambert Tree's Subdivision aforesaid; thence north along the west line of the east 6 feet of Lot 25 in Block 8 in Lambert Tree's Subdivision aforesaid to the south right-of-way line of Adams Street; thence east along the south right-of-way line of Adams Street to a point of intersection with the southerly extension of the west line of the east 5 feet of Lot 30 in Block 5 in Lambert Tree's Subdivision aforesaid; thence north along the southerly extension of the west line of the east 5 feet of Lot 30 in Block 5 in Lambert Tree's Subdivision aforesaid to the south right-of-way line of an alley lying south of Wilcox Street; thence east along the south right-of-way line of an alley lying south of Wilcox Street to a point of intersection with the southerly extension of the west line of the east 2 feet of Lot 24 in Block 5 in Lambert Tree's Subdivision aforesaid; thence north along the southerly extension of the west line of the east 2 feet of Lot 24 in Block 5 in Lambert Tree's Subdivision aforesaid to the north right-of-way line of Wilcox Street; thence west along the north right-of-way line of Wilcox Street to the west line of the east 12.38 feet of Lot 37 in Block 3 in Lambert Tree's Subdivision aforesaid; thence north along the west line of the east 12.38 feet of Lot 37 in Block 3 in Lambert Tree's Subdivision aforesaid to the north right-of-way line of an alley lying south of Monroe Street; thence west along the north right-of-way line of an alley lying south of Monroe Street to the west line of the east 3 feet of Lot 21 in Block 3 in Lambert Tree's Subdivision aforesaid; thence north along the west line of the east 3 feet of Lot 21 in Block 3 in Lambert Tree's Subdivision aforesaid to the south right-of-way line of Monroe Street; thence east along the south right-of-way line of Monroe Street to a point of intersection with the southerly extension of the east line of the west 3.50 feet of Lot 31 in Block 2 in Lambert Tree's Subdivision aforesaid; thence north along the southerly extension of the east line of the west 3.50 feet of Lot 31 in Block 2 in Lambert Tree's Subdivision aforesaid to the south right-of-way line of an alley lying south of Madison Street; thence east along the south right-of-way line of an alley lying south of Madison street to the west line of Lot 41 in Block 1 in Lambert Tree's Subdivision aforesaid; thence north along the west line of Lot 41 aforesaid to the north line of Lot 41 in Block 1 in Lambert Tree's Subdivision aforesaid; thence east along the north line of Lot 41 in Block 1 in Lambert Tree's Subdivision aforesaid to the east right-of-way line of Hamlin Boulevard; thence north along said east line of Hamlin Boulevard to the easterly extension of the north line of the alley lying north of Madison Street; thence westerly along the easterly extension of the north line of the alley lying north of Madison Street to the west line of Hamlin Boulevard; thence north along the west line of Hamlin Boulevard to the south line of

Washington Boulevard; thence west along the south line of Washington Boulevard to the west line of Lot 5 in Block 4 in S.L. Brown's Subdivision of Blocks 1 to 4 of S.L. Brown's Subdivision of part of the east half of the west half of the southwest quarter of Section 11 aforesaid; thence northerly along the northerly extension of the west line of Lot 5 in Block 4 in S.L. Brown's Subdivision of Blocks 1 to 4 of S.L. Brown's Subdivision aforesaid to the north line of Washington Boulevard; thence west along the north line of Washington Boulevard to the east line of Lot 39 in Parmly's Subdivision of that part of Lot 3 lying south of Lake Street of Court Partition of the east 30 acres of the west 40 acres of the southwest quarter of Section 11 aforesaid; thence north along the east line of Lot 39 extended north to the south line of West End Avenue; thence east along the south line of West End Avenue to the southerly extension of the west line of Lot 12 in Block 2 in the subdivision of Blocks 1 and 2 of J.D. Hobb's Subdivision of part of the southwest quarter of Section 11 aforesaid; thence north along the west line of Lot 12 in Block 2 in the subdivision of Blocks 1 and 2 of J.D. Hobb's Subdivision aforesaid to the north line of Maypole Avenue; thence east along the north line of Maypole Avenue to the east line of Hamlin Boulevard; thence north along the east line of Hamlin Boulevard to the south line of the Chicago & Northwestern Railroad Company right-of-way in the east half of the southwest quarter of Section 11, Township 39 North, Range 13, East of the Third Principal Meridian; thence east along said south line of the Chicago and Northwestern Railroad Company right-of-way to the west line of vacated Central Park Avenue, said west line of vacated Central Park Avenue being a line 10 feet west of and parallel with the west line of the west half of the southeast quarter of Section 11, Township 39 North, Range 13, East of the Third Principal Meridian; thence south along said west line of vacated Central Park Avenue to the south line of vacated Central Park Avenue, said south line of vacated Central Park Avenue being a line 86 feet south of and parallel with the south line of the Chicago and Northwestern Railroad Company right-of-way; thence east along said south line of vacated Central Park Avenue to the east line of Central Park Avenue; thence south along said east line of Central Park Avenue to the north line of Lake Street; thence easterly along said north line of Lake Street to the west line of Kedzie Avenue; thence south along said west line of Kedzie Avenue to the north line of Washington Boulevard; thence east along said north line of Washington Boulevard to the east line of Talman Avenue; thence south along said east line of Talman Avenue to the north line of Lot 15 in Pollack's Subdivision of 4 acres in the south half of the southeast quarter of Section 12, Township 39 North, Range 13, East of the Third Principal Meridian; thence east along said north line of Lot 15 in Pollack's Subdivision to a line 25 feet east of and parallel with the east line of Talman Avenue; thence north along said line 25 feet east of and parallel with the east line of Talman Avenue to the north line of Washington Boulevard; thence east along the north line of Washington Boulevard to the west line of Lot 10 in D. McIntosh's Subdivision in parts of the south half of the southeast quarter of Section 12 aforesaid; thence south along the west line of Lot 10 in D. McIntosh's Subdivision aforesaid to the north line of Washington Boulevard; thence east along said north line of Washington Boulevard to the west line of Western Avenue; thence south along said west line of Western Avenue to the south line of Washington Boulevard; thence east along said south line of Washington Boulevard to the east line of Western Avenue; thence south along said east line of Western Avenue and along the east line of

Western Avenue to the easterly extension of the north line of Congress Parkway; thence west along said easterly extension and the north line of Congress Parkway to the east line of the Chicago & Northwestern Railway right-of-way; thence south along said east line of the Chicago & Northwestern Railway right-of-way to the centerline of Harrison Street; thence west along said centerline of Harrison Street to the west line of the Chicago & Northwestern Railway right-of-way; thence north along said west line of the Chicago & Northwestern Railway right-of-way to the north line of Congress Parkway; thence west along said north line of Congress Parkway to the east line of California Avenue; thence north along the east line of California Avenue to the easterly extension of the south line of Lot 7 in Block 1 of James U. Borden's Resubdivision of Block 6 and Lots 1 to 24, inclusive, of Block 1 of Reed's Subdivision of the east three-quarters of the south quarter of the northwest quarter of Section 13 aforesaid, said south line of Lot 7 being also the north line of Congress Parkway; thence west along the easterly extension of the north line of Congress Parkway to the northerly extension of the east line of Lot 56 in Block 6 of James U. Borden's Resubdivision aforesaid, being also the west line of the alley west of California Avenue; thence south along said northerly extension and along the west line of the alley west of California Avenue and along the southerly extension thereof to the south line of Harrison Street; thence east along said south line of Harrison Street to the west line of California Avenue; thence south along said west line of California Avenue to the point of beginning at the south line of Roosevelt Road. Excepting from the forgoing all that part of the south half of Sections 13 and 14 in Township 39 North, Range 13, East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the centerline of Albany Avenue with the centerline of Roosevelt Road; thence west along said centerline of Roosevelt Road to the centerline of Central Park Avenue; thence north along said centerline of Central Park Avenue to the easterly extension of the north line of Lot 51 in Givins and Gilbert's Subdivision of the south 15 acres of the east half of the east half of the southwest quarter of Section 14, Township 39 North, Range 13, East of the Third Principal Meridian, said north line of Lot 51 in Givins and Gilbert's Subdivision being also the south line of the alley south of Fillmore Street; thence west along said south line of the alley south of Fillmore Street and along the westerly extension thereof to the east line of Lot 14 in Edward Casey's Addition to Chicago, a subdivision in the east half of the southwest quarter of Section 14, Township 39 North, Range 13, East of the Third Principal Meridian, said east line of Lot 14 in Edward Casey's Addition to Chicago being also the west line of the alley east of Independence Boulevard; thence north along said west line of the alley east of Independence Boulevard to the south line of Fillmore Street; thence west along said south line of Fillmore Street to the west line of Independence Boulevard; thence north along said west line of Independence Boulevard to the westerly extension of a line 200 feet south of and parallel with the south line of Arthington Street, said line 200 feet south of and parallel with the south line of Arthington Street being also the north line of the alley south of Arthington Street; thence east along said westerly extension and the north line of the alley south of Arthington Street to the west line of Lawndale Avenue; thence north along said west line of Lawndale Avenue to the south line of Arthington Street; thence west along said south

line of Arthington Street to the southerly extension of the east line of Lot 66 in Goldy's Third Addition to Chicago, a subdivision of the north 296 feet, together with that part lying south of the north 1,019.6 feet of the east half of the north half of the west half of the east half of the southwest quarter of Section 14, Township 39 North, Range 13, East of the Third Principal Meridian, said east line of Lot 66 in Goldy's Third Addition to Chicago being also the west line of Lawndale Avenue; thence north along said southerly extension and along the west line of Lawndale Avenue to the north line of Polk Street; thence east along said north line of Polk Street to the east line of St. Louis Avenue; thence north along said east line of St. Louis Avenue to the south line of Lexington Street; thence east along said south line of Lexington Street to the west line of Homan Avenue; thence south along said west line of Homan Avenue to the north line of Polk Street; thence east along said north line of Polk Street to the northerly extension of the west line of Lot 13 in Block 12 in E.A. Cummings & Company's Central Park Avenue Addition, a subdivision of that part of the southeast quarter of Section 14, Township 39 North, Range 13, East of the Third Principal Meridian lying south of the north 40 rods thereof and north of the north line of the right-of-way of the Chicago & Great Western Railroad; thence south along said northerly extension and the west line of Lot 13 in Block 12 in E.A. Cummings & Company's Central Park Avenue Addition to the north line of Arthington Street; thence east along said north line of Arthington Street to the east line of Kedzie Avenue; thence south along said east line of Kedzie Avenue to the south line of the Baltimore & Ohio Chicago Terminal Railroad right-of-way, said south line of the Baltimore & Ohio Chicago Terminal Railroad right-of-way being also the north line of the alley north of Fillmore Street; thence east along said south line of the Baltimore & Ohio Chicago Terminal Railroad right-of-way to the centerline of Albany Avenue; thence south along said centerline of Albany Avenue to the point of beginning at the centerline of Roosevelt Road, all in the City of Chicago, Cook County, Illinois.

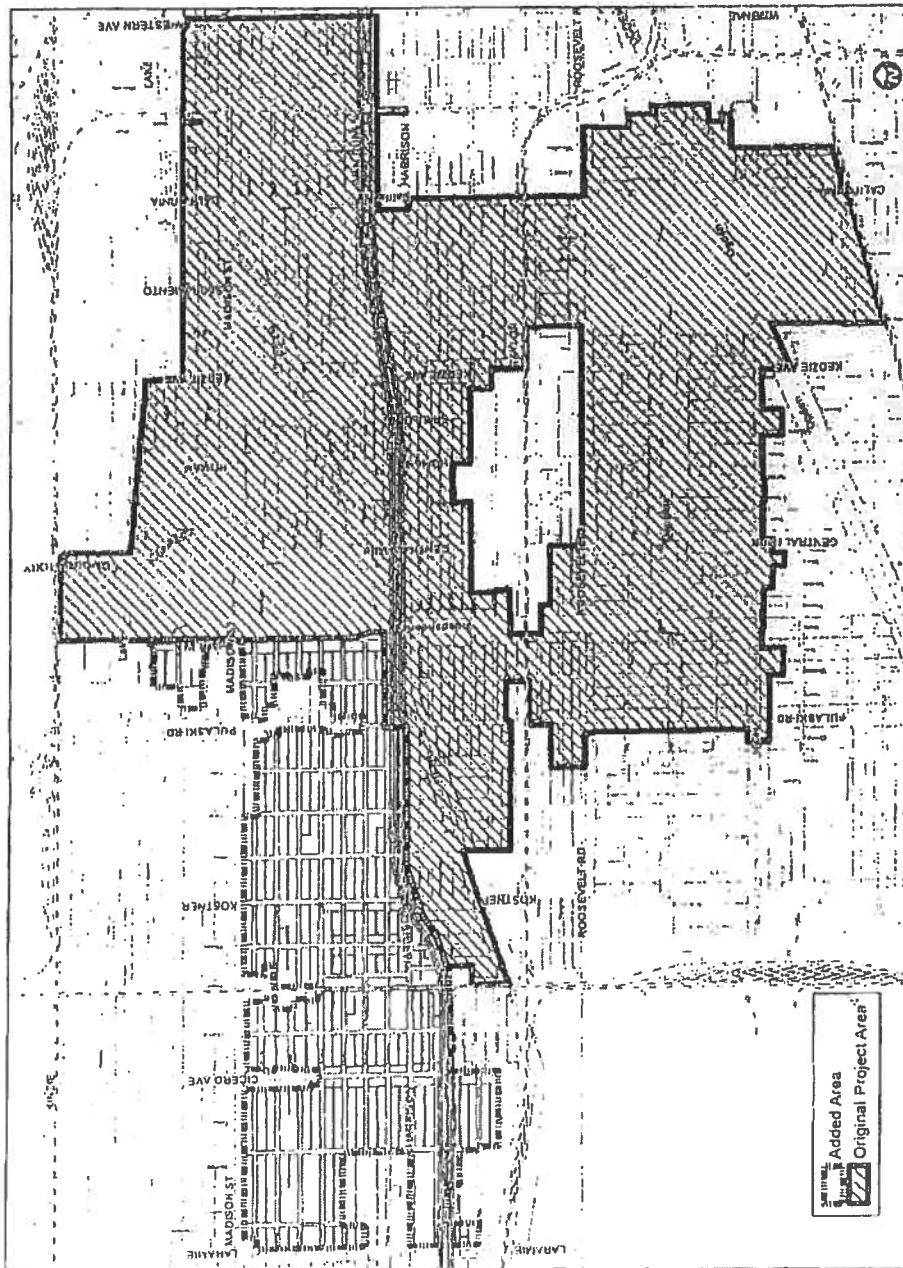
*Exhibit "B".*

*Street Location Of Expanded Area.*

The Expanded Area is generally bounded on the north by the alley north of Monroe Street, sections of Maypole Avenue, Kinzie Street, Lake Street and Washington Boulevard; on the east by an irregular line including Western Avenue and sections of California, Washtenaw, Talman Avenues and Rockwell Street; on the south by the C.B. & O Rail Line, an irregular line which includes the south side frontage of 16<sup>th</sup> Street, from Albany Avenue to Pulaski Road, and sections of Taylor and Arthington Streets; and on the west by sections of Pulaski Road, the alley west of Pulaski Road, and Hamlin Boulevard and Laramie Avenue. Excluded from the Redevelopment Project Area is an irregular area bounded by sections of Polk Street, Taylor Street and Lexington Street on the north; Kedzie Avenue and Albany Avenue on the east; Roosevelt Road on the south; and Central Park Avenue and Independence Boulevard on the west.

Exhibit "C".

Map Of Expanded Area.



Prepared by JRG  
July 2015

Figure 1: Original Project Area and Added Area Boundary Map  
Midwest TIF Amendment No 2



EXHIBIT B

PROPERTY LEGAL DESCRIPTION

PARCEL 1:

LOTS 1 THROUGH 5 IN V.G. WILLIAM'S SUBDIVISION OF THE SOUTH 1/2 OF BLOCK 1 IN BABCOCK'S SUBDIVISION OF THE WEST 5 ACRES OF THE EAST 20 ACRES OF THAT PART OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE EAST 19 FEET OF LOT 37, AND ALL OF LOTS 38 TO 42, BOTH INCLUSIVE, IN BLOCK 1 IN PECK'S SUBDIVISION OF THE WEST 19.48 ACRES OF THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 3300 W. Maypole Avenue, Chicago, Illinois

PIN: 16-11-412-042  
16-11-412-043  
16-11-412-044  
16-11-412-045  
16-11-412-046  
16-11-412-047

EXHIBIT C-1  
PROJECT BUDGET

<b>Property Assembly</b>	<b><u>Amount</u></b>
Land and Building Acquisition	\$3,953,323
<b>Total Land Acquisition</b>	<b>\$3,953,323</b>
<b>Hard Costs</b>	<b><u>Amount</u></b>
Construction	\$6,599,691
Furniture, Fixtures, and Equipment	\$305,000
Environmental	\$20,000
Contingency	\$659,969
<b>Total Hard Costs</b>	<b>\$7,584,660</b>
<b>Soft Costs/Fees</b>	<b><u>Amount</u></b>
Architect Fees	\$445,000
General Conditions	\$395,973
General Contractor Fee	\$395,973
Lender Fees	\$256,663
Legal Fees	\$368,000
Developer Fees	\$1,361,614
Tenant Relocation Expenses	\$120,000
Construction Interest	\$268,000
Contractor Overhead	\$131,991
Reserves	\$910,725
Other Soft Costs	\$474,521
<b>Total Soft Costs</b>	<b>\$5,128,460</b>
<b>Total</b>	<b>\$16,666,443</b>

EXHIBIT C-2

MBE/WBE BUDGET

Hard Costs	\$7,259,658
General Conditions (Including \$84,000 for Tandem Ventures)	\$ 198,509
Soft Costs/Fees	<u>\$ 395,973</u>
MBE/WBE Project Budget	\$7,854,140
<b>MBE Total at 26%</b>	<b>\$ 2,042,077</b>
<b>WBE Total at 6%</b>	<b>\$ 471,248</b>

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

EXHIBIT D

TIF-FUNDED IMPROVEMENTS

Property assembly costs including, demolition of buildings, site preparation and environmental	\$ 348,116
Construction, renovation, rehabilitation of low and very low-income housing up to 100% of project costs	\$ 5,926,004
<b>TOTAL</b>	<b>\$ 6,274,120*</b>

\*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed \$5,212,175.

EXHIBIT E

CONSTRUCTION CONTRACT

(not recorded)

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

EXHIBIT F

Intentionally Omitted.

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

EXHIBIT G  
PERMITTED LIENS

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the City's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer Parties or the Project, other than liens against the Property, if any: none

EXHIBIT H

OPINION OF  
DEVELOPER PARTIES' COUNSEL

(not recorded)

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS



EXHIBIT I  
FORM OF PAYMENT BONDS  
(not recorded)

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

EXHIBIT J  
REQUISITION FORM

(not recorded)

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

EXHIBIT K  
FUNDING SOURCES

Lender Financing

1. Amount: Not to exceed \$7,525,000

Source: PrivateBank, through a City tax exempt note

Interest: Not to exceed 10 percent per annum or such other rate acceptable to DPD

Security: A first mortgage lien (through stabilization) on the Property

2. Amount: \$3,953,323

Source: Illinois Housing Development Authority ("IHDA")

Interest: two and seventy-eight hundredths percent per annum

Security: A mortgage lien on the Property junior to the mortgages of PrivateBank

3. Amount: \$5,212,175

Source: Generations, derived from City TIF Funds

Interest: zero percent per annum

Security: A mortgage lien on the Property junior to the mortgage of PrivateBank

4. Amount: \$850,000

Source: Generations, derived from Federal Home Loan Bank of Chicago funds

Interest: zero percent per annum

Security: A mortgage lien on the Property junior to the mortgage of PrivateBank

Other Financing

1. Approximately \$5,897,625 to be derived from the syndication by the General Partner of Low-Income Housing Tax Credits allocated by the City.

3. The General Partner will contribute \$100

4. Deferred Developer fee (to be paid from project cash flow) \$340,403

5. Reserve Carryover in connection with the IHDA loan \$412,817

EXHIBIT L  
ESCROW AGREEMENT  
(not recorded)

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

EXHIBIT M  
TENANT LEASE  
(not recorded)

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

COOK COUNTY  
RECORDER OF DEEDS

FY 2017

TIF NAME: Midwest Redevelopment Project Area

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year are listed below

<b>Parties to Agreement with City</b>	<b>Project Description</b>	<b>Address</b>
N/A	Construction of Mixed Use Property	2838 W. Polk
N/A	Construction of Mixed Use Property	1346 S. Pulaski
N/A	Construction of Mixed Use Property	23 S. Albany
N/A	Construction of Mixed Use Property	2437 W. Adams
N/A	Construction of Mixed Use Property	2511 W. Warren
N/A	Construction of Mixed Use Property	2816-18 W. Monroe
N/A	Construction of Mixed Use Property	2825 W. Polk
N/A	Construction of Mixed Use Property	1328-30 S. Central Park
N/A	Construction of Mixed Use Property	2838 W. Arthington
N/A	Construction of Mixed Use Property	4359 W. Van Buren
N/A	Construction of Mixed Use Property	2844 W. Arthington
N/A	Construction of Mixed Use Property	2946 W. Flournoy
N/A	Construction of Mixed Use Property	3307 W. Douglas
N/A	Construction of Mixed Use Property	3340 W. Van Buren
N/A	Construction of Mixed Use Property	3508 W. Flournoy
N/A	Construction of Mixed Use Property	40 N. Francisco
N/A	Construction of Mixed Use Property	4112 W. Jackson
N/A	Construction of Mixed Use Property	2830 W. Arthington

CITY OF CHICAGO, ILLINOIS  
MIDWEST  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2017

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

C O N T E N T S

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the Midwest Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Midwest Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note 1, the financial statements present only the activities of the Midwest Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project, debt service and special revenue funds of the City of Chicago, Illinois, as of December 31, 2017 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

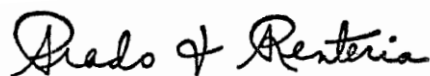
### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 29, 2018

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Midwest Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2017. Please read it in conjunction with the Project's financial statements, which follow this section.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

*Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

*Government-Wide Financial Statements*

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

*Governmental Fund Financial Statements*

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental funds financial statements. The notes to the financial statements follow the basic financial statements.

*Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

*Condensed Comparative Financial Statements*

The condensed comparative financial statements are presented on the following page.

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$17,510,572 for the year. This was an increase of 12 percent over the prior year. The change in net position (including other financing uses - net) produced an increase in net position of \$7,724,825. The Project's net position increased by 23 percent from the prior year making available \$41,620,849 of funding to be provided for purposes of future redevelopment in the Project's designated area.

*Debt Administration*

General Obligation Bonds (Modern Schools Across Chicago Program) outstanding at December 31, 2017 amounted to \$15,115,000. More detailed information about the Project's long-term liabilities is presented in Note 3 of the financial statements.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 58,530,985	\$ 53,542,694	\$ 4,988,291	9%
Total liabilities	<u>16,910,136</u>	<u>19,646,670</u>	<u>(2,736,534)</u>	-14%
Total net position	<u>\$ 41,620,849</u>	<u>\$ 33,896,024</u>	<u>\$ 7,724,825</u>	23%
Total revenues	\$ 18,150,451	\$ 15,575,201	\$ 2,575,250	17%
Total expenses	<u>9,182,056</u>	<u>10,981,378</u>	<u>(1,799,322)</u>	-16%
Other financing uses - net	<u>(1,243,570)</u>	<u>(2,996,933)</u>	<u>1,753,363</u>	59%
Changes in net position	<u>7,724,825</u>	<u>1,596,890</u>	<u>6,127,935</u>	384%
Ending net position	<u>\$ 41,620,849</u>	<u>\$ 33,896,024</u>	<u>\$ 7,724,825</u>	23%

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2017

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 41,700,554	\$ -	\$ 41,700,554
Property taxes receivable	16,712,036	-	16,712,036
Accrued interest receivable	118,395	-	118,395
Total assets	<u>\$ 58,530,985</u>	<u>\$ -</u>	<u>\$ 58,530,985</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 958,779	\$ -	\$ 958,779
Due to other City funds	279,636	-	279,636
Accrued interest payable	62,979	-	62,979
Other accrued liability	11,328	-	11,328
Bonds payable (Note 3):			
Due within one year	-	2,150,000	2,150,000
Due after one year	-	13,447,414	13,447,414
Total liabilities	<u>1,312,722</u>	<u>15,597,414</u>	<u>16,910,136</u>
Deferred inflows	<u>14,877,628</u>	<u>(14,877,628)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for debt service	2,894,242	(2,894,242)	-
Restricted for future redevelopment project costs	<u>39,446,393</u>	<u>(39,446,393)</u>	<u>-</u>
Total fund balance	<u>42,340,635</u>	<u>(42,340,635)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 58,530,985</u>		
Net position:			
Restricted for economic development projects		287	287
Restricted for debt service		2,905,750	2,905,750
Restricted for future redevelopment project costs		<u>38,714,812</u>	<u>38,714,812</u>
Total net position		<u>\$ 41,620,849</u>	<u>\$ 41,620,849</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 42,340,635
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	14,877,628
Long-term liabilities applicable to the Project's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities are reported in the statement of net position.	<u>(15,597,414)</u>
Total net position - governmental activities	<u>\$ 41,620,849</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 15,613,854	\$ 1,896,718	\$ 17,510,572
Interest	639,879	-	639,879
Total revenues	<u>16,253,733</u>	<u>1,896,718</u>	<u>18,150,451</u>
Expenditures/expenses:			
Economic development projects	8,408,623	-	8,408,623
Debt service:			
Principal retirement	3,020,000	(3,020,000)	-
Interest	869,917	(96,484)	773,433
Total expenditures/expenses	<u>12,298,540</u>	<u>(3,116,484)</u>	<u>9,182,056</u>
Excess of revenues over expenditures	3,955,193	5,013,202	8,968,395
Other financing sources (uses):			
Operating transfers in (Note 4)	2,250,000	-	2,250,000
Operating transfers out (Note 4)	(3,493,570)	-	(3,493,570)
Total other financing uses - net	<u>(1,243,570)</u>	<u>-</u>	<u>(1,243,570)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	2,711,623	(2,711,623)	-
Change in net position	-	7,724,825	7,724,825
Fund balance/net position:			
Beginning of year	<u>39,629,012</u>	<u>(5,732,988)</u>	<u>33,896,024</u>
End of year	<u>\$ 42,340,635</u>	<u>\$ (719,786)</u>	<u>\$ 41,620,849</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds	\$ 2,711,623
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	1,896,718
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.	3,020,000
Premium received on the issuance of long-term debt is not accrued in governmental funds, but rather is amortized over the life of the bonds.	<u>96,484</u>
Change in net position - governmental activities	<u>\$ 7,724,825</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In May 2000, the City of Chicago (City) established the Midwest Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital project, debt service and special revenue funds of the City.

The financial statements present only the activities of the Midwest Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project, debt service and special revenue funds of the City of Chicago, Illinois, as of December 31, 2017 and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). GASB Statement No. 72, *Fair Value Measurement and Application* (“GASB 72”), addresses accounting and financial reporting issues related to fair value measurements. GASB 72 was implemented by the City beginning with its year ending December 31, 2016. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques.

GASB Statement No. 77, *Tax Abatement Disclosures* (“GASB 77”), requires governments that enter into tax abatement agreements to disclose: (1) brief descriptive information concerning the agreement; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by government, other than to abate taxes, that are part of the tax abatement agreement. GASB 77 was implemented by the City beginning with its year ending December 31, 2016 (see Note 5).

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental funds financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.



CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation (Concluded)*

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Position*

*Cash and Investments*

Cash being held by the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned and fair market value adjustments on pooled investments are allocated to participating funds based on their average combined cash and investment balances. Since investment income is derived from pooled investments, the fair value measurement and fair value hierarchy disclosures of the newly adopted GASB 72 will not be separately presented in a note disclosure.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are recognized at amortized cost.

*Deferred Inflows*

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental funds financial statements.

*Capital Assets*

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(e) *Stewardship, Compliance and Accountability*

*Illinois Tax Increment Redevelopment Allocation Act Compliance*

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

*Reimbursements*

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. Refer to Note 5 for reimbursements paid to the developer.

The semi-annual principal and interest payments are made solely from incremental real property taxes, which are paid in the redevelopment district.

Note 2 – Investments and Fair Value Measurements

The City measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles. At December 31, 2017, all non-pooled investments held by the Project are exclusively short-term money market funds and commercial paper valued at fair value that approximates cost and can be redeemed on a daily basis.

Note 3 – Bonds Payable

In January 2007, the City issued \$28,830,000 of General Obligation Bonds (Modern Schools Across Chicago Program), Series 2007J at a premium. The bonds have interest rates ranging from 3.60 to 5.00 percent and maturity dates ranging from December 1, 2008 to December 1, 2023. Net proceeds of \$28,830,000 will be used to pay for a portion of the costs for construction, renovation, design and acquisition of elementary and high schools that are part of the school system operated by the Board of Education of the City of Chicago (the "Board") and refund certain outstanding obligations of the Board.

Long-term liability activity for the year ended December 31, 2017 was as follows:

Beginning balance	\$18,135,000
Additions	-
Reductions	<u>(3,020,000)</u>
Subtotal	15,115,000
Plus unamortized premium	<u>482,414</u>
Ending balance	<u>\$15,597,414</u>
Amount due within one year	<u>\$ 2,150,000</u>

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 3 – Bonds Payable (Concluded)

The aggregate maturities of the bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 2,150,000	\$ 755,750
2019	2,260,000	648,250
2020	2,645,000	535,250
2021	2,775,000	403,000
2022	2,915,000	264,250
2023	<u>2,370,000</u>	<u>118,500</u>
Total	<u>\$15,115,000</u>	<u>\$2,725,000</u>

As of June 1, 2017, the Modern Schools Across Chicago Program General Obligation Bonds, Series 2007J originally issued at a premium for the Midwest Redevelopment Project were partially redeemed early for the year 2023 (\$970,000 of \$3,340,000 outstanding) because the balance in the principal and interest account held with the trustee was sufficient to cover additional debt service.

Note 4 – Operating Transfers In/Out

During 2017, in accordance with State statutes, the Project received \$2,250,000 from the contiguous Western/Ogden Redevelopment Project to fund the redevelopment agreement with Sinai Health System for the redevelopment of their facilities located at 1500 South California Avenue and 3140 West Ogden Avenue. In addition, the Project transferred \$3,297,220 to two contiguous Redevelopment Projects (Chicago/Central Park \$1,664,187 and Madison/Austin Corridor \$1,633,033) to fund debt service for Phase I of the Modern Schools Across Chicago Bonds, Series 2007 and \$196,350 to the contiguous Chicago/Central Park Redevelopment Project to fund debt service for Phase II of the Modern Schools Across Chicago Bonds, Series 2010.

Note 5 – Tax Abatement Payments

Under the terms of the redevelopment agreements, the Project paid the developers \$5,658,649 during the year ended December 31, 2017.

Note 6 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2017, the Project has entered into contracts for approximately \$624,235 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 288,179
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	103,377
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	4,969,623
Costs of the construction of public works or improvements	1,992,172
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	3,889,917
Costs of construction of new housing units for low income and very low income households	<u>1,055,272</u>
	<u><u>\$ 12,298,540</u></u>



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www.pradorenteria.com

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Midwest Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2017, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 29, 2018.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Midwest Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

*Prado & Renteria*

June 29, 2018