

FY 2023

**ANNUAL TAX INCREMENT FINANCE
REPORT**



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

Name of Municipality: **City of Chicago** Reporting Fiscal Year: **2023**
County: **Cook** Fiscal Year End: **12/31/2023**
Unit Code: **016/620/30**

FY 2023 TIF Administrator Contact Information-Required

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

I attest to the best of my knowledge, that this FY 2023 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 or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

6/28/2024

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 MM/DD/YYYY	Date Terminated MM/DD/YYYY
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	12/31/2035
116th/Avenue O	10/31/2018	12/31/2042
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
24th/Michigan	7/21/1999	12/31/2035
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2033
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2034
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

*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.]

47th/State	7/21/2004	12/31/2028
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
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	12/31/2034
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	12/31/2034
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	12/31/2031
Addison South	5/9/2007	12/31/2031
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	12/31/2034
Bryn Mawr/Broadway	12/11/1996	12/31/2032
Canal/Congress	11/12/1998	12/31/2034
Central West	2/16/2000	12/31/2024
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
Cicero/Stevenson	7/20/2022	12/31/2046
Clark/Montrose	7/7/1999	12/31/2035
Clark/Ridge	9/29/1999	12/31/2023
Commercial Avenue	11/13/2002	12/31/2026
Cortland/Chicago River	4/10/2019	12/31/2043
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
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
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2027
Galewood/Armitage Industrial	7/7/1999	12/31/2035

Goose Island	7/10/1996	12/31/2032
Greater Southwest Industrial (East)	3/10/1999	12/31/2035
Greater Southwest Industrial (West)	4/12/2000	12/31/2024
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Arthington	2/5/1998	12/31/2034
Humboldt Park Commercial	6/27/2001	12/31/2025
Jefferson/Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	12/31/2034
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	12/31/2035
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2038
Madison/Austin Corridor	9/29/1999	12/31/2035
Michigan/Cermak	9/13/1989	12/31/2025
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2036
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	12/31/2033
North Pullman	6/30/2009	12/31/2033
Northwest Industrial Corridor	12/2/1998	12/31/2034
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2034
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Industrial Corridor	6/9/1999	12/31/2035
Randolph/Wells	6/9/2010	12/31/2034
Red Line Extension	12/14/2022	12/31/2058
Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
River West	1/10/2001	12/31/2025
Roosevelt/Cicero Industrial Corridor	2/5/1998	12/31/2034
Roosevelt/Clark	4/10/2019	12/31/2043
Roosevelt/Racine	11/4/1998	12/31/2034
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
Stevenson Brighton	4/11/2007	12/31/2031
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
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
X Western Avenue North	1/12/2000	12/31/2024

Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	12/31/2034
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	12/31/2035

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

Primary Use of Redevelopment Project Area*: Combination/Mixed

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

If 'Combination/Mixed' List Component Types: Residential/Commercial/Industrial/Institutional

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):

Tax Increment Allocation Redevelopment Act X

Industrial Jobs Recovery Law _____

Please utilize the information below to properly label the Attachments.

	No	Yes
For redevelopment projects beginning prior to FY2022, 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)] If yes, please enclose the amendment (labeled Attachment A).		
For redevelopment projects beginning in or after FY2022, were there any amendments, enactments or extensions 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)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A).	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)] Please enclose the CEO certification (labeled Attachment 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)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		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)] If yes, please enclose the Activities Statement (labeled Attachment D).		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)] If yes, please enclose the Agreement(s) (labeled Attachment E).	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)] If yes, please enclose the Additional Information (labeled Attachment F).	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)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).	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)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter, <u>chosen by the municipality</u> , setting forth the the nature and term of obligation; projected debt service including required reserves and debt coverage; <u>and actual debt service</u> . [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (labeled Attachment J).	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) If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K).		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)] 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).		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)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).	X	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).	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)]

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period

\$ 33,827,789

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	\$ 13,969,661	\$ 132,526,788	96%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 1,313,664	\$ 2,382,900	2%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ -	0%
Transfers from Municipal Sources	\$ -	\$ 2,250,000	2%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ 1,008,826	1%

All Amount Deposited in Special Tax Allocation Fund

\$ 15,283,325

Cumulative Total Revenues/Cash Receipts

\$ 138,168,514

100%

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

\$ 7,238,867

Transfers to Municipal Sources

\$ -

Distribution of Surplus

\$ -

Total Expenditures/Disbursements

\$ 7,238,867

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

\$ 8,044,458

Previous Year Adjustment (Explain Below)

\$ -

FUND BALANCE, END OF REPORTING PERIOD*

\$ 41,872,247

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

Previous Year Explanation:

(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 2023

Name of Redevelopment Project Area:

Western Avenue North

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 1,008,826
Note Proceeds		0
Non-compliance Payment		0
Excess Reserve Requirement		0
Build America Bonds Subsidy		0
Collection Returns		0
Credits from Expenditures		0

Total Schedule of "Other" Sources During Reporting Period

\$ -

Cumulative Total Schedule of "Other" Sources

\$ 1,008,826

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 2023

Name of Redevelopment Project Area:

Western Avenue North

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

PAGE 1

Category of Permissible Redevelopment 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.		
	146,029	
		\$ 146,029
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
	290,000	
		\$ 290,000
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.		
	325,381	
		\$ 325,381
6. Costs of the construction of public works or improvements.		
	6,477,457	
		\$ 6,477,457

SECTION 3.2 A

PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.		
		\$ -
8. Cost of job training and retraining projects.		
		\$ -
9. Financing costs.		
		\$ -
10. Capital costs.		
		\$ -
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.		
		\$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		\$ -

PAGE 3

TOTAL ITEMIZED EXPENDITURES		\$ 7,238,867
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Section 3.2 B [Information in the following section is not required by law, but would be helpful in creating fiscal transparency.]

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

[illegible]

(1) Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

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

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

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

X	Indicate an 'X' if no property was acquired by the Municipality within the redevelopment project area.
Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

PAGE 1

Page 1 must 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. <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality <u>DID</u> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.)	X
2a. The total number of <u>ALL</u> activities undertaken in furtherance of the objectives of the redevelopment plan:	3
2b. The total number of <u>NEW</u> projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any.	1

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

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 39,523,458	\$ -	\$ 57,566,303
Public Investment Undertaken	\$ 11,370,791	\$ 12,035,791	\$ 18,000,000
Ratio of Private/Public Investment	3 10/21	-	3 1/5

Project 1: SBIF - Western Ave North (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 6,000,000
Public Investment Undertaken	\$ 2,961,530	-	\$ 3,000,000
Ratio of Private/Public Investment	0	-	2

Project 2: Ravenswood Sq - 4800 Damen (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 15,385,283
Public Investment Undertaken	\$ 3,909,261	\$ 35,791	\$ 3,000,000
Ratio of Private/Public Investment	0	-	5 5/39

Project 3: Ravenswood Station (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 39,523,458	-	\$ -
Public Investment Undertaken	\$ 4,500,000	-	\$ -
Ratio of Private/Public Investment	8 18/23	-	-

Project 4: 4715 N. Western Avenue (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 36,181,020
Public Investment Undertaken	0	\$ 12,000,000	\$ 12,000,000
Ratio of Private/Public Investment	0	-	3 1/66

Project 5:

Private Investment Undertaken (See Instructions)		-	\$ -
Public Investment Undertaken		-	\$ -
Ratio of Private/Public Investment	0	-	-

Project 6:

Private Investment Undertaken (See Instructions)		-	\$ -
Public Investment Undertaken		-	\$ -
Ratio of Private/Public Investment	0	-	-

Section 5 Notes

FY 2023

Name of Redevelopment Project Area

Western Avenue North

General Notes

(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 developer 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.

Project/Program-Specific Notes

** 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.

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))]

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

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

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

Project Name	The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement*		The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement**	
	Temporary	Permanent	Temporary	Permanent
4715 N. Western	75	20	TBD	TBD

* see footnote on following page

** see footnote on following page

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

Project Name	The amount of increment projected to be created at the time of approval of the redevelopment agreement^	The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of approval of the redevelopment agreement^^

^ see footnote on following page

^^ see footnote on following page

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, IF ANY:

Project Name	Stated Rate of Return
N/A	\$ N/A
	\$ -
	\$ -
	\$ -

Section 6 Notes

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

General Notes

Section 6.2:

* All RDAs shown were entered into during or after FY 2022. "Permanent" jobs are defined as permanent, full-time, or full-time-equivalent jobs that are anticipated to be created or retained at some time during the term of the RDA. "Temporary" jobs are defined as part-time, construction, temporary or seasonal jobs that are anticipated to be created during construction of the project. RDAs with no jobs covenant are not shown. An RDA will be removed from this Section once the job covenant ends, or the RDA terminates. TIFWorks and similar job training programs are not shown.

** "Permanent" jobs shown here are those that are affirmed by the Developer on the first anniversary date of the completion of the project and throughout the term of the RDA. "Temporary" jobs are shown here after project construction is completed and are based on total worker headcount.

Section 6.3:

^ All RDAs shown were entered into during or after FY 2022. The amount of increment reported is the cumulative amount projected for all PINs in the RDA over the term of the Redevelopment Project Area, assuming that the term of the Redevelopment Project Area is not later extended or truncated. [Please note that, in an effort to be more accurate, this projection has a different basis than the 2022 report.] An RDA will be removed from this Section once the RDA terminates. RDAs involving tax-exempt properties and those with no increment increase projected over the term of the Redevelopment Project Area, are not shown.

^^ The amount shown is the increase in cumulative PIN increment collected from the year the RDA was entered into through the Redevelopment Project Area expiration year, to the extent the information is available from tax records.

SECTION 7 [Information in the following sections is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

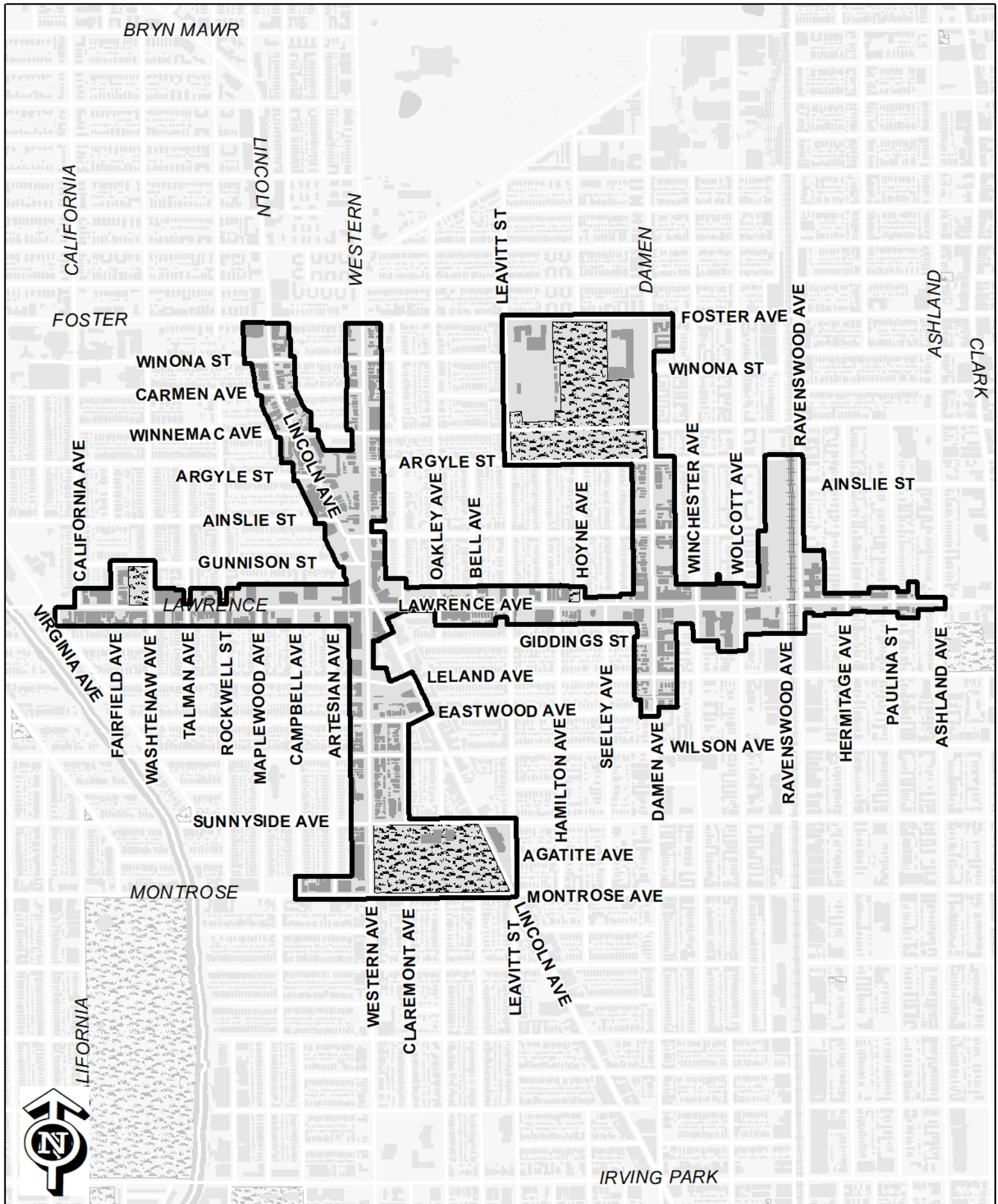
Western Avenue North

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

Western Avenue North TIF

Annual Report



[illegible]

Attachment B

STATE OF ILLINOIS)

)

COUNTY OF COOK)

CERTIFICATION

TO:

Susana Mendoza
Comptroller of the State of Illinois
555 W. Monroe Street, 1400S-A
Chicago, Illinois 60661
Attention: Rosanna Barbaro-Flores,
Director of Local Government

Jolenna Nanalig, AVC Finance & Treasurer
City Colleges of Chicago
180 N. Wabash Avenue, Suite 200
Chicago, Illinois 60601

Xochitl Flores, Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

Damon Howell, CFO
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Pedro Martinez, Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60602

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District
of Greater Chicago
100 East Erie Street, Room 243
Chicago, Illinois 60611

Lamarr Miller, President
South Cook County Mosquito Abatement District
15500 Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Rosa Escareno, General Superintendent & CEO
Chicago Park District
4830 S. Western Avenue
Chicago, Illinois 60609

I, Brandon Johnson, 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 Western Avenue North Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:

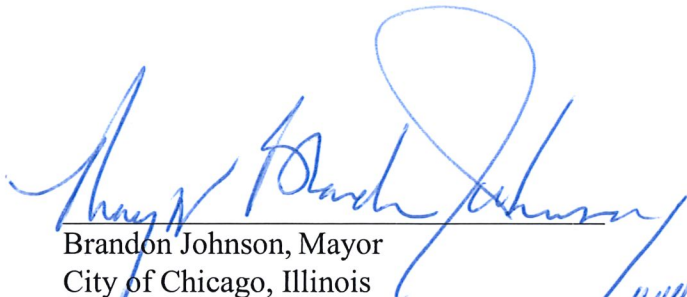
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the “City”) and, as such, I am the City’s Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2023, 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 June 28, 2024.



Brandon Johnson, Mayor
City of Chicago, Illinois





DEPARTMENT OF LAW

CITY OF CHICAGO

June 28, 2024

Susana Mendoza
Comptroller of the State of Illinois
555 W. Monroe Street, 1400S-A
Chicago, Illinois 60661
Attention: Rosanna Barbaro-Flores,
Director of Local Government

Jolenna Nanalig, AVC Finance & Treasurer
City Colleges of Chicago
180 N. Wabash Avenue, Suite 200
Chicago, Illinois 60601

Xochitl Flores, Bureau Chief
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15500 Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Rosa Escareno, General Superintendent & CEO
Chicago Park District
4830 S. Western Avenue
Chicago, Illinois 60609

Re: Western Avenue North 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 City Departments 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.

Based on the foregoing, it is my 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,



Mary Richardson-Lowry
Corporation Counsel

SCHEDULE 1

June 28, 2024

CERTIFICATION

Commissioner
Department of Planning and Development
City of Chicago

I, Ciere Boatright, 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 for calendar year 2023 (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").

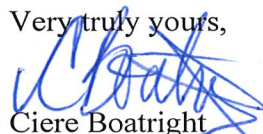
I hereby certify the following to the Corporation Counsel of the City:

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.

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,



Ciere Boatright
Commissioner
Department of Planning and Development

FY 2023

Name of Redevelopment Project Area:

Western Avenue North

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

<u>Name of Project</u>
4715 N. Western Avenue

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

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

4715 N. WESTERN APARTMENTS REDEVELOPMENT AGREEMENT

This 4715 N. Western Apartments Redevelopment Agreement (this "Agreement") is made as of this 12th day of July, 2023, by and between the City of Chicago, an Illinois municipal corporation (the "City"), acting by and through its Department of Planning and Development ("DPD"), 4715 N Western Owner LLC, an Illinois limited liability company (the "Owner"), and TCB Development Services LLC, an Illinois limited liability company ("TCBDS"). The Owner and TCBDS may collectively be referred to hereinafter as the "Developer."

RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article 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, 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 pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances: (1) on January 12, 2000, "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Western Avenue North Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) on January 12, 2000, "An Ordinance of the City of Chicago, Illinois Designating Western Avenue North Redevelopment Project Area a Redevelopment Project Area Pursuant to The Tax Increment Allocation Redevelopment Act;" (3) on January 12, 2000, "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for Western Avenue North Project Area;" and (4) on May 17, 2000, "An Ordinance of the City of Chicago, Illinois Approving Amendment No. 1 To Western Avenue North Tax Increment Financing Redevelopment Plan and Project" (the "First Plan Amendment"); (items (1) - (4) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. Sale of City Parcels. The City owns property located partially within the Redevelopment Area generally at 4715 North Western Avenue, Chicago, Illinois 60625 and legally described on Exhibit B hereto (the "Property") that the City desires to be redeveloped. TCBDS intends to purchase the Property for \$6 from the City (the "Acquisition").

E. The Project: Within the time frames set forth in Section 3.01 hereof, Developer shall commence and complete construction of an approximately 88,218 square foot apartment building (the "Facility") thereon. The Facility will provide 63 housing units of which 100 percent will be affordable for households earning no more than 80 percent of the area median income. The ground floor and a portion of the second floor will be devoted to residential amenities, common elements, parking, and commercial facilities. The 63 units of affordable housing will be a mix of 25 studio units, 29 one-bedroom units and 9 two-bedroom units. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) 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 Western Avenue North Tax Increment Financing Redevelopment Plan and Project, as amended (the "Redevelopment Plan") included in the Plan Adoption Ordinance and published at pages 22398-22478 of the Journal of the Proceedings of the City Council (the "Journal") for January 12, 2000, as amended by the First Plan Amendment and as it may be further amended.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer 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 pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

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
3. The Project	C *TIF-Funded Improvements
4. Financing	D [intentionally omitted]
5. Conditions Precedent	E [intentionally omitted]
6. Agreements with Contractors	F [intentionally omitted]
7. Completion of Construction or Rehabilitation	G *Permitted Liens
8. Covenants/Representations/Warranties of Developer	H-1 *Project Budget
9. Covenants/Representations/Warranties of the City	H-2 *MBE/WBE Budget
10. Developer's Employment Obligations	I Requisition Form
11. Environmental Matters	(An asterisk (*) indicates which exhibits are to be recorded.)
12. Insurance	
13. Indemnification	
14. Maintaining Records/Right to Inspect	
15. Defaults and Remedies	
16. Mortgaging of the Project	
17. Notice	
18. Miscellaneous	

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

“Act” shall have the meaning set forth in the Recitals hereof.

“Actual Residents of the City” shall have the meaning set forth in Section 10.02(c) hereof.

“Acquisition” shall have the meaning set forth in the Recitals hereof.

"Additional Non-TIF City Funds" shall mean the additional funding from the City's Multi-Family Program Funds that the City will provide if Developer fails to complete construction of the Project by the TIF Reimbursement Deadline and delivers a Letter of Credit Request by December 2, 2024 in accordance with 4.03(c). Such funds will be used solely to reimburse costs of TIF-Funded Improvements.

"Additional Non-TIF City Funds Amount" shall mean the amount that is the lesser of \$5,000,000 or the difference between (a) \$10,000,000 and (b)(i) the amount of City Funds already reimbursed by the City as of the TIF Reimbursement Deadline plus (ii) the amount the reimbursement the City provides for TIF-Funded Improvements the Developer has incurred by the TIF Reimbursement Deadline, subject to Section 7.01 hereof.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with Developer.

"AIS" shall mean the City's Department of Assets, Information and Services.

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the Agreement during the preceding calendar year, (b) certifying Developer's 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 Developer is not in default with respect to any provision of the 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 the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.13); (2) delivery of updated insurance certificates, if applicable (Section 8.14); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (4) a jobs report detailing the following information for each employee: full-time or part-time status, zip code of their primary residency; total employment tenure in months; and wages above or below the living wage, as defined for that year; and (5) compliance with all other executory provisions of the Agreement.

"Architect's Certificate" shall mean the certificate of the Developer's architect as to the percentage completion of the construction of the Project (based on the amount of expenditures incurred in relation to the Project Budget) as required by Section 4.03(d) hereof.

"Appraised Value" has the meaning set forth in Section 3.13(a).

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes (as defined below) deposited in the TIF Fund attributable to the taxes levied on the Redevelopment Area as adjusted to reflect the amount of the TIF District Administration Fee described in Section 4.05(c) hereof and not pledged to the Prior Obligations.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

"Certificate" shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

"Closing Date" shall mean 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.

"Collateral Assignment" shall mean a collateral assignment of the Owner's and TCBDS' respective interests in this Agreement, such collateral assignment to be made by Owner and/or TCBDS to secure Lender Financing, in form and substance acceptable to the City in its sole discretion; provided, such collateral assignment cannot be exercised until the lender provides the certification required by Section 18.14 hereof and the assignee assumes of all of the obligations of the Owner and TCBDS under this Agreement.

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

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain construction contract to be entered into between Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Department of Law.

"Deed" shall have the meaning set forth in Section 3.13.

"Developer Parties" has the meaning set forth in Section 11.4.

"DOH" shall mean the City's Department of Housing.

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

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

"Employment Plan" shall have the meaning set forth in Section 5.12 hereof.

"Environmental Documents" shall mean all reports, surveys, field data, correspondence and analytical results prepared by or for the Developer (or otherwise obtained by the Developer)

regarding the condition of the Property or any portion thereof, including, without limitation, the SRP Documents.

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

“Environmental Performance Deposit” means a dollar amount equal to \$222,000 as security for the performance of the Developer’s obligations under Section 11 of this Agreement and described in Sections 11.03 and 4.03(d) hereof. The Environmental Escrow may be contained within the Escrow described below and governed by the Escrow Agreement.

“Equity” shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

“Escrow” shall mean the construction escrow established pursuant to the Escrow Agreement.

“Escrow Agreement” shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company (or an affiliate of the Title Company), one or more Developer parties and Developer’s lender(s), in a form acceptable to the City.

“Event of Default” shall have the meaning set forth in Section 15 hereof.

“Facility” shall have the meaning set forth in the Recitals hereof.

“Final Comprehensive Residential NFR Letter” shall mean a final comprehensive residential “No Further Remediation” letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the site plan approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final Comprehensive Residential NFR Letter shall state that

the Property meets remediation objectives for residential properties and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

"Financial Statements" shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"Guaranty" shall mean a payment and performance guaranty issued by The Community Builders, a Massachusetts nonprofit corporation and the sole member of TCBDS, d/b/a TCB NFP Illinois, Inc., in favor of the City with respect to this Agreement, in form and substance satisfactory to the City in its sole discretion.

"General Contractor" shall mean the general contractor(s) hired by Developer pursuant to Section 6.01.

"Hazardous Substance(s)" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"HOME Loan" shall mean the loan from the City to the Owner in the principal amount of \$7,392,970 for financing a portion of the costs of the Project, secured by that certain Junior Mortgage, Security Agreement and Financing Statement (HOME) dated as of the Closing Date from the Owner to the City and securing that certain Note (HOME).

"HOME Loan Agreement" shall mean that certain Housing Loan Agreement (HOME) dated the Closing Date between the City and Owner in connection with the HOME Loan.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"Incremental Taxes" shall mean 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 of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnatee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

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

applicable judicial or administrative orders, injunctions, consent decrees or judgments.

“Lender Financing” shall mean funds borrowed by Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

“Letter of Credit” shall mean the initial irrevocable, direct pay letter of credit naming the City as the sole beneficiary for the Letter of Credit Amount delivered to the City pursuant to Section 4.03(c) hereof, and, unless the context or use indicates another or different meaning or intent, any substitute letter of credit delivered to the City, in form and substance satisfactory to the City in its sole and absolute discretion, and any extensions thereof. The City shall approve the form of Letter of Credit prior to the Closing Date.

“Letter of Credit Amount” shall have the meaning set forth in Section 4.03(c) hereof.

“Letter of Credit Request” shall have the meaning set forth in Section 4.03(c) hereof.

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

“MBE(s)” 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.

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

“MBE/WBE Program” shall have the meaning set forth in Section 10.03 hereof.

“Multi-Family Program Funds” shall mean certain funds administered by DOH and available from a variety of funding sources for the provision of loans and grants for the development of multi-family residential housing to increase the long-term supply of affordable housing.

“Municipal Code” shall mean the Municipal Code of the City of Chicago, as amended from time to time.

“New Mortgage” shall have the meaning set forth in Article 16 hereof.

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

“Other Bond(s)” shall have the meaning set forth for such term in Section 8.05 hereof.

"Other Bond Ordinance" shall mean the City ordinance authorizing the issuance of Other Bonds.

"Other Regulated Material" shall mean any Waste, Contaminant, material meeting 35 IAC Part 742.305, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit G hereto.

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Phase I ESA" shall mean a Phase I Environmental Site Assessment of the Property in accordance with ASTM E-1527-13.

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

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

"Prior Obligations" means those amounts of Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Redevelopment Area that have been pledged by the City to pay the following:

Obligation	Amount
RDA – DANK Haus	\$1,546,119
Lincoln Square Brown line Area Improvements	\$9,000,000
CPS IGA – McPherson ES	\$400,000
Lincoln Ave Streetscape & Plaza	\$8,835,000
SBIF	\$1,500,000

"Project" shall have the meaning set forth in the Recitals hereof.

"Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item, furnished by Developer to the City, in accordance with Section 3.03 hereof.

"Project Ordinance" shall mean the ordinance adopted on April 19, 2023 by the City Council and published at pages 62382 through 62456 of the Journal for such date.

"Property" shall have the meaning set forth in the Recitals hereof.

"RACR" shall mean the Remedial Action Completion Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter under the SRP.

"RAP" shall mean the Remedial Action Plan document required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

"RAP Approval Letter" shall mean written approval from the IEPA of the RAP.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Regulatory Agreement" shall mean, collectively, that certain Low Income Housing Tax Credits Regulatory Agreement, Donations Tax Credit Regulatory Agreement, HOME Program Regulatory Agreement, and Housing Loan Regulatory Agreement, all entered into on the date hereof by the Owner and the City, and in the case of the Donations Tax Credit Regulatory Agreement, the Owner, TCBDS and the City.

"Released Claims" shall have the meaning set forth in Section 11.4.

"Remediation Work" shall mean all investigation, sampling, monitoring, testing, reporting removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final Comprehensive Residential NFR Letter, in accordance with the terms and conditions of the RAP Approval Letter issued by IEPA, the SRP Documents, all requirements of the IEPA and all applicable federal, state, and local laws, ordinances, and regulations, including, without limitation, all applicable Environmental Laws.

"Requisition Form" shall mean a requisition form in substantially in the form attached as Exhibit I hereto.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

“Senior Lender” shall mean CIBC Bank USA, an Illinois state chartered bank, or such entity as may be acceptable to the Commissioner of DOH.

“SRP” shall mean the IEPA’s Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

“SRP Documents” shall mean all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the RAP, the RACR, and any and all related correspondence, data and other information prepared by either party pursuant to Section 11.

“STSC Loan” shall mean the loan from the City to the Owner in the principal amount of \$3,716,884 for financing a portion of the costs of the Project, secured by that certain Junior Mortgage, Security Agreement and Financing Statement (STSC) dated as of the Closing Date from the Owner to the City and securing that certain Note (STSC).

“Survey” shall mean a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, 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 updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date that is the ten (10) year anniversary of the issuance of the Certificate.

“TIF Adoption Ordinance” shall have the meaning set forth in the Recitals hereof.

“TIF Bonds” shall have the meaning set forth in the Recitals hereof.

“TIF Bond Ordinance” shall have the meaning set forth in the Recitals hereof.

“TIF Bond Proceeds” shall have the meaning set forth in the Recitals hereof.

“TIF District Administration Fee” shall mean the fee described in Section 4.05(c) hereof.

“TIF Expiration Date” shall have the meaning set forth in Section 3.01 hereof.

“TIF Fund” shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

“TIF-Funded Improvements” shall mean 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. Exhibit C lists the TIF-Funded Improvements for the Project. For the avoidance of doubt, costs of TIF-Funded Improvements that are incurred after the TIF Reimbursement Deadline shall be paid in accordance with Sections 4.01 and 4.03(d) hereof.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"TIF Reimbursement Deadline" shall mean November 15, 2024, or such later date as the City may consent to, and for costs of TIF-Funded Improvements incurred after such date, the City agrees to use Additional Non-TIF City Funds rather than City Funds for reimbursements.

"Title Company" shall mean Title Services Midwest LLC.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Owner 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 Property related to Lender Financing, if any, issued by the Title Company.

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

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

"WBE(s)" 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.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Project, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than one month after the Closing Date; and (ii) unless the City accepts a Letter of Credit from Developer (and thereby the corresponding completion extensions), both in accordance with Section 4.03(c), complete construction and conduct business operations therein no later than November 15, 2024. The City's will approve the form of Letter of Credit prior to Closing and will not withhold the consent if the agreed upon form is used along with any subsequent changes required of the issuing bank pursuant to applicable regulations or law and if the Developer meets the other requirements in 4.03(c). Notwithstanding any other provision in this Agreement, Developer acknowledges that the Redevelopment Area expires on December 31, 2024 (the "TIF Expiration Date") and agrees that, unless the City accepts a Letter of Credit from Developer in accordance with Section 4.03(c), its failure to (1) complete the Project pursuant to the terms of this Agreement, (2) apply for a Certificate pursuant to the terms of this Agreement such that it will be issued prior to the TIF Expiration Date), and (3) submit Requisition Forms for payment by the TIF Reimbursement Deadline, shall result in an absolute and unrecoverable forfeiture of any unpaid City Funds. If the City accepts the Letter of Credit, the deadline to complete construction and receive the Certificate will be as set forth in Section 4.03 hereof.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DOH and each has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DOH's Construction Services division as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Department of Buildings, the City's Department of Transportation and 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. Developer has furnished to DPD and DOH, and DPD and DOH have approved, a Project Budget showing total costs for the Project in the approximate amount not less than \$48,181,020. Developer hereby certifies to the City that (a) the City Funds, together with Equity and other funds described in Section 4.01 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DOH's Construction Services division certified copies of any Change Orders with respect to the Project Budget for approval to the extent required pursuant to Section 3.04 hereof.

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 follow DOH's Architectural Technical Standards manual policies and procedures and be submitted by the Developer to DOH's Construction and Compliance division for DOH's prior written approval. Developer 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 Developer of DOH'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 Developer.

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

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

3.07 Progress Reports and Survey Updates. Developer shall provide DPD and DOH with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date over 30 days being considered a Change Order, requiring DOH's written approval pursuant to Section 3.04). Developer shall provide three (3) copies of an updated Survey to DPD or DOH upon the request of DPD or DOH or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect), which may be the Senior Lender's (providing Lender Financing) architect or agent, shall perform periodic inspections with respect to the Project, at the Owner's expense, providing certifications with respect thereto to DOH, prior to requests for disbursement for costs related to the Project.

3.09 Barricades. Prior to commencing any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, 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 other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

3.13 Conveyance of Property. The following provisions shall govern the City's conveyance of the Property to the Developer:

(a) Form of Deed. The City shall convey the Property to TCBDS by quitclaim deed ("Deed") for the sum of One Dollar (\$1.00), subject to the terms of this Agreement and, without limiting the quitclaim nature of the Deed, the Redevelopment Plan, the standard exceptions in an ALTA title insurance policy; all general real estate taxes and any special assessments or other taxes; all easements, encroachments, covenants and restrictions of record and not shown of record; such other title defects as may exist; and any and all exceptions caused by the acts of the Developer, its Affiliates and their agents. Immediately following the City's conveyance of the Property to TCBDS, TCBDS shall immediately reconvey the Property to the Owner. TCBDS and the Owner acknowledge and agree that (i) the appraised fair market value of the Property was Four Million Nine Hundred Twenty Five Thousand and no/100 Dollars (\$4,925,000) as of April 29, 2023, and (ii) the City has only agreed to sell the Property to TCBDS for the Purchase Price because TCBDS, the Owner, and the Developer have agreed to execute this Agreement and comply with its terms and conditions.

(b) Title Defects. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the Property or liens for such unpaid property taxes, the City shall, as applicable, request that the County void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or file a tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the Property remains subject to any tax liens, or if the Property is encumbered with any other exceptions that would adversely affect the use and insurability of the Property for the development of the Project, the Developer shall, as its sole remedy, have the option to either (i) proceed with the purchase subject to all defects and exceptions, or (ii) terminate its right to purchase under this Section 3.13, whereupon such purchase right shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder with respect to the Property. If the Developer elects not to terminate its right to purchase the Property pursuant to this Section 3.13, the Developer agrees to accept title subject to all exceptions.

(c) Closing. The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless the Developer has satisfied all conditions precedent set forth in Section 5, unless DOH, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county, and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking.

(d) Closing Costs. The Developer shall pay to record the Deed and any other documents incident to the conveyance of the Property to the Developer. The Developer shall also pay all escrow fees and other title insurance fees, premiums and closing costs.

(e) "As Is" Sale. The City makes no covenant, representation or warranty, express or implied, of any kind, as to the structural, physical or environmental condition of the Property or the suitability of the Property for any purpose whatsoever. The Developer acknowledges that it has had an adequate opportunity to inspect and evaluate the structural, physical and environmental conditions and risks of the Property and accepts the risk that any inspection may not disclose all material matters affecting the Property. The Developer agrees to accept the Property in its "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition at closing, with all faults and defects, latent or otherwise, and the City has not made and does not make any covenant, representation or warranty, express or implied, of any kind, or give any indemnification of any kind to the Developer, with respect to the structural, physical or environmental condition or the value of the Property, its compliance with any Laws, or its habitability, suitability, merchantability or fitness for any purpose whatsoever. The Developer acknowledges that it is relying solely upon its own inspection and other due diligence activities and not upon any information (including, without limitation, environmental studies or reports of any kind) provided by or on behalf of the City or its agents or employees with respect thereto. The Developer agrees that it is its sole responsibility and obligation to perform at its expense any environmental remediation work and take such other action as is necessary to put the Property in a condition which is suitable for its intended use.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. (a) The cost of the Project is estimated to be \$48,181,020, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources (in the approximate amounts set forth below, as may be adjusted in accordance with the applicable financing documents):

	Sources	Amount
1.	City Funds (TIF) (subject to <u>Section 4.03</u>)	\$ 10,000,000 ^{1, 2}
2.	City Multi-Family Program Funds Total	\$ 11,109,854 ^{1, 2}
	HOME Loan	\$ 7,392,970
	STSC Loan	\$ 3,716,884
3.	Lender Financing – construction period	\$ 18,960,000 ³
4.	Lender Financing – permanent	\$ 3,900,000
5.	9% Low-Income Tax Credit Equity	\$ 15,610,368
6.	Donation Tax Credit Proceeds	\$ 2,139,862
7.	ComEd Grant Loan	\$ 142,415

8.	Managing Member Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$ 100
9.	Deferred Developer Fee	\$ 353,427
10.	New Hope Construction Bridge Loan	\$ 1,750,000

¹If the Developer incurs costs of TIF-Funded Improvements in excess of \$10,000,000, it is eligible to be reimbursed with up to an additional \$2,000,000 in City Funds, with the total amount of City Funds not to exceed \$12,000,000 (the amount exceeding \$10,000,000 shall referred to hereinafter as the "Additional TIF Funds Amount"); provided, however, that the amount of the City Multi-Family Program Funds in line 2 above will be reduced dollar-for-dollar in the Additional TIF Funds Amount reimbursed to the Developer. Pursuant to Section 3.05(b) of the HOME Loan Agreement, the principal amount of the HOME Loan will be reduced in the amount equal to the Additional TIF Funds Amount. The City will not advance the final \$2,000,000 of the HOME Loan ("Retained Portion") until after the Additional TIF Funds Amount is determined by the City. Once determined, the City will advance that part of the Retained Portion that is equal to the Retained Portion less the Additional TIF Funds Amount into the Escrow Account. By way of example, if the Additional TIF Funds Amount is \$1,500,000, \$500,000 (\$2,000,000-\$1,500,000) will be advanced and the principal amount of the HOME Loan will be reduced to \$5,892,970 (\$7,392,970 less \$1,500,000).

²If the full \$10,000,000 of City Funds in Line 1 is not incurred as of the TIF Reimbursement Deadline and the Developer delivers a Letter of Credit pursuant to Section 4.03(c) hereof the City will provide Additional Non-TIF City Funds in the Additional Non-TIF City Funds Amount in a manner described generally in subsection (b) below.

³ The Lender Financing will bridge a portion of the 9% Low-Income Tax Credit Equity and the HOME Loan.

(b) Additional Non-TIF City Funds. In the event the full \$10,000,000 of City Funds in Line 1 is not incurred as of the TIF Reimbursement Deadline and subsequently approved by the City for reimbursement, the City will provide Additional Non-TIF City Funds in the Additional Non-TIF City Funds Amount through an increase the maximum indebtedness of the STSC Loan, or as otherwise permitted by the Project Ordinance. For any costs incurred after the TIF Expiration Date, the disbursements shall be subject to the City's approval of applicable extensions. For the avoidance of doubt, to the extent disbursement of Additional Non-TIF City Funds is contingent upon incurring TIF-eligible costs for TIF-Funded Improvements, the parties acknowledge that the passage of the TIF Expiration Date shall not be considered in determining eligibility.

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C 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 Sections 4.03(b) and 4.05(d)), 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 City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse TCBDS for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes	Up to \$12,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed \$12,000,000 of the actual total Project costs; and provided further, that the \$12,000,000 to be derived from Available Incremental Taxes, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$12,000,000 is contingent upon the fulfillment of the conditions set forth in the second proviso above. In the event that such conditions are not fulfilled, the amount of Equity and/or other available sources approved in this Agreement to be contributed and/or obtained by Developer pursuant to Section 4.01 hereof shall increase as necessary to fill resulting budget shortfalls.

(c) Letter of Credit Option. If Developer fails to complete construction of the Project and obtain a Certificate by the TIF Reimbursement Deadline, the Developer may submit a written notice by December 2, 2024 to the City asking that the City accept a Letter of Credit from Developer as a condition of payment of City Funds (the "Letter of Credit Request"). The Letter of Credit Request shall be approved only if the following conditions are met to the City's satisfaction, in its sole discretion:

(i) construction of the Project according to the Plans and Specifications must be at least 50% complete by the TIF Reimbursement Deadline, as measured by the progress reports provided by the inspecting agent or architect being used by the lender providing Lender Financing, and with no less than \$5,000,000 of costs related to TIF-Funded Improvements actually incurred by the Developer;

(ii) Developer's Letter of Credit Request shall be subject in all respects to Section 4.07; and

(iii) the amount of the Letter of Credit (the "Letter of Credit Amount") shall be \$1,000,000.

DPD shall respond to the Letter of Credit Request no later than December 16, 2024 by notifying the Developer that the City has either (a) approved the Letter of Credit Request; or (b) rejected the Letter of Credit Request for Developer's failure to comply with Sections 4.03(c)(i-iii). If City approves the Letter of Credit Request, then Developer shall provide a Letter of Credit by the later of December 19, 2024 or three (3) business days after the City approves the Letter of Credit Request.

If the City accepts a Letter of Credit from Developer in accordance with this Section 4.03(c), Developer must complete construction of the Project and receive a Certificate no later than June 30, 2025. If Developer anticipates that it will fail to complete construction and receive a Certificate by June 30, 2025, then no later than May 30, 2025, the Developer may submit a written notice to the City asking that the City approve an extension of the construction completion date and the Letter of Credit until no later than December 31, 2025 (the "Extension Request"). The City may, without limitation, approve the Extension Request for delays connected to City construction completion approvals (as determined by the City in its sole discretion), or other City-caused delays, including but not limited to City infrastructure projects that prevent issuance of certificate of occupancy, so long as the Developer is able to demonstrate to the City's satisfaction that any delay is caused by the City and not the Developer's own actions, timeliness or lack thereof, evidenced by the timely submission of permit applications, changes and corrections, payout documentation and, or any response for corrective actions or supportive documentation. Such approval shall not be unreasonably withheld by the City and DPD shall respond to the Extension Request no later than June 27, 2025. Notwithstanding the foregoing, if Developer receives a temporary or permanent certificate of occupancy or the issuance of the AIA Form G704 (Certificate of Substantial Completion) by the Developer's architect by June 30, 2025, but the other conditions for issuance of the Certificate have not been met, then the corresponding completion deadline shall be extended to December 31, 2025 and the expiration date of the Letter of Credit shall be extended to January 15, 2026.

The Letter of Credit shall be released only if a Certificate is issued by June 30, 2025, or if the City approves the Extension Request, by December 31, 2025. The City acknowledges that in order to obtain the Letter of Credit, the Developer will be required to hold funds on deposit with the issuing bank which will not be accessible to Developer until the City takes necessary actions to release the Letter of Credit. Upon Developer issuance of the Certificate, the City shall within 5 business days return the original Letter of Credit to the issuing bank along with any other required documentation needed for the release of Letter of Credit. If a Certificate is not issued by June 30, 2025, or if the City has approved an Extension Request, by December 31, 2025, the City shall have the right to draw down on the Letter of Credit for the full amount of the Letter of Credit Amount, also avail itself of all of the City's rights thereto. Except as specifically set forth herein, nothing in this Section 4.03(c) shall be deemed to limit the City's remedies for Developer's failure to comply with the terms of this Agreement.

(d) Disbursement of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.04, Section 4.08 and Section 5 hereof, the City shall disburse the City Funds as follows:

- (i) The first installment of City Funds in the amount of \$2,500,000 shall be paid when the Developer incurs costs of TIF-Funded Improvements in this amount as certified to the City in a Requisition Form with required supporting documentation submitted to DPD, and further provided that a portion of the Environmental Performance Deposit in the amount of \$155,400 shall be withheld from this first installment, thereby reducing the maximum amount of this first installment to \$2,344,600;
- (ii) The second installment of City Funds in the amount of \$2,500,000 shall be paid when the Developer incurs costs of TIF-Funded Improvements in the amount of \$5,000,000 as certified to the City in a Requisition Form with required supporting documentation submitted to DPD, and further provided that a portion of the Environmental Performance Deposit in the amount of \$22,200 shall be withheld from this second installment, thereby reducing the maximum amount of this second installment to \$2,477,800;
- (iii) The third installment of City Funds in the amount of \$2,500,000 shall be paid when the Developer incurs costs of TIF-Funded Improvements in the amount of \$7,500,000 as certified to the City in a Requisition Form with required supporting documentation submitted to DPD, and further provided that a portion of the Environmental Performance Deposit in the amount of \$44,400 shall be withheld from this third installment, thereby reducing the maximum amount of this third installment to \$2,455,600;
- (iv) The final installment of City Funds shall be paid upon issuance of the Certificate.

The return of the Environmental Performance Deposit shall be made, if at all, pursuant to the requirements of Section 11.03 hereof.

If the Developer completes construction of the Project by the TIF Reimbursement Deadline and receives the Certificate by the TIF Expiration Date (or such later date approved by the City in its sole discretion), the final installment of City Funds shall be paid upon issuance of the Certificate; or

Notwithstanding the schedule set forth above, if the Developer delivers a Letter of Credit Request as described in Section 4.03(c) above, the City will make an interim payment of City Funds in the amount of costs of TIF-Funded Improvements actually incurred (but not yet reimbursed) by the Developer as of TIF Reimbursement Deadline and the balance of the disbursements set forth above will be paid with Additional Non-TIF City Funds. By way of example, Developer has incurred \$6,000,000 in TIF-Funded Improvements, but only \$5,000,000 has been reimbursed as of the TIF Reimbursement Deadline, the City will make an interim payment of City Funds of \$1,000,000 for the third installment and the balance of the third installment will be paid with Additional Non-TIF City Funds upon incurring \$7,500,000 in costs. The final installment will be paid with Additional Non-TIF City Funds upon issuance of the Certificate.

4.04 Construction Escrow. The City and Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds, except for the Prior Expenditures, 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. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement. The Developer shall submit a Requisition Form to DPD prior to each disbursement of City Funds per Section 4.03 above and DPD shall respond to the Developer's Requisition Form within forty-five (45) days. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per month (or as otherwise permitted by DPD). DOH shall approve disbursements of the City Funds from the Escrow. If required, the Developer shall meet with DPD or DOH upon request to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to Section 4.01 hereof.

(b) [intentionally omitted.]

(c) TIF District Administration Fee. Annually, the City may allocate an amount (the "TIF District Administration Fee") not to exceed 5 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.

(d) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DOH, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD including a Requisition Form, which shall be satisfactory to DPD in its sole discretion. Delivery by Owner and/or TCBDS 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 cost of the Acquisition or 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) Developer has 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 Developer is in compliance with all covenants contained herein;

(e) Developer has received no notice and has 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. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer 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 Developer 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 Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Bond Ordinance, if any, the Other Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 7.03 and Section 15.02 hereof.

4.09 Permitted Transfers. Notwithstanding anything herein to the contrary, City will permit (i) the Owner's investor member to remove Owner's managing member in accordance with the Owner's operating agreement (the "Operating Agreement"), provided the substitute managing member is acceptable to City in its reasonable discretion and the City provides its written consent and (ii) a transfer by the Owner's investor member of its membership interest after the Closing Date to an unaffiliated entity with the prior written consent of the City; provided, however, that the prior written consent of the City shall not be required for a transfer by the investor member of its membership interest after the Closing Date to an affiliated entity, but prior written notice to the City is required.

SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 Project Budget. Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. Developer has secured or applied for all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before construction commences, such building permits shall be secured prior to commencement of any such construction work.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in Section 4.01) to complete the Project. The City agrees to a Collateral Assignment in connection with Lender Financing, if required by a lender providing such Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to 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 Developer, with the Cook County Clerk's Recordings Division.

5.05 Acquisition and Title. On the Closing Date, Owner has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Owner as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's

comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. Owner has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Owner, at its own expense, has provided the City with searches as indicated in the chart below under each Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

Jurisdiction	Searches
Secretary of State	UCC, Federal tax
Cook County Clerk's Recordings Division	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.07 Surveys. Owner has furnished the City with three (3) copies of the Survey.

5.08 Insurance. Owner, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel, in form and substance acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions required by the Corporation Counsel, such opinions must be obtained by Developer from its general corporate counsel or such other counsel acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures, if any, in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. Developer has provided Financial Statements to DPD for its most recent fiscal year and audited or unaudited interim financial statements.

5.12 Additional Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07.

5.13 Environmental. Owner has provided DPD with a Phase I ESA for the Property conducted, or updated, within 180 days prior to the conveyance of the Property and any Phase II ESA. with respect to the Property required by the City. Developer has provided the City with a

letter from the environmental engineer(s) who completed such assessments, authorizing the City to rely on such assessments.

5.14 Corporate Documents; Economic Disclosure Statement. Each of the entities or persons comprising the Developer shall provide a copy of its current Articles of Incorporation or organization or partnership agreements, as applicable, 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 of incorporation and all other states in which each Developer party is qualified to do business; its current bylaws, operating agreement or partnership agreement, as applicable; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such organizational documentation as the City may request.

Each of the Owner and TCBDS have 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 entities or persons having management control of or a greater than 7.5% ownership interest in the Owner or TCBDS further will provide any other affidavits or certifications as may be required by federal, state or local 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 has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving Developer, 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.

5.16 Guaranty. Developer has provided an executed Guaranty.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall 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 shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof; 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 in the aggregate basis and failure of the General Contractor to require each contractor 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 shall contain provisions required pursuant to

Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon Developer's written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to Developer's written request for a Certificate within forty-five (45) 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 in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures. DPD shall not issue a certificate until all of the following conditions are met by the Developer:

- i. Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project;
- ii. The Project, including all residential units, common areas, environmental features, and related improvements, has been completed and constructed substantially according to the Plans and Specifications as evidenced by the following, provided by the Developer: (a) a completed Application and Certificate for Payment on AIA Form G702 signed by the General Contractor and the architect of record, and (b) a completed Certificate of Substantial Completion on AIA Form G704 signed by the architect of record, the General Contractor and the Developer;
- iii. Intentionally omitted;
- iv. Evidence that the Developer has incurred costs of TIF-Funded Improvements in an amount that equal to or greater than the amount the City reimbursed from City Funds and Additional Non-TIF City Funds;
- v. Evidence that the Project has no construction-related liens, subject to the Developer's right to contest or object in good faith to construction-related liens by appropriate legal proceedings properly and diligently instituted and prosecuted, during which time the Developer shall furnish a good and sufficient bond covering such lien;
- vi. There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition nor event which, with the giving of notice or passage of time or both, would constitute an Event of Default as evidenced by an affidavit provided by the Developer and accepted by the City;

- vii. DOH's Construction and Compliance division has verified that, at the time the Certificate is issued, Developer is in full compliance with City requirements set forth in Section 10 (including, without limitation, Sections 10.02 and 10.03) and Section 8.09 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled;
- viii. Evidence in the form of an affidavit provided by the architect of record certifying that the Project will achieve at least one hundred (100) points in connection with the provisions and requirements of the Chicago Sustainable Development Policy;
- ix. Evidence of recordation of the Final Comprehensive Residential NFR Letter.

7.02 Effect of Issuance of Certificate; Continuing Obligations. 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's obligation to complete such activities have been satisfied. After the issuance of a 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 shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06, 8.19 and 11.04 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 notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall 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 pursuant hereto;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, Developer shall 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 and the Appraised Value of the Property from Developer.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01 General. Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) Owner and TCBDS are each an Illinois limited liability company, each duly organized, validly existing, qualified to do business in its state of incorporation/organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Certificate of Limited Partnership, Articles of Organization or partnership agreement or by-laws 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 Developer is now a party or by which Developer is now or may become bound;

(d) Owner shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

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

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

(h) Developer is 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 Developer is a party or by which Developer is bound;

(i) 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 Developer, and there has been no material adverse change

in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

(j) prior to the issuance of the Certificate, Owner shall 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 of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Owner'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 (5) enter into any transaction that would cause a material and detrimental change to Owner's financial condition;

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

(l) Developer has not 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 pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable 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 subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any 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;

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) 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 of Illinois or any political subdivision thereof;

(o) Developer has 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;

(p) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except as otherwise permitted by this Agreement (including without limitation the Collateral Assignment) or as approved in writing by the City in the City's sole discretion, 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

(r) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals (including the RAP Approval Letter), Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, approved RAP, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to Developer shall be used by Developer solely to pay for (or to reimburse Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "Other Bonds"; provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance

in connection with the marketing of any such Other 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 preparing an offering statement with respect thereto.

8.06 Job Creation and Retention. The Developer anticipates that the Project will result in the creation of (i) 20 full-time equivalent permanent jobs (the "Permanent Jobs"), and (ii) during the construction of the Project approximately 75 construction jobs on the job-site (the "Construction Jobs," and collectively with the Permanent Jobs, 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 and DOH 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.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees 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 shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 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 shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

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

8.09 Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and 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 shall 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 shall apply to all such contracts. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer 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 shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, Developer 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 with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall 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 Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property or any other aspect of the Project.

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2021 and each year thereafter for the Term of the Agreement. In addition, Developer shall 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.

8.14 Insurance. Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens and subject to subsection (b) below, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer 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 shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); 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 shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale 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 Charge and all interest and penalties upon the adverse determination of such contest.

8.16 Developer's Liabilities. Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. Owner shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. If this Agreement is not recorded first, a subordination agreement will have to be prepared and executed. Owner shall pay all fees and charges incurred in connection with any such recording. Upon recording, Owner shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean 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, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. Developer has 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 forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD

of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

(2) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale 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.

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer 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, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Intentionally Omitted.

(d) Notification to the Cook County Assessor of Change in Use and Ownership. Within 90 days of the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 Annual Report(s). (a) Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer 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.

8.21 Inspector General. It is the duty of Developer 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's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, 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.

8.22 Environmental Requirements. The Project will achieve at least one hundred (100) points in connection with the provisions and requirements of the Chicago Sustainable Development Policy, and the Project will achieve Enterprise Green Communities certification.

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges 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 receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.20, (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 to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer 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 acknowledges 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 covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

8.24 Affordable Housing Covenant. Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of that certain Regulatory Agreement dated as of the date hereof shall govern the terms of Developer'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 Project shall be operated and maintained solely as residential rental housing;
- (b) No residential housing units in the Project shall be leased to households at market-rate rents.

(c) All of the 63 residential housing units in the Project shall be available for occupancy to and be occupied solely by Low-Income Families, Very Low-Income Families and/or Extremely Low-Income Families (each as defined below); and

(d) All of the 63 residential housing units in the Project shall have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low-Income Family, except in the case of residential housing units with rental subsidy vouchers from the Chicago Housing Authority which residential housing units shall have monthly rents charged to tenants 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.

(e) As used in this Section 8.24, 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.

(iii) "Very Low-Income Families" shall mean Families whose annual income does not exceed thirty percent (30%) to fifty percent (50%) 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.

(iv) "Extremely Low-Income Families" shall mean Families whose annual income does not exceed zero percent (0%) to thirty percent (30%) 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.

(f) The covenants set forth in this Section 8.24 shall run with the land and be binding upon any transferee.

(g) The City and Developer may enter into a separate agreement to implement the provisions of this Section 8.24.

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer's execution of this Agreement, and shall survive the

execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES 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 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project 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 shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) 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 shall comply with all 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 Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

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

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

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

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall 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 (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer 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 in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

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

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

Upon two business days prior written notice, the Developer, the General Contractor and each subcontractor shall provide full access to their employment records 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 related to construction of the Project. Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

Good faith efforts on the part of Developer, 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) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. 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 (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer 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 shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

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

Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

10.03. MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the 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 (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (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 MBE/WBE Budget (as set forth in Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least 6 percent by WBEs.

(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670 of the Municipal Code, as applicable.

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

(d) Developer 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 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's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the 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, on five Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

(f) Any reduction or waiver of Developer's 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, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's 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, Developer 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, Developer 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 Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

11.01 Representation and Warranty. Developer hereby represents and warrants 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.

11.02 Background. The Developer enrolled the Property in the SRP on February 2, 2023, and obtained a RAP Approval Letter for a residential cleanup from the IEPA on June 9, 2023.

11.03 Environmental Performance Deposit.

The City will withhold \$222,000 in the manner set forth in Section 4.03(d) hereof, as security for the performance of the Developer's obligations under this Agreement (the "Environmental Performance Deposit"). The City will release the Environmental Performance Deposit in accordance with the following schedule: (i) \$155,400 (or 70% of total, whichever is greater) after Developer's completion of soil removal for foundation work/slab on grade; (ii) \$22,200 (or 10% of total, whichever is greater) after Developer's submission of the RACR to the IEPA; (iii) \$22,200 (or 10% of total, whichever is greater) after Developer's receipt of the Final Comprehensive Residential NFR Letter; and (iv) \$22,200 (or 10% of total, whichever is greater) after the Developer records the Final Comprehensive Residential NFR Letter with the City Clerk Recordings Division for Cook County, Illinois.

11.04 Environmental Remediation. The Developer provided the City with a Phase I ESA prior to and conducted, or updated, within 180 days prior to the conveyance of the Property, and a Phase II ESA.

The Phase I ESA identified Recognized Environmental Conditions ("RECs") and the Developer performed a Phase II ESA to ascertain the presence of any environmental impacts that may be associated with the RECs.

The Phase II ESA identified contamination above residential remediation objectives as determined by Title 35 of the Illinois Administrative Code Part 742, and the Developer must enroll the Property in the IEPA's SRP in order to obtain a Final Comprehensive Residential NFR Letter for the enrolled Property. The Developer acknowledges and agrees that it may not commence construction on the Property or commence any other activity on the Property that could interfere with the prompt start and completion of the RAP until the IEPA issues a RAP Approval Letter for the Property.

The Developer covenants and agrees that upon receipt of the RAP Approval Letter for the Property, the Developer shall promptly complete all Remediation Work necessary to obtain an Final Comprehensive Residential NFR Letter for the Property using all reasonable means. The City shall have the right to review in advance and approve all environmental documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees that the City will not permit occupancy until the IEPA has issued, the City has approved, and the Developer has recorded with the Cook County Clerk an Final Comprehensive Residential NFR Letter for the Property enrolled in the SRP (to the extent required). The City's approval of the Final Comprehensive Residential NFR Letter as issued by the IEPA shall not be unreasonably withheld. If the Developer fails to obtain the Final Comprehensive Residential NFR Letter within six (6) months of the submission of the RACR to the IEPA, unless the City agreed to extend such time period, then the City shall have the right to issue a notice of default of this Agreement against the Property.

The Developer must abide by the terms and conditions of the Final Comprehensive Residential NFR Letter and must inform any subsequent owner and tenants of the Property to abide by the terms of the Final Comprehensive Residential NFR Letter.

11.05 Release and Indemnification. Without limiting any other provisions hereof, Developer, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under any of them (collectively, the "Developer Parties"), hereby releases, relinquishes and forever discharges the Indemnitees from and against any and all Losses which the Developer or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances or Other Regulated Material in, on, under or about the Property or the migration, escape, seepage, leakage, spillage, emission, discharge or release of Hazardous Substances or Other Regulated Material from the Property to other real property or from other real property to the Property; (iii) any actual or asserted violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901 *et seq.*; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the Indemnitees harmless from and against any and all Losses incurred, suffered by or asserted against the City by any third parties (including, without limitation, any of the Developer) arising out of or in any way connected with, directly or indirectly, any of the Released Claims, regardless of whether or not caused by, or within the control of Developer (except to the extent caused by the willful misconduct by the City). The Developer waives their rights of contribution and subrogation against the Indemnified Parties.

11.06 Release Runs with the Land. The covenant of release in Section 11.05 above shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledge and agree that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement; and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer or any of the Developer arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer nor any of the Developer Parties will assert

that those obligations must be satisfied in whole or in part by the City because Section 11.05 contains a full, complete and final release of all such claims

11.07 Survival. This Section 11 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).

SECTION 12. INSURANCE

Owner must provide and maintain, at Owner'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 Project. 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, Developer 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, Developer 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 Developer undertakes any construction, including improvements, betterments, and/or repairs, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the 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, Developer 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:

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

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, 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. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnities") harmless from and against, any and all liabilities, obligations, losses, damages, 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 Indemnities in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnities in any manner relating or arising out of:

(a) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(b) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(c) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(d) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no 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 violates any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost 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 Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. 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, shall constitute an "Event of Default" by Developer hereunder:

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

(b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or

entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer 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;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

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

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

(i) the dissolution of Developer;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor);

(k) prior to the expiration of the Term of the Agreement, and except with respect to transfers of the Property to a mortgagee under a Permitted Mortgage or an Existing Mortgage, the sale or transfer of the Property or Project and/or all or substantially all of the ownership interests of Developer without the prior written consent of the City; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, 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.

(m) failure to provide the City with an Annual Compliance Report within (60) days of when it is due, as set forth in Section 8.20.

For purposes of Section 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of such Developer party's (or such party's ultimate parent entity's) issued and outstanding ownership shares or interest or partnership interests, as applicable.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project subordinate to Senior Lender's mortgage lien in the amount of City Funds paid plus the Appraised Value of the Property, and/or seek reimbursement of any City Funds paid plus the Appraised Value of the Property. 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 damages, injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (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 thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Lender Notice and Cure Right. If an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to each of the lenders providing Lender Financing at the addresses in Section 17, and each of such lenders shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by any lender providing Lender Financing within such 30-day period, such period shall be extended for such reasonable period of time agreed to by the City as may be necessary to cure such default, provided that the party seeking such cure must diligently and continuously prosecute the cure of such default until the same has been cured and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession to the extent such party has the right to do so.

SECTION 16. 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 hereto (including but not limited to mortgages made prior to or contemporaneously herewith in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that Developer may hereafter elect to execute and 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 Developer as follows:

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

(b) In the event that any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to 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 Developer's interest hereunder in accordance with Section 18.14 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such

party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested.

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 <u>Attention:</u> Commissioner</p>	<p>If to Developer:</p> <p>4715 N Western Owner LLC c/o The Community Builders, Inc. 185 Dartmouth Street Boston, MA 02116 Attn: General Counsel</p> <p>And to:</p> <p>TCB Development Services LLC c/o The Community Builders, Inc., 185 Dartmouth Street Boston, MA 02116 Attn: General Counsel</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 <u>Attention:</u> Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Applegate & Thorne-Thomsen, P.C. 425 S. Financial Place, Suite 1900 Chicago, Illinois 60605 Attn: Paul Davis, Esq. And</p> <p>Stratford Asset Management Co., L.L.C. c/o Stratford Capital Group LLC 100 Corporate Place, Suite 404 Peabody, MA 01960 Attention: Asset Management (4715 N. Western Avenue)</p> <p>And</p> <p>Nixon Peabody LLP</p>

	799 9th Street NW, Suite 500 Washington, D.C. 20001-5327 Attention: Sumeet Sharma
If to Senior Lender: CIBC Bank USA 120 S. LaSalle St. Chicago, Illinois 60603 Attention: Adam Rogers With Copies To: Kutak Rock LLP 8601 N. Scottsdale Road, Suite 300 Scottsdale, Arizona 85253 Attn: Heather K. Aeschleman	

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than ninety (90) days.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

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

18.04 Further Assurances. Developer agrees 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.

18.05 Waiver. Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall 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 shall 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, shall constitute a waiver of any 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 shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

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

18.08 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

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

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

18.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

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

18.13 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.

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. The City hereby consents to the execution and delivery of a Collateral Assignment in favor of a lender holding Lender Financing. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall 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.

18.16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, 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 shall, 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 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, Developer shall, 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 Developer has locations in the State. Failure by Developer 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.

18.18 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may 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.

18.19 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses,

including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.20 Business Relationships. Developer 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. Developer 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.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

Signature page to 4715 N Western Apartments Redevelopment Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on or as of the Closing Date.

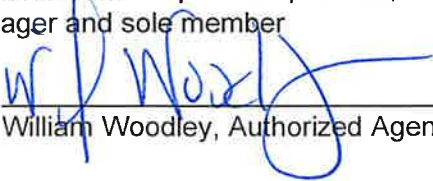
4715 N WESTERN OWNER LLC,
an Illinois limited liability company

By: 4715 N WESTERN MM LLC,
an Illinois limited liability company,
its manager

By: 
William Woodley, Authorized Agent

TCB DEVELOPMENT SERVICES LLC,
an Illinois limited liability company

By: The Community Builders, Inc.,
a Massachusetts nonprofit corporation,
its manager and sole member

By: 
William Woodley, Authorized Agent

CITY OF CHICAGO

By: _____
Maurice D. Cox,
Commissioner

Signature page to 4715 N Western Apartments Redevelopment Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on or as of the Closing Date.

4715 N WESTERN OWNER LLC,
an Illinois limited liability company

By: 4715 N WESTERN MM LLC,
an Illinois limited liability company,
its manager

By: _____
William Woodley, Authorized Agent

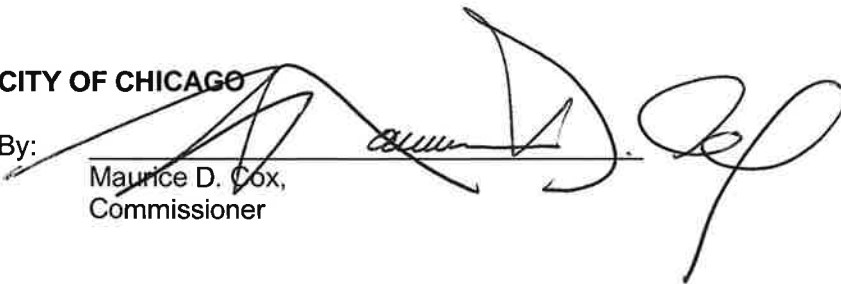
TCB DEVELOPMENT SERVICES LLC,
an Illinois limited liability company

By: The Community Builders, Inc.,
a Massachusetts nonprofit corporation,
its manager and sole member

By: _____
William Woodley, Authorized Agent

CITY OF CHICAGO

By: _____
Maurice D. Cox,
Commissioner

A large, stylized handwritten signature in black ink, likely belonging to Maurice D. Cox, is written over a horizontal line. The signature is fluid and cursive, with a large initial 'M' and 'C'.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that William Woodley as Authorized Agent of 4715 N Western MM LLC, the manager of 4715 N Western Owner LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act, and as the free and voluntary act of the corporation as member of and on behalf of 4715 N Western Owner LLC, all for the uses and purposes set forth therein.

GIVEN under my hand and official seal this 28th day of June, 2023.

Margaret A Grassano
Notary Public

My Commission Expires 4-2-2027



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 William Woodley, personally known to me to be the Authorized Agent of The Community Builders, Inc. ("TCB"), which is the sole member of TCB Development Services LLC, an Illinois limited liability company ("TCBDS"), 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 Authorized Agent of TCB, s/he signed and delivered the said instrument, pursuant to authority given by the board of directors of TCB as his/her free and voluntary act, and as the free and voluntary act and deed of TCB on behalf of TCBDS, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28th day of June, 2023.

Margaret A Grassano
Notary Public

My Commission Expires 4-2-2027

(SEAL)



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Maurice D. Cox, personally known to me to be the 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 signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30th day of June, 2023.

Lynette Elias Wilson
Notary Public

My Commission Expires June 9, 2026

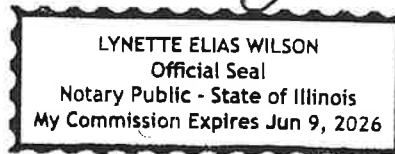


EXHIBIT A
REDEVELOPMENT AREA

See attached.

Exhibit A.

(To Amendment Number 1 To Western Avenue North Redevelopment
Project Area Tax Increment Financing District Eligibility
Study, Redevelopment Plan And Project)

Legal Description For Western Avenue North R.P.A.

That part of the east half of the southwest quarter and the east half of Section 12 and the east half of the northwest quarter and the northeast quarter of Section 13, Township 40 North, Range 13 East of the Third Principal Meridian and that part of the west half of the northwest quarter and the south half of Section 7 and the west half of the southwest quarter of Section 8 and the west half of the northwest quarter of Section 17 and the north half of Section 18, Township 40 North, Range 14 East of the Third Principal Meridian, all in the City of Chicago, Cook County, Illinois, described as follows:

beginning at the intersection of the south right-of-way line of Foster Avenue with the east right-of-way line of Lincoln Avenue; thence east along said south right-of-way line to the west line of the east 110 feet of Lots 1 and 2 in Bowmanville's Subdivision; thence south along said west line and its south extension to the south line of a public alley adjoining said Lot 2; thence west along said south alley line to the east line of a public alley adjoining Lots 31 through 36 in Vollner's Subdivision; thence south along said east alley line to the north right-of-way line of Winona Street; thence east along said north right-of-way line to the north extension of the east line of a public alley adjoining Lots 1 through 9 in Richard Rusk's Subdivision; thence south along said extension and said east alley line to the north right-of-way line of Carmen Avenue; thence southeast to the intersection of the south right-of-way line of said Carmen Avenue with the easterly line of a public alley adjoining Lots 61 through 73 in said Richard Rusk's Subdivision; thence southerly and southeast along said easterly alley line to the north right-of-way line of Winnemac Avenue; thence east along said north right-of-way line to the northwest extension of the northeasterly line of a public alley adjoining Lots 1 through 9 in Schupp's Subdivision; thence southeasterly along said extension and said northeasterly alley line to the north line of a public alley adjoining Lots 10 through 14 in said Schupp's Subdivision and Lots 1 through 7 in Peter Bartzen's Subdivision; thence east along said north alley line to the east line of Lot 4 in said Peter Bartzen's Subdivision; thence north along said east line to the south right-of-way line of Winnemac Avenue; thence west along said south right-of-way line to the south extension of the west line of a public alley adjoining Lots 1 through 4 in Bartzen's Resubdivision and Lots 1 through 8 in the subdivision of Lots 9 and 10 in Bowmanville's Subdivision; thence north along said extension and said west alley line to the south right-of-

way line of Carmen Avenue; thence north to the intersection of the north right-of-way line of said Carmen Avenue with the west line of a public alley adjoining Lots 30 through 36 in Richard Rusk's Subdivision and Fredrick W. Drake's Resubdivision of Lots 28 and 29 in said Richard Rusk's Subdivision; thence north along said west alley line to the south right-of-way line of Winona Street; thence west along said south right-of-way line to the south extension of the west line of a public alley adjoining Lots 1 through 11 in Vollner's Subdivision; thence north along said extension and said west alley line to the south right-of-way line of Foster Avenue; thence east along said south right-of-way line to the east line of a public alley adjoining Lots 1 through 8 in Block 1 of Portman's Addition to Ravenswood; thence south along said east alley line to the north right-of-way line of Winona Street; thence south to the intersection of the south right-of-way line of said Winona Street with the east line of a public alley adjoining Lots 3 through 21 and Lot 26 in Block 3 of said Portman's Addition to Ravenswood; thence south along said east alley line to the north right-of-way line of Winnemac Avenue; thence south to the intersection of the south right-of-way line of said Winnemac Avenue with the east line of a public alley adjoining Lots 7 through 14 in Peter Schmitz's Western Avenue Addition to Ravenswood; thence south along said east alley line to the north right-of-way line of Argyle Street; thence south to the intersection of the south right-of-way line of said Argyle Street with the east line of a public alley adjoining Lots 1 through 3 in Peter Bartzen's Subdivision, Lots 1 through 5 in Helena Klein's Addition to Chicago and Lots 1 through 4 in Peter Bartzen's Addition to Chicago; thence south along said east alley line to the east extension of the south line of said Lot 4 in said Peter Bartzen's Addition to Chicago; thence west along said extension and said south line to the east right-of-way line of Western Avenue; thence south along said east right-of-way line to the north right-of-way line of Ainslie Street; thence east along said north line of Ainslie Street to the north extension of the east line of a public alley adjoining Lots 5 through 8 in John Bauer's Subdivision and Lots 10 through 19 in Block 2 of Lenz and Hoefles' Subdivision; thence south along said extension and said east alley line to the south line of said Block 2; thence east along said south line and its east extension to the east right-of-way line of Claremont Avenue; thence south along said east line to the north line of a public alley adjoining Lots 13 through 22 in F. Schaedler's Subdivision; thence east along said north alley line to the west right-of-way line of Oakley Avenue; thence east to the intersection of the east right-of-way line of said Oakley Avenue with the north line of a public alley adjoining Lots 1 through 4 in a subdivision of Lot 19 in Sam Brown, Jr.'s Subdivision of Lot 3 and Lots 45 through 49 in John R. Williams' Subdivision; thence east along said north alley line to the west right-of-way line of Bell Avenue; thence east to the intersection of the east right-of-way line of said Bell Avenue with the north line of a public alley adjoining Lots 50 through 59 in said John R. Williams' Subdivision; thence east along said north alley line to the west right-of-way line of Leavitt Street; thence east to the intersection of the east right-of-way line of said Leavitt Street with the north line of a public alley adjoining Lots 90 through 99 in Road's

Subdivision; thence east along said north alley line to the west right-of-way line of Hamilton Avenue; thence east to the intersection of the east right-of-way line of said Hamilton Avenue with the north line of a public alley adjoining Lots 1 through 5 in said Road's Subdivision; thence east along said north alley line to the east line of a public alley adjoining Lots 6 through 23 in said Road's Subdivision; thence south along said east alley line to the north line of the south 133 feet of Lot 2 in Marbach and Other's Subdivision; thence east along said north line to the west line of Lot 1 in said Marbach and Other's Subdivision; thence south along said west line to the north line of the south 125 feet of said Lot 1; thence east along said north line and its east extension to the east right-of-way line of Hoyne Avenue; thence south along said east right-of-way line to the north line of Lot 24 in Block 3 of Culver Park Subdivision; thence east along said north line to the west line of a public alley adjoining said lot; thence east to the northwest corner of Lot 23 in said Block 3; thence east along the north line of said Lot 23 to the west right-of-way line of Seeley Avenue; thence north along said west right-of-way line to the west extension of the north line of Lot 25 in Block 2 of said Culver Park Subdivision; thence east along said extension and said north line to the west line of a public alley adjoining Lots 1 through 23 in said Block 2; thence north along said west alley line to the south right-of-way line of Ainslie Street; thence north to the intersection of the north right-of-way line of said Ainslie Street with the west line of a public alley adjoining Lots 1 through 23 in Block 1 of said Culver Park Subdivision; thence north along said west alley line to the south right-of-way line of Argyle Street; thence west along said south right-of-way line to the west right-of-way line of Leavitt Street; thence north along said west right-of-way line to the north right-of-way line of Foster Avenue; thence east along said north right-of-way line to the north extension of the east line of a public alley adjoining Lots 2, 3, 6, 7, 10 and 11 in Clybourne's Addition to Ravenswood; thence south along said extension and said east alley line to the east extension of the south line of said Lot 11; thence west along said extension and said south line to the east right-of-way line of Damen Avenue; thence south along said east right-of-way line to the north right-of-way line of Argyle Street; thence east along said north right-of-way line to the north extension of the east line of a public alley adjoining Lots 19 through 36 in Block 3 of Ravenswood Avenue; thence south along said extension and said east alley line to the north right-of-way line of Ainslie Street; thence south to the intersection of the south right-of-way line of said Ainslie Street with the east line of a public alley adjoining Lots 21 through 34 in Block 4 of said Ravenswood Avenue; thence south along said east alley line to the north line of a public alley adjoining Lots 15 through 20 in said Block 4; thence east along said north alley line to the west right-of-way line of Winchester Avenue; thence east to the intersection of the east right-of-way line of said Winchester Avenue with the north line of a vacated public alley adjoining Lots 15 through 20 in Block 5 of said Ravenswood Avenue; thence east along said north vacated alley line to the west line of a vacated public alley adjoining Lots 12 through 14 and Lots 21 through 23 in said Block 5; thence north along said west vacated alley line to the

northeast corner of said Lot 23; thence east to the northwest corner of said Lot 12; thence south along the east line of the said vacated public alley to a point 15 feet north from the southwest corner of said Lot 14; thence southeast to the north line of said vacated public alley adjoining Lots 15 through 20 in Block 5, 10 feet east from said southwest corner of Lot 14; thence east along said north vacated alley line and its east extension to the east right-of-way line of Wolcott Avenue; thence south along said east right-of-way line to the north line of Lot 6 in Plotke and Grosby's Subdivision; thence east along said north line to the west line of a public alley adjoining Lot 7 in said Plotke and Grosby's Subdivision; thence north along said west alley line and its north extension to the south line of Lot 6 in Emil G. Skoglund's Lincoln Argyle Subdivision; thence east along said south line to the west line of a public alley adjoining Lots 1 through 6 in said Emil G. Skoglund's Lincoln Argyle Subdivision; thence north along said west alley line and its north extension to the north right-of-way line of Argyle Street; thence east along said north right-of-way line and its east extension to the east right-of-way line of Ravenswood Avenue; thence south along said east right-of-way line to the north line of Lot 20 in Block 4 of Keeney's Addition to Ravenswood; thence east along said north line and its east extension to the east line of a public alley adjoining Lots 12 through 22 in said Block 4; thence south along said east alley line to the north line of Lot 11 in said Block 4; thence east along the north line of said Lot 11 to the west right-of-way line of Hermitage Avenue; thence east to the intersection of the east right-of-way line of said Hermitage Avenue with the north line of Lot 12 in Block 3 of said Keeney's Addition to Ravenswood; thence east along said north line to the west line of a public alley adjoining Lots 1 through 11 in said Block 3; thence north along said west alley line to the west extension of the north line of Lot 10 in said Block 3; thence east along said extension, said north line and its east extension to the east right-of-way line of Paulina Street; thence south along said east right-of-way line to the north line of Lot 11 in W. H. Whitehead's Subdivision; thence east along said north line to the west line of a public alley adjoining Lot 9 in said W. H. Whitehead's Subdivision; thence north along said west alley line to the north line of a public alley adjoining Lots 6 through 9 in said W. H. Whitehead's Subdivision; thence east along said north alley line to the north extension of the east line of a public alley adjoining Lots 7 and 8 in said W. H. Whitehead's Subdivision; thence south along said extension and said east alley line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the east right-of-way line of Ashland Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 1 in the resubdivision of Lots 9 through 12 of Block 2 of Bald's Subdivision; thence west along said extension and said south line to the east line of a public alley adjoining Lot 3 in the resubdivision of Lots 1 and 2 in said Block 2 of Bald's Subdivision; thence south along said east alley line to the east extension of the south line of Lot 2 in said resubdivision; thence west along said extension and said south line to the southeast corner of said Lot 2; thence north along the east line of said Lot 2 to the north line of the south 5 feet of said Lot 1 in said

resubdivision; thence west along said north line to the east right-of-way line of Paulina Street; thence west to the intersection of the west right-of-way line of said Paulina Street with the north line of the south 5 feet of Lot 1 in Block 1 of said Bald's Subdivision; thence west along said north line and its west extension to the west line of a public alley adjoining said lot; thence north along said west alley line to the south line of Lot 1 in Block 1 of Kedzie's Addition to Ravenswood; thence west along said south line to the east right-of-way line of Hermitage Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot A in Thompson's Consolidation; thence west along said extension and said south line to the east line of a public alley adjoining Lots 22 through 24 in Block 2 of said Kedzie's Addition to Ravenswood; thence south along said east alley line to the east extension of the south line of the north 33.71 feet of Lot 23 in said Block 2; thence west along said extension and said south line, 101.20 feet, more or less; thence north, 21.50 feet; thence west, 9.61 feet; thence south, 1.01 feet; thence west, 74.71 feet, more or less, to the east right-of-way line of Ravenswood Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 5 in Block 1 in Ravenswood Subdivision; thence west along said extension and said south line to the east line of a public alley adjoining said lot; thence west to the intersection of west line of said alley line with the north line of Lot 19 in said Block 1; thence west along said north line to the east right-of-way line of Wolcott Avenue; thence south along said east right-of-way line to the east extension of the south line of the north 25 feet of Lot 8 in Block 2 of said Ravenswood Subdivision; thence west along said extension, said south line and its west extension to the west line of a public alley adjoining Lots 15 through 22 in said Block 2; thence north along said west alley line to the south line of a public alley adjoining Lots 18 and 19 in said Block 2; thence west along said south alley line and its west extension to the west right-of-way line of Winchester Avenue; thence north along said west right-of-way line to the south line of Lot 3 in Block 3 of said Ravenswood Subdivision; thence west along said south line to the east line of a public alley adjoining Lots 13 through 21 in said Block 3; thence south along said east alley line to the north right-of-way line of Leland Avenue; thence south to the intersection of the south right-of-way line of said Leland Avenue with the east line of a public alley adjoining Lots 1 and 5 in F. R. Kirkham's Subdivision of Lots 22 to 24 and Lots 16 through 21 in Block 4 of said Ravenswood Subdivision; thence south along said east alley line to the east extension of the south line of Lot 20 in said Block 4; thence west along said extension and said south line to the east right-of-way line of Damen Avenue; thence south along said east right-of-way line to the east extension of the south right-of-way line of Eastwood Avenue; thence west along said extension and said south right-of-way line to the south extension of the east line of the west 39 feet of Lots 25 and 26 in Block 6 of Thomas J. Lyman's Subdivision; thence north along said extension and said east line to the north line of said Lot 26; thence west along said north line and its west extension to the west line of a public alley adjoining Lots 25 through 30 in said Block 6; thence north along said west alley

line to the south right-of-way line of Leland Avenue; thence north to the intersection of the north right-of-way line of said Leland Avenue with the west line of a public alley adjoining Lots 7 through 12 in Block 1 of said Thomas J. Lyman's Subdivision; thence north along said west alley line and its north extension to the north right-of-way line of Giddings Street; thence east along said north right-of-way line to the east line of Lot 5 in Louis P. Hammond's Resubdivision; thence north along said east line to the south line of a public alley adjoining Lots 29 through 38 in Block 1 of said Thomas J. Lyman's Subdivision; thence west along said south alley line to the east right-of-way line of Seeley Avenue; thence west to the intersection of the west right-of-way line of Seely Avenue with the south line of a public alley adjoining Lots 31 through 40 in Block 2 of said Thomas J. Lyman's Subdivision; thence west along said south alley line to the east right-of-way line of Hamilton Avenue; thence west to the intersection of the west right-of-way line of said Hamilton Avenue with the south line of a public alley adjoining Lots 31 through 40 in Block 3 of said Thomas J. Lyman's Subdivision; thence west along said south alley line and its west extension to the west right-of-way line of Leavitt Street; thence north along said west right-of-way to the south line of the north 70 feet of Lots 1 through 3 and the east 9 feet of Lot 4 in Circuit Court Partition of Lot 1; thence west along said south line to the west line of said east 9 feet; thence south along said west line to the south line of a public alley adjoining Lots 1 through 23 in said Circuit Court Partition; thence west along said south alley line and its west extension to the west right-of-way line of Oakley Avenue; thence north along said west right-of-way line to the south right-of-way line of Lawrence Avenue; thence west along said south right-of-way line to the northeasterly line of a public alley adjoining Lots 35 through 47 in said Circuit Court Partition; thence southeasterly along said northeast alley line to the northeast extension of the southeast line of Lot 36 in said Circuit Court Partition; thence southwesterly along said extension and said southeast line to the northeasterly right-of-way line of Lincoln Avenue; thence southeasterly along said northeasterly right-of-way line to the northeast extension of the northwesterly line of Lot 8 in P. J. Sexton's Addition to Chicago; thence southwesterly along said extension and said northwesterly line to the easterly line of a public alley adjoining Lots 8 through 23 in said P. J. Sexton's Addition to Chicago; thence southerly along said easterly alley line to the east extension of the south line of a public alley adjoining Lot 7 in said P. J. Sexton's Addition to Chicago; thence west along said extension and said south alley line to the east right-of-way line of Western Avenue; thence south along said east right-of-way line to the south line of Lot 106 in said P. J. Sexton's Addition to Chicago; thence east along said south line and its east extension to the easterly line of a public alley adjoining Lots 8 through 23 in said P. J. Sexton's Addition to Chicago; thence southerly along said easterly alley line to the northerly right-of-way line of Leland Avenue; thence easterly and northeasterly along said northerly right-of-way line and its northeasterly extension to the northeasterly right-of-way line of Lincoln Avenue; thence southeasterly along said northeasterly right-of-way line to the northeast

extension of the southeasterly right-of-way line of Eastwood Avenue; thence southwesterly along said extension and southwesterly and westerly along said southeasterly and south right-of-way line to the east line of a public alley adjoining Lots 68 through 77 in said P. J. Sexton's Addition to Chicago; thence south along said east alley line to the north right-of-way line of Wilson Avenue; thence south to the intersection of the south right-of-way line of said Wilson Avenue with the east line of a public alley adjoining Lots 47 through 53 in E. W. Zander and Company's Subdivision and Lots 52 through 66 in D. Nashlund's Addition to Chicago; thence south along said east alley line to the north right-of-way line of Sunnyside Avenue; thence east along said north right-of-way line to the east right-of-way line of Leavitt Street; thence south along said east right-of-way line to the south right-of-way line of Montrose Avenue; thence west along said south right-of-way line to the west right-of-way line of Campbell Avenue; thence north along said west right-of-way line to the west extension of the north line of a public alley adjoining Lots 16 through 25 in Block 13 of North West Land Association; thence east along said extension and said north alley line to the west right-of-way line of Artesian Avenue; thence east to the intersection of the east right-of-way line of said Artesian Avenue with the north line of a public alley adjoining Lots 25 through 29 in Block 12 of said North West Land Association; thence east along said north alley line to the west line of a public alley adjoining Lots 1 through 24 in Block 12 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Sunnyside Avenue; thence north to the intersection of the north right-of-way line of said Sunnyside Avenue with the west line of a public alley adjoining Lots 1 through 22 in Block 11 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Wilson Avenue; thence north to the intersection of the north right-of-way line of said Wilson Avenue with the west line of a public alley adjoining Lots 1 through 10 in Block 10 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Eastwood Avenue; thence north to the intersection of the north right-of-way line of said Eastwood Avenue with the west line of a public alley adjoining Lots 1 through 4 in Block 7 of said North West Land Association; thence north along said west alley line and its north extension to the south right-of-way line of C.T.A. railroad; thence north to the intersection of the north right-of-way line of said C.T.A. railroad and the south extension of the west line of a public alley adjoining Lots 1 through 5 in Block 6 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Leland Avenue; thence north to the intersection of the north right-of-way line of said Leland Avenue with the west line of a public alley adjoining Lots 1 through 24 in Block 1 of said North West Land Association; thence north along said west alley line to the south line of a public alley adjoining Lots 40 through 44 in Block 1 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Artesian Avenue; thence west to the intersection of the west right-of-way line of said Artesian Avenue with the south line of a public alley adjoining Lots 1 through

10 in Block 2 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Campbell Avenue; thence west to the intersection of the west right-of-way line of said Campbell Avenue with the south line of a public alley adjoining Lots 1 through 10 in Block 3 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Maplewood Avenue; thence west to the intersection of the west right-of-way line of said Maplewood Avenue with the south line of a public alley adjoining Lots 1 through 10 in Block 4 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Rockwell Street; thence west to the intersection of the west right-of-way line of said Rockwell Street with the south line of a public alley adjoining Lots 1 through 10 in Block 24 of Ravenswood Gardens; thence west along said south alley line to the east right-of-way line of Talman Avenue; thence west to the intersection of the west right-of-way line of said Talman Avenue with the south line of a public alley adjoining Lots 1 through 10 in Block 25 of said Ravenswood Gardens; thence west along said south alley line to the east right-of-way line of Washtenaw Avenue; thence west to the intersection of the west right-of-way line of said Washtenaw Avenue with the south line of a public alley adjoining Lots 1 through 31 in Block 27 of said Ravenswood Gardens; thence west along said south alley line and its west extension to the west right-of-way line of Virginia Avenue; thence north along said west right-of-way line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the west right-of-way line of California Avenue; thence north along said west right-of-way line to the west extension of the north line of a public alley adjoining Lots 10 through 19 in Frye's Resubdivision; thence east along said west extension and said north alley line to the west right-of-way line of Fairfield Avenue; thence north along said west right-of-way line to the north right-of-way line of Gunnison Street; thence east along said north right-of-way line to the east right-of-way line of Washtenaw Avenue; thence south along said east right-of-way line to the north line of a public alley adjoining Lots 8 through 14 in W. F. Kaiser & Co.'s Lawrence Avenue Subdivision; thence east along said north alley line to the west line of Lot 5 in a subdivision of the west 163.5 feet of Lot 44 and all of Lots 45 and 50 in Sam Shackford's Bowmanville Subdivision; thence south along said west line to the north line of the south 125 feet of said Lot 5; thence east along said north line to the west right-of-way line of Talman Avenue; thence south along said west right-of-way line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the east right-of-way line of said Talman Avenue; thence north along said east right-of-way line to the west extension of the north line of a public alley adjoining Lots 1 through 5 in Vogt & Reinert's Subdivision; thence east along said extension and said north alley line to the west right-of-way line of Rockwell Street; thence south along said west right-of-way line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the east right-of-way line of said Rockwell Street; thence north along said east right-of-way line to the north line of a public alley adjoining Lots 7 through 11 in E. Vogt's Subdivision of Lot 1; thence east along

said north alley line to the west line of a public alley adjoining Lot 6 in said E. Vogt's Subdivision of Lot 1; thence north along said west alley line to the west extension of the north line of a public alley adjoining Lots 3 and 4 in E. Vogt's Subdivision of Lot 44 (except the west 163.5 feet) in Bowmanville's Subdivision and Lots 1 through 9 in the subdivision of Lot 43 in Bowmanville's Subdivision and Lots 41 and 42 in said Bowmanville's Subdivision and Lots 1 through 8 in Steinbeiss' Subdivision; thence east along said north alley line to a series of south to north lines, being the center of a vacated public alley adjoining Lot 1 in said Steinbeiss' Subdivision; thence northerly along said line series to the south right-of-way line of Gunnison Street; thence west to the southeast extension of the westerly line of a public alley adjoining Lots 4 through 16 in the subdivision of Lots 30 and 31 in Bowmanville's Subdivision; thence northwesterly along said extension and northwesterly and northerly along said westerly alley line to the south right-of-way line of Ainslie Street; thence west along said south right-of-way line to the southeast extension of the westerly line of a public alley adjoining Lots 1 and 49 in Charles Toelle's Addition to Chicago; thence northwesterly along said extension and said westerly line to the south right-of-way line of Argyle Street; thence west along said south right-of-way line to the southerly extension of the west line of a public alley adjoining Lots 1 through 4 in Goetz Brothers' Resubdivision; thence north along said extension and said west alley line to the south line of a public alley adjoining Lot 19 in Bowmanville's Subdivision; thence west along said south alley line to the west line of the east 117 feet of Lots 18 and 19 (as measured along the north line of said Lot 18) in said Bowmanville's Subdivision; thence north along said west line to the south right-of-way line of Winnemac Avenue; thence west along said south right-of-way line of Winnemac Avenue to the southeast extension of the westerly line of a public alley adjoining Lots 1 through 12 in Brunton's Subdivision; thence northwesterly along said extension and northwesterly and northerly along said westerly alley line to the south right-of-way line of Carmen Avenue; thence west along said south right-of-way line to the southerly extension of the west line of a public alley adjoining Lots 1 through 9 in Lincoln Avenue Subdivision; thence northerly along said extension and said west alley line to the south right-of-way line of Winona Street; thence west along said south right-of-way line to the south extension of the east line of Lot 14 in Anton Conrad's Subdivision; thence north along said extension and said east line to the south right-of-way line of Foster Avenue; thence east along said south right-of-way line to the east right-of-way line of Lincoln Avenue, being said point of beginning.

EXHIBIT B

PROPERTY

***LOTS 101 THROUGH 107, BOTH INCLUSIVE, AND THE SOUTH 16 FEET OF LOT 108 (ALL EXCEPT STREET) ALL IN P.J. SEXTON'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

EXCEPT THAT PART LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 101, SAID POINT BEING 9.83 FEET NORTH FROM THE SOUTHEAST CORNER THEREOF, AS MEASURED ALONG SAID EAST LINE; THENCE NORTHWESTERLY TO A POINT OF THE EAST LINE OF NORTH WESTERN AVENUE AS WIDENED, SAID POINT BEING ON SAID LINE LYING 50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION, SAID POINT BEING 31.04 FEET NORTH OF THE SOUTH LINE OF SAID LOT 101, AS MEASURED ALONG SAID LINE LYING 50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION, SAID POINT BEING THE POINT OF TERMINUS, IN COOK COUNTY, ILLINOIS.***

PERMANENT REAL ESTATE INDEX NUMBERS: 14-18-100-011-0000; 14-18-100-012-0000; 14-18-100-013-0000; 14-18-100-014-0000; 14-18-100-015-0000; AND 14-18-100-030-0000

COMMONLY KNOWN AS: 4715 NORTH WESTERN, CHICAGO, ILLINOIS 60625

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

TIF-FUNDED IMPROVEMENTS

<u>Category</u>	<u>Project Budget</u> <u>Amount*</u>	<u>% TIF</u> <u>Eligible***</u>	<u>TIF Eligible Cost**</u>
TIF-eligible Land Acquisition	\$ 4,925,000	100%	
Public Works or Site Improvements	\$ 36,750	50%	\$ 18,375
Affordable Housing Unit Hard Costs	\$ 27,994,841	50-100%	\$ 14,882,156
Other Hard Construction Costs	\$ 2,173,886	0-100%	\$ 258,210
Environmental Remediation	\$ -	100%	\$ -
Eligible soft costs related to construction			
Eligible Professional Fees	\$ 2,403,393	50%	\$ 535,507
Relocation	\$ -	100%	\$ -
Developer Fee	\$ 1,944,479	50%	\$ 972,240
Soft Interest (can only count if not counting affordable hard costs)		30%	\$ -
Total			\$ 16,666,487
	multiply by		
	area in TIF	70%	\$ 11,666,541

**Notwithstanding the total of TIF eligible costs, the TIF assistance to be provided by the City shall not exceed 12m.

*** TIF Eligibility may be further defined by the percentage of the building devoted to affordable units. Developer fee may be reduced to reflect fee earned and paid while the TIF District is eligible.

* 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 \$12,000,000.

EXHIBIT D

Intentionally Omitted.

EXHIBIT E

Intentionally Omitted.

EXHIBIT F

Intentionally Omitted.

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner'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, as well as future easements granted to utility providers.

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

EXHIBIT H-1
PROJECT BUDGET

PROJECT BUDGET

<u>USES:</u>		<u>Amount</u>
Land Acquisition	\$	4,925,000
<u>Hard Costs</u>	\$	-
Construction	\$	28,803,985
Const Cont	\$	1,401,492
Total Hard Costs	\$	30,205,477
<u>Commercial Costs</u>		
Construction	\$	2,515,662
Com Contingency	\$	159,893
Com Other	\$	682,191.00
Total Commercial Costs	\$	3,357,746
<u>Soft Costs</u>		
Architect	\$	750,000
Engineering	\$	399,250
Loan Origination		246,100
Legal		442,315
Marketing	\$	205,500
Construction Loan Interest	\$	2,106,768
Environmental Reports	\$	204,178
Reserves	\$	1,757,411
Tax Credit Issuer Fees	\$	171,615
Bond Issuance Costs	\$	-
Developer Fee	\$	2,297,906
Other soft costs	\$	1,111,754
Total Soft Costs	\$	9,692,797
Total Development Costs	\$	48,181,020

EXHIBIT H-2
MBE/WBE BUDGET

MBE/WBE BUDGET

Project Hard Costs	\$ 28,803,985
Project Soft Costs (Arch., Eng, soil testing)	\$ 1,174,250
Project MBE/WBE Total Budget	<u>\$ 29,978,235</u>
Project MBE Total at 26%	\$ 7,794,341
Project WBE Total at 6%	\$ 1,798,694

EXHIBIT I
REQUISITION FORM

[Not attached for Recording purposes.]

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2023

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net position and governmental fund balance sheet	6
Statement of activities and governmental fund revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-10
SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	11



INDEPENDENT AUDITOR'S REPORT

The Honorable Brandon Johnson, Mayor
Members of the City Council
City of Chicago, Illinois

Opinion

We have audited the accompanying financial statements of the Western Avenue North Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Western Avenue North Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Chicago, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the financial statements of the Western Avenue North Redevelopment Project, City of Chicago, Illinois, are intended to present the financial position and the changes in financial position, of only that portion of the special revenue funds of the City of Chicago, Illinois that is attributable to the transactions of the Western Avenue North Redevelopment Project. They do not purport to, and do not, present the financial position of the City of Chicago, Illinois, as of December 31, 2023 and the changes in its financial position 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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 for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Chicago's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

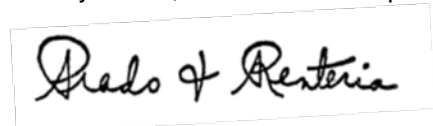
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Western Avenue North Redevelopment Project's 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 27, 2024

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Western Avenue North 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, 2023. 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
WESTERN AVENUE NORTH 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 fund 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 \$14,931,426 for the year. This was an increase of 52 percent over the prior year. The change in net position produced an increase in net position of \$9,006,223. The Project's net position increased by 21 percent from the prior year making available \$51,987,902 of funding to be provided for purposes of future redevelopment in the Project's designated area. Revenues increased this year due to the Project's economic growth and accordingly increasing the total equalized assessed value of parcels and subsequent tax increment and related collections. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 55,606,742	\$ 44,691,937	\$ 10,914,805	24%
Total liabilities	<u>3,618,840</u>	<u>1,710,258</u>	<u>1,908,582</u>	112%
Total net position	<u>\$ 51,987,902</u>	<u>\$ 42,981,679</u>	<u>\$ 9,006,223</u>	21%
Total revenues	\$ 16,245,090	\$ 8,729,711	\$ 7,515,379	86%
Total expenses	<u>7,238,867</u>	<u>4,154,393</u>	<u>3,084,474</u>	74%
Changes in net position	<u>9,006,223</u>	<u>4,575,318</u>	<u>4,430,905</u>	97%
Ending net position	<u>\$ 51,987,902</u>	<u>\$ 42,981,679</u>	<u>\$ 9,006,223</u>	21%

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2023

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 43,482,604	\$ -	\$ 43,482,604
Property taxes receivable	11,992,862	-	11,992,862
Accrued interest receivable	131,276	-	131,276
Total assets	<u>\$ 55,606,742</u>	<u>\$ -</u>	<u>\$ 55,606,742</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 3,475,842	\$ -	\$ 3,475,842
Due to other City funds	142,998	-	142,998
Total liabilities	<u>3,618,840</u>	<u>-</u>	<u>3,618,840</u>
Deferred inflows	<u>10,115,655</u>	<u>(10,115,655)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>41,872,247</u>	<u>(41,872,247)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 55,606,742</u>		
Net position:			
Restricted for future redevelopment project costs		<u>51,987,902</u>	<u>51,987,902</u>
Total net position		<u>\$ 51,987,902</u>	<u>\$ 51,987,902</u>

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

Total fund balance - governmental fund	\$ 41,872,247
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.	<u>10,115,655</u>
Total net position - governmental activities	<u>\$ 51,987,902</u>

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

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 13,969,661	\$ 961,765	\$ 14,931,426
Interest	<u>1,313,664</u>	<u>-</u>	<u>1,313,664</u>
Total revenues	15,283,325	961,765	16,245,090
Expenditures/expenses:			
Economic development projects	<u>7,238,867</u>	<u>-</u>	<u>7,238,867</u>
Excess of revenues over expenditures	8,044,458	(8,044,458)	-
Change in net position	-	9,006,223	9,006,223
Fund balance/net position:			
Beginning of year	<u>33,827,789</u>	<u>9,153,890</u>	<u>42,981,679</u>
End of year	<u><u>\$ 41,872,247</u></u>	<u><u>\$ 10,115,655</u></u>	<u><u>\$ 51,987,902</u></u>

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

Net change in fund balance - governmental fund	\$ 8,044,458
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.	<u>961,765</u>
Change in net position - governmental activities	<u><u>\$ 9,006,223</u></u>

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

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In January 2000, the City of Chicago (City) established the Western Avenue North 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 special revenue funds of the City.

The financial statements present only the activities of the Western Avenue North Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2023 and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(b) *Accounting Policies*

The accounting policies of the Project are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(c) *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) and the governmental fund financial statements (i.e., the balance sheet and the statement of governmental fund revenues, expenditures and changes in fund balance) report information on the Project. See Note 1(a).

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

The government-wide financial statements are reported using the *economic resources measurement focus* and 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 fund financial statements are reported using the *current financial resources measurement focus* and 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
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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.

(e) *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 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 activities) 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
WESTERN AVENUE NORTH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(f) *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.

The maximum reimbursable amount is set forth in each agreement. If the total project cost is lower than the project budget established in the agreement, the reimbursable amount will be prorated.

Note 2 – Tax Abatement Agreement

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.

The City uses tax increment financing to pay for (or reimburse) developers for the costs of the TIF-funded improvements pursuant to the terms and conditions of the redevelopment agreement entered into by the City and the developer.

Under the terms of a redevelopment agreement, the Project paid a developer \$290,000 during the year ended December 31, 2023.

Note 3 – Commitments

As of December 31, 2023, the Project has various outstanding service and construction projects with encumbrances for approximately \$3,293,975.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE NORTH 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	\$ 146,029
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	290,000
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	325,381
Costs of the construction of public works or improvements	<u>6,477,457</u>
	<u><u>\$ 7,238,867</u></u>

INDEPENDENT AUDITOR'S REPORT

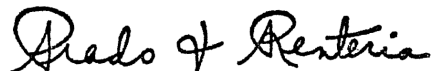
The Honorable Brandon Johnson, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Western Avenue North Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2023, and the related statement of activities and governmental fund 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 27, 2024.

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 Western Avenue North 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.



June 27, 2024