

FY 2024

**ANNUAL TAX INCREMENT FINANCE
REPORT**



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

Name of Municipality: City of Chicago Reporting Fiscal Year: 2024
County: Cook Fiscal Year End: 12/31/2024
Unit Code: 016/620/30

FY 2024 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
E-mail: TIFreports@cityofchicago.org

I attest to the best of my knowledge, that this FY 2024 report of the redevelopment project area(s)
in the **City of Chicago** of:
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.].

6/27/2025

Written signature of TIF Administrator

Date

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

FILL OUT ONE FOR EACH TIF DISTRICT

Name of Redevelopment Project Area	Date Designated 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
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
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
X 63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2036
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	12/31/2036
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	12/31/2036
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
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
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	12/31/2037
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	12/31/2036
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/Broadway	6/27/2001	12/31/2037
Lawrence/Kedzie	2/16/2000	12/31/2036
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	12/31/2036
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
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

*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.]

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

FY 2024

Name of Redevelopment Project Area:

63rd/Ashland

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

Under which section of the Illinois Municipal Code was the 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 FY 2022, 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 FY 2022, 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 the 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 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 <u>MUST</u> 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 2024

Name of Redevelopment Project Area:

63rd/Ashland

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 5,019,463

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	\$ 462,049	\$12,093,677	67%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 87,750	\$ 679,398	4%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 5,400,000	30%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ 5,452	0%

All Amount Deposited in Special Tax Allocation Fund \$ 549,799

Cumulative Total Revenues/Cash Receipts \$ 18,178,527 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 245,234

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 245,234

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 304,565

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 5,324,028

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

Previous Year Explanation:

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 2024

Name of Redevelopment Project Area:

63rd/Ashland

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 5,452
Note Proceeds		
Non-compliance Payment		
Excess Reserve Requirement		
Build America Bonds Subsidy		
Collection Returns		
Credits from Expenditures		

Total Schedule of "Other" Sources During Reporting Period

\$ -

Cumulative Total Schedule of "Other" Sources

\$ 5,452

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 2024

Name of Redevelopment Project Area:

63rd/Ashland

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.		
	6,269	
		\$ 6,269
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
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.		
		\$ -
6. Costs of the construction of public works or improvements.		
	238,965	
		\$ 238,965

SECTION 3.2 A
PAGE 2

PAGE 1		
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.		
		\$ -

SECTION 3.2 A
PAGE 3

PAGE 6		
13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a Developer related to the construction, renovation or rehabilitation		
Costs of construction of new housing units for low income or very low income households.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 245,234

[illegible]

FY 2024

63rd/Ashland

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

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

FY 2024

Name of Redevelopment Project Area:

63rd/Ashland

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:	

FY 2024**Name of Redevelopment Project Area:****63rd/Ashland****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 <u>number</u> of <u>ALL</u> activities undertaken in furtherance of the objectives of the redevelopment plan:	4
2b. Did the municipality undertake any <u>NEW</u> projects in fiscal year 2022 or any fiscal year thereafter within the Redevelopment Project Area?	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)	\$ -	\$ -	\$ 35,331,744
Public Investment Undertaken	\$ 1,143,587	\$ 1,610,000	\$ 7,700,000
Ratio of Private/Public Investment	0		4 10/17

Project 1 Name: SBIF - 63rd Ashland (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	\$ -		\$ 3,000,000
Public Investment Undertaken	\$ 288,214		\$ 1,500,000
Ratio of Private/Public Investment	0		2

Project 2 Name: NIF - 63rd Ashland (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	\$ -		\$ 2,000,000
Public Investment Undertaken	\$ 855,373		\$ 1,000,000
Ratio of Private/Public Investment	0		2

Project 3 Name: Vacant Bldg Purch Rehab MF Prog -63rd Ashland (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	\$ -		\$ 940,000
Public Investment Undertaken	\$ -	\$ 560,000	\$ 1,000,000
Ratio of Private/Public Investment	0		47/50

Project 4 Name: Charles Earle Family Residences (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	\$ -		\$ 29,391,744
Public Investment Undertaken	\$ -	\$ 1,050,000	\$ 4,200,000
Ratio of Private/Public Investment	0		7

Project 5 Name:

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

Project 6 Name:

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

Section 5 Notes

FY 2024

Name of Redevelopment Project Area:

63rd/Ashland

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.

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

63rd/Ashland

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

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
Charles Earle Family Residences	117	20	TBD	TBD

** see footnote on following page

[illegible]

^{^^} see footnote on following page

Project Name	Stated Rate of Return
N/A	N/A

Section 6 Notes

FY 2024

Name of Redevelopment Project Area:
63rd/Ashland

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 listed as required or aspirational in the RDA 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 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 shown are those that are affirmed by the Developer after project construction is completed.

Section 6.3

^ All RDAs shown were entered into during or after FY 2022. The amount of increment increase projected is the cumulative amount that is projected to be created for all PINs in the RDA from the anticipated project stabilization year through the term of the TIF Redevelopment Area. RDAs are removed once the RDA is terminated or expired. RDAs involving tax-exempt properties and those with no increment increase projected by the City over the term of the respective RDA, are not shown.

^^ The amount shown is the increase in cumulative PIN increment collected from the actual project stabilization year through the TIF Redevelopment Area expiration year, to the extent the information is available from tax records.

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

FY 2024

Name of Redevelopment Project Area:

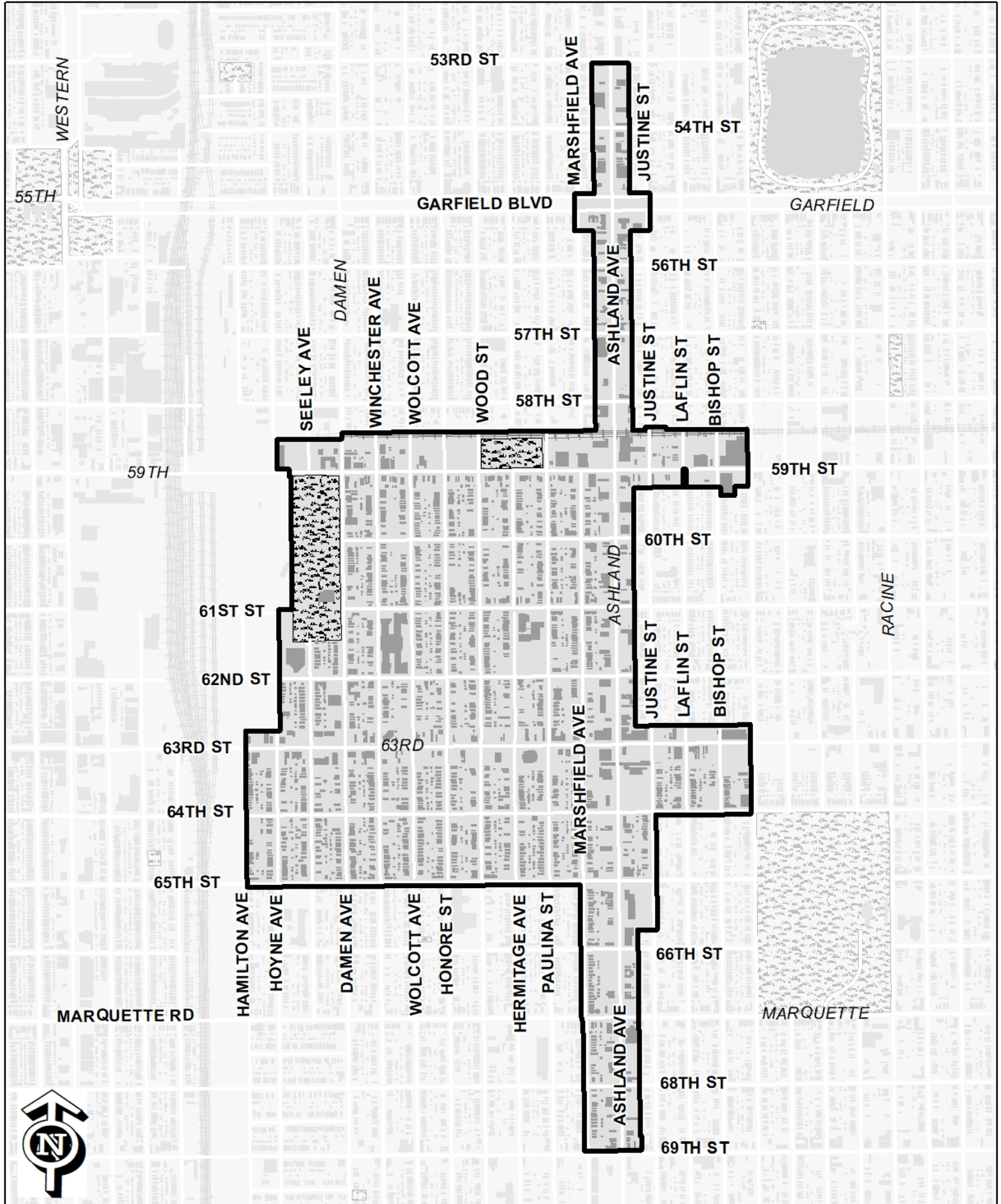
63rd/Ashland

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

63rd/Ashland TIF

Annual Report



FY 2024

63rd/Ashland

Year of Designation	Base EAV	Reporting Fiscal Year EAV

☐ Indicate an 'X' if the overlapping taxing districts did not receive a surplus.

[illegible]

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

Miroslava Mejia Krug, Chief Financial 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

Carlos Ramirez-Rosa
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 ILCS/11-74.4-1 et seq. (the "Act"), with regard to the 63rd/Ashland Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

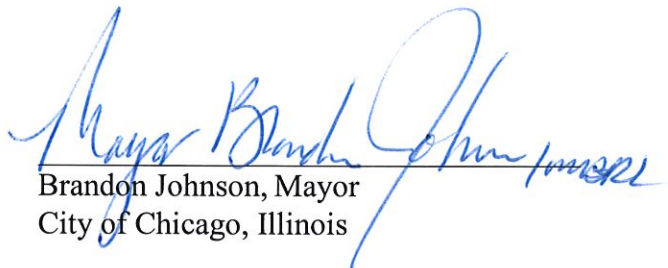
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2024, 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 27, 2025.


Brandon Johnson, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW
CITY OF CHICAGO

June 27, 2025

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

Re: 63rd/Ashland 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.

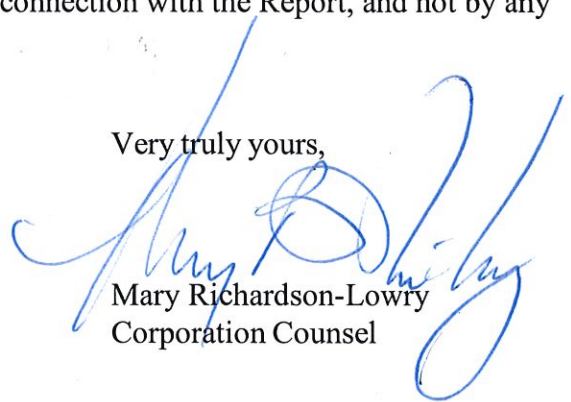
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following 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 27, 2025

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 2024 (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").

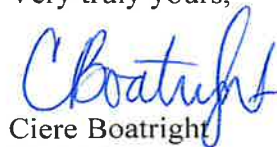
I hereby certify the following to the Corporation Counsel of the City:

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 2024

Name of Redevelopment Project Area:

63rd/Ashland

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

<u>Name of Project</u>
Charles Earle School LLC



2422018048

Doc# 2422018048 Fee \$88.00

ILRHSP FEE:\$18.00 RPRF FEE:\$1.00

CEDRIC GILES

COOK COUNTY CLERK'S OFFICE

DATE: 8/7/2024 12:55 PM

PAGE: 1 OF 73

This agreement was prepared by and
after recording return to:

Ranti B. Oseni, Esq.

City of Chicago Department of Law

121 North LaSalle Street, Room 600

Chicago, IL 60602

91073443 (5 of 27)

EARLE SCHOOL, LLC REDEVELOPMENT AGREEMENT

This Earle School, LLC Redevelopment Agreement (this "Agreement" or "RDA") is made as of this 5 day of August, 2024, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Earle School, LLC, a Wisconsin limited liability company ("Earle School" or "Owner"), and Celesterling Foundation, an Illinois not-for-profit corporation doing business as Phoenix Foundation, NFP ("Phoenix Foundation" or "Sponsor") (Earle School and Phoenix Foundation collectively, 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 on March 29, 2006: (1) "Approval of Tax Increment Financing Redevelopment Plan for the 63rd/Ashland Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) "Designation of 63rd/Ashland Redevelopment Project Area as Tax Increment Financing District"; (3) "Adoption of Tax Increment Allocation Financing for 63rd/Ashland Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"); and (4) on September 8, 2010, "Amendment of 63rd/Ashland Tax Increment Financing Redevelopment Project Area Ordinances"

S Y
P 73
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INT R

("1st Plan Amendment"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: Developer intends to purchase from the Board of Education of the City of Chicago (the "Acquisition") certain property, which is the former site of the Charles W. Earle School building, located within the Redevelopment Area at 1711 West 61st Street (previously assigned an address of 6121 South Hermitage Avenue), Chicago, Illinois 60636 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete rehabilitation of an affordable, multi-family development offering permanent supportive housing services, comprising approximately fifty (50) residential housing units for very low-, low- and moderate-income households earning between 15%-60% area median income, up to forty-seven (47) parking spaces, related amenities including a playground, laundry room, community room, exercise room, computer lab, community garden, and on-site property management and social services (the "Facility"). 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 63rd/Ashland Redevelopment Plan and Project (the "Redevelopment Plan") included in the Plan Adoption Ordinance and published at pages 72958 - 73091 of the Journal of the Proceedings of the City Council, as amended by the 1st Plan Amendment and as may be amended from time to time.

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.

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 Construction Contract
6. Agreements with Contractors	F Escrow Agreement
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 Approved Prior Expenditures
11. Environmental Matters	J Opinion of Developer's Counsel
12. Insurance	K Intentionally Omitted
13. Indemnification	L Requisition Form
14. Maintaining Records/Right to Inspect	M Intentionally Omitted
15. Defaults and Remedies	N Intentionally Omitted
16. Mortgaging of the Project	O Intentionally Omitted
17. Notice	(An asterisk (*) indicates which exhibits are to be recorded.)
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.

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

"Actual Residents of the City" has the meaning defined for such phrase in Section 10.02(c).

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

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

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA 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 RDA, 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) compliance with

the Operating Covenant (Section 8.06); (2) compliance with the Jobs Covenant (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) compliance with the Affordable Housing Covenant, if applicable (Section 8.24); (7) delivery of evidence of compliance with Sustainable Development Policy (Section 8.26); (8) compliance with the Increment and Rate of Return Reporting (Section 8.27); and (9) compliance with all other executory provisions of the Agreement.

“ATS Manual” means the 2021 version of the Architectural and Technical Standards Manual (ATS Manual) issued by DOH.

“Available Incremental Taxes” shall mean an amount equal to the Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Redevelopment Area as of the date any payment is made under this Agreement to any of the Developer Parties and not pledged to the following prior obligations in the Redevelopment Area:

Prior Obligation	Amount
AIS-ADA Polling Place-Library-West Englewood-1745 W 63 rd St	\$75,000
AIS-ADA Polling Place-Police Station-7 th District-1438 W 63 rd St.	\$25,000
Library-Capital Strategic Plan	\$6,173
CDOT-Neighborhood Lighting Improvements	\$835,555
SBIF	\$1,216,785
DPD-Open Space-Englewood Line-USDA Urban Agriculture Grant matching funds	\$700,000

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

“Business Day(s)” means any day other than Saturday, Sunday or a legal holiday in the City.

“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.

"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 contract, substantially in the form attached hereto as Exhibit E, 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.

"CRP PSH Regulatory Agreement" shall mean that certain CRP PSH Regulatory Agreement entered into on the date hereof by Owner and the City.

"DOH" shall mean the City's Department of Housing and any successor agencies.

"DPD" shall have the meaning defined in the Agreement preamble and any successor agencies.

"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 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 ("MWRD"); 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.

"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).

"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), Developer and Developer's lender(s), substantially in the form of Exhibit F attached hereto.

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

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

"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.

"Final Comprehensive Residential NFR Letter" if applicable, 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.

"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.

"HUD" shall mean the United States Department of Housing and Urban Development.

"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.

"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.

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

"Permanent Lender" shall mean Merchants Capital Corp., an Indiana corporation, Freddie Mac, and their successors and assigns.

"Permanent Loan" shall mean the approximately \$2,757,000 permanent loan from Permanent Lender to Owner upon construction completion and conversion.

"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.

"Permitted Transfer" shall have the meaning set forth in Section 4.09 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.

"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 DOH, in accordance with Section 3.03 hereof.

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

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

"RAP" if applicable, shall have the meaning set forth in Section 11.2.

"RAP Approval Letter" if applicable, shall mean written approval from the IEPA of a RAP in order to obtain a Final Comprehensive Residential NFR Letter.

"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.

"Remediation Work" if applicable, shall mean all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary

to obtain a Final NFR Letter for the Property, or any portion thereof, in accordance with the terms and conditions of the RAP Approval Letter for the Property, or the applicable portion thereof, issued by IEPA, the SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

“Requisition Form” shall mean the document, in the form attached hereto as Exhibit L, to be delivered by Developer to DOH pursuant to Section 4.04 of this Agreement.

“Senior Construction Lender” shall mean Merchants Bank of Indiana, an Indiana state-chartered bank.

“Senior Construction Loan” shall mean the approximately \$21,100,000 construction loan from Senior Construction Lender to Owner.

“Senior Lender” shall mean (i) during the construction phase, Senior Construction Lender and (ii) during the permanent phase, Permanent Lender.

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

“SRP” if applicable, 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” if applicable, shall mean all documents submitted to the IEPA under the SRP program, 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.

“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).

“Sustainable Development Policy” shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date that is the thirty (30) year anniversary of the issuance of the Certificate.

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

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

"Title Company" shall mean Greater Illinois Title Company, as issuing agent for Stewart Title Guaranty Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer 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: (i) commence construction no later than six (6) months after the Closing Date; and (ii) complete construction and conduct business operations therein no later than twenty-four (24) months after the commencement of construction.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD 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 Building Department, 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 each has approved, a Project Budget showing total costs for the Project in an amount not less than \$33,591,744. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 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 DPD and DOH certified copies of any Change Orders with respect to the Project Budget for approval 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 material changes to the Project must be submitted by Developer to DOH for DOH's prior written approval. The Developer Parties shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer Parties of DOH's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between one or more of the Developer parties and any contractor, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

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

updated Survey to DPD and/or DOH upon the request of DPD and/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) approved by DPD and/or DOH shall be selected to act as the inspecting agent or architect at Developer's expense for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD and/or 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.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$33,591,744, to be applied in the manner set forth in the Project Budget and funded from the following sources:

<u>Sources</u>	<u>Amount</u>
**Permanent Mortgage	\$ 2,865,000
*City Funds (TIF)	\$ 4,200,000
IHDA Grant to Sponsor	\$ 3,253,959
City Multi-Family Loan Funds/Chicago Recovery Plan Funds	\$ 540,000
*Low Income Housing Tax Credit Equity	\$13,498,650
Com Ed Energy Grant Proceeds	\$ 250,116
Federal Home Loan Bank of Chicago Affordable Housing Program	\$ 1,000,000
*Federal Historic Tax Credit Equity	\$ 5,154,133
*State Historic Tax Credit Equity	\$ 2,220,000
***Deferred Developer Fee	\$ 457,486

Managing Member Equity
Total Sources

\$ 152,400
\$ 33,591,744

****Sources bridged by \$21,100,000 equity bridge loan from Senior Lender.***

*****Upon construction completion and conversion.***

****** Total developer fee \$2,000,000***

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 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)), 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. Phoenix Foundation shall be required to loan or contribute any City Funds it receives to Owner as reimbursement for the costs of TIF-Funded Improvements or to directly pay for the costs of the TIF-Funded Improvements.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide up to \$4,200,000 in City funds from Incremental Taxes (the "City Funds") to reimburse Developer for the costs of the TIF-Funded Improvements, provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Four Million, Two Hundred Thousand Dollars \$4,200,000; and provided further, that the \$4,200,000 to be derived from Incremental Taxes 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 Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs and the City has been reimbursed from Available Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) Disbursement of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.07, Section 4.08 and Section 5 hereof, the City shall disburse the City Funds in four (4) payments as follows:

- (i) The first installment of City Funds in the amount of \$1,050,000 upon the completion of 33% of the construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation;
- (ii) The second installment in the amount of \$1,050,000 upon completion of 66% of the construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation;

- (iii) The third installment in the amount of \$1,050,000 upon completion of 100% of the construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation; and
- (iv) The fourth installment of City Funds in the amount of \$1,050,000 shall be paid 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 made before the issuance of the Certificate shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. Draw requests must include all documentation required by DOH and the Developer shall follow all procedures as outlined by DOH in the preconstruction meeting. 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 DOH prior to each disbursement of City Funds per Section 4.03 above and DOH shall respond to 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 DOH). DOH shall approve disbursements of the City Funds from the Escrow. If required, the Developer shall meet with DOH upon request to discuss the Requisition Forms previously delivered. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

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 may reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to Section 4.01 hereof.

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

(c) 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 DPD and/or DOH, being prohibited.

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 DOH, which shall be satisfactory to DOH in its sole discretion. The construction monitoring and compliance unit of DOH shall verify the percentage of construction completion. Delivery by one or more of the Developer parties to DOH 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 sub-contractors 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 Redevelopment 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 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 disbursed are subject to being reimbursed upon the Developer Parties' noncompliance with the provisions of this Agreement.

4.09 Transfer Restrictions. The Developer hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (including without limitations, a transfer by assignment of any beneficial interest under a land trust) at any time during the Project Term, except as expressly permitted by the City. It is hereby expressly stipulated and agreed that any sale, transfer, or other disposition of the Project in violation of this Section 4.09 shall be null, void and without effect, shall cause a reversion of title to the Developer or any successor or assignee of the Developer last permitted by the City, and shall be ineffective to relieve the Developer or such successor or assignee, as applicable, of its obligations hereunder.

Notwithstanding the foregoing, the City shall not unreasonably withhold its consent to the replacement and/or addition of a managing member of Owner pursuant to the terms of the First Amended and Restated Operating Agreement of the Owner (the "Operating Agreement") and to the extent the City so consents, it shall not be considered a Prohibited Transfer hereunder; provided, however, that no consent of the City shall be required for the following (items (1) – (2) each a "Permitted Transfer"): (1) the managing member is removed for cause pursuant to the terms of the Operating Agreement, replaced by an affiliate of the Investor (as defined in the Operating Agreement) of Owner, and the Investor of Owner provides the City written notice promptly after such managing member has been removed; and (2) a transfer pursuant to a foreclosure, deed in lieu of foreclosure or similar action by the Senior Lender.

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 DOH, and DPD and DOH have 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 all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

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. 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, Developer 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. Developer has provided to DOH, 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 DOH's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under 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. Developer 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 and DOH.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or 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 set forth in Exhibit J hereto, such opinions were obtained by Developer from its general corporate counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures 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 Documentation; Employment Plan. 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. The Developer has provided the City with two (2) Phase I Environmental Site Assessment reports ("Phase I ESA") compliant with ASTM E-1527-13 for the Property dated November 14, 2023 and April 16, 2024. The Developer will provide a new or updated report if needed within 180 days prior to the conveyance of the Property. There were no identified recognized environmental conditions (RECs) on the Site. If the City is not listed as an intended user in the Phase I ESA, the Developer will provide the City with letter(s) from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such assessments.

The Developer conducted Hazardous Building Material Surveys of the Property in October 2023 prior to conducting any work that could constitute renovation, demolition, or abatement under the Environmental Laws ("abatement work") on or within an existing physical structure located on the Property. The Hazardous Building Material Survey included (but not limited to) asbestos and lead-based paint surveys, testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids), mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges), radioactive material-containing equipment and/or waste, medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes), refrigerants such as chlorofluorocarbons (CFCs), large appliances or equipment, mold, or any other materials that may require special handling or disposal during or after renovation, demolition, or abatement work. Any Hazardous Building Materials that will be impacted by renovation or demolition activities, or are in poor or unstable condition, must be properly abated. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any renovation, demolition, or abatement work. Abatement does not necessarily require removal and disposal of materials. Alternative methods to stabilize or prevent access to materials may be utilized if appropriate.

The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and perform abatement work as part of the Project in accordance with all Environmental Laws. A report documenting the completion of the abatement work shall be submitted to and approved by the City prior to approval of the Property for occupancy. If abatement work activities are not deemed sufficient by the City, the Developer shall continue work at their own expense until approved.

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its articles of organization or certificate of organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer 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 whenever any information or response provided in the EDS(s) is no longer complete and accurate, 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, as such is required under Sec. 2-154-020, and failure to promptly provide the 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.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with any contractor for construction of the Project, the Developer shall solicit bids from one or more qualified contractors eligible to do business with the City, and shall submit all bids received to DOH for its inspection and written approval. For the TIF-Funded Improvements, the Developer shall select the contractor submitting the lowest responsible and responsive bid who can complete the Project in a timely manner. If the Developer selects any contractor submitting other than the lowest responsible and responsive bid for the TIF-Funded Improvements, the difference between the lowest responsible and responsive bid and the bid selected may not be paid out of City Funds. The Developer shall submit copies of the Construction Contract to DOH in accordance with Section 6.02 below. Draft copies of all subcontracts shall be provided to DOH prior to the Closing Date. Additionally, photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DOH within five (5) Business Days of the execution thereof. The Developer shall ensure that no contractors shall begin work on the Project until the Plans and Specifications have been approved by DOH and all requisite permits have been obtained.

6.02 Construction Contract. The Construction Contract shall be a contract in accordance with Section 4.1 of the ATS Manual. Prior to the execution thereof, Developer shall deliver to DPD and DOH 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 and DOH's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Developer shall ensure that its General Contractor adheres to the policies and procedures outlined in the ATS Manual. 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, DOH 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 and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better in a 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.

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 OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. 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 Parties:

- i. Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer Parties have complied with building permit requirements for the Project;
- ii. The Project, including all residential units, commercial space, environmental features, and all related improvements, has been completed and constructed substantially according to the Plans and Specifications as evidenced by an affidavit provided by the Owner as evidenced by AIA Form G702, the architect of record has issued a certificate of substantial completion, and the Developer and General Contractor have successfully completed DOH's project closeout procedures as outlined in the preconstruction meeting;
- iii. Evidence that the Developer Parties have incurred TIF-eligible costs, in an equal amount to, or greater than, \$4,200,000;
- iv. The City's monitoring and compliance unit has verified that, at the time the Certificate is issued, the Developer Parties are in full compliance with City requirements set forth in Section 10 and Section 8.06 (M/WBE, City Residency and Prevailing

- Wage) with respect to construction of the Project, and that 100% of the Developer Parties' MBE/WBE Commitment in Section 10.03 have been fulfilled;
- v. 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; and
 - vi. 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 Sustainable Development Policy.

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 8.24 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 18.14 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 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. Each Developer party represents, warrants and covenants as to itself, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) each party comprising the Developer is, as applicable, an Illinois not-for-profit corporation or Wisconsin limited liability company duly incorporated or organized, validly existing, qualified to do business in its state of incorporation or 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 Articles of Organization or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, 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 a Certificate, Developer 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 Developer's business; (4) with respect to Owner, assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (other than in connection with the Lender Financing for the Project); or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Developer has not incurred, and, prior to the issuance of a 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;

(l) 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) [intentionally omitted];

(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 in accordance with the terms of Section 18.14 of this Agreement, 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 and DoH's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02, and 3.03 hereof, and Owner's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, 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 any of the Developer parties shall be used by the Developer parties solely to pay for (or to reimburse the Developer parties for their payment for) the TIF-Funded Improvements as provided in this Agreement. If the City pays any of the City Funds to Phoenix Foundation, it shall be required to loan or contribute the City Funds to the Developer, to reimburse the Developer for the costs of TIF-Funded Improvements or directly pay for the costs of the TIF-Funded Improvements.

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 taxable 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 "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 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 will aspire to create up to twenty (20) full-time-equivalent positions as well as 117 temporary full-time-equivalent construction-related positions and will provide information regarding employment on an annual basis pursuant to Section 3.3.

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%, 70% 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. If Davis Bacon wage rates are required, then Developer shall follow such requirements with respect to the Project. If Davis Bacon Wage rates are not required, then 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 Illinois Department of Labor (the "Department"), to all Project employees. 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 the Department revises such prevailing wage rates, 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 and/or DOH 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 and/or DOH'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 December 31st 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, Owner 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, Owner 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. Owner 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. Owner 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 and DOH 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. 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 or may 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. Owner 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. Owner's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.18(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Owner's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Owner 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, (A) Owner shall demonstrate to DPD's satisfaction that legal proceedings instituted by Owner 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 (B) Owner 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) Owner's Failure To Pay Or Discharge Lien. If Owner fails to pay any Governmental Charge or to obtain discharge of the same, Owner 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 Owner 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 Owner. 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 Owner fails to pay any Governmental Charge, the City, in its sole discretion, may require Owner to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Owner nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect, except for (i) obtaining Class 9 designation or participating in the Cook County Affordable Housing Special Assessment Program, (ii) obtaining any reduction in assessed value available for the Property under 35 ILCS 200/15-178, and (iii) obtaining any exemption for which DPD has provided its prior written consent.

(ii) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by the Owner as a memorandum thereof, at the Owner's expense, with the Recordings Division of the Cook County Clerk on the Closing Date. These restrictions shall be binding upon the Developer Parties and their agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Owner agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.18(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer Parties, their successors or assigns, may waive and terminate the Developer Parties' covenants and agreements set forth in this Section 8.18(c).

(d) Notification to the Cook County Assessor of Change in Use and Ownership. If required under 35 ILCS 200/15-20 due to a change in use or ownership of the Project Property, within 90 days after the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor of such change in use or ownership. 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). 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 Broker's Fees. Developer Parties have no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.23. 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 8.21, (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 CRP PSH Regulatory Agreement executed by Developer and DOH 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) Five (5) residential rental units, including four (4) one-bedroom units and one (1) two-bedroom unit, shall be affordable to 15% AMI Households (as defined below);
- (c) Sixteen (16) residential rental units, including eleven (11) one-bedroom units and five (5) two-bedroom units, shall be affordable to 30% AMI Households (as defined below);
- (d) Nine (9) residential rental units, including eight (8) one-bedroom units and one (1) two-bedroom unit, shall be affordable to 50% AMI Households (as defined below);
- (e) Twenty (20) residential rental units, including seven (7) one-bedroom units and thirteen (13) two-bedroom units, shall be affordable to 60% AMI Households (as defined below);
- (f) As used in this Section 8.24, the following terms has the following meanings:
 - (i) "Household" shall mean one or more individuals, whether or not related by blood or marriage.
 - (ii) "15% AMI Households" shall mean Households whose annual income does not exceed fifteen percent (15%) 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 HUD, and thereafter such income limits shall apply to this definition.
 - (iii) "30% AMI Households" shall mean Households whose annual income does not exceed 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 HUD, and thereafter such income limits shall apply to this definition.
 - (iv) "50% AMI Households" shall mean Households whose annual income does not exceed 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 HUD, and thereafter such income limits shall apply to this definition.

- (v) "60% AMI Households" shall mean Households 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 HUD, 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.

(i) Any revisions to the affordability requirements set forth in this Section 8.24 require the prior written consent of DOH.

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.

8.26 Sustainable Development Policy. Developer shall provide evidence acceptable to the City that they have complied with the Sustainable Development Policy for the Project. If a default occurs under this Section 8.26 after the receipt of written notice and a 60-day cure period, the City shall have the right to reduce the City Funds by \$250,000 as described in Section 15.02.

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 non-discrimination 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.

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. 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; and
- (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, 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 and/or DOH.

(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

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

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

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

SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

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

(ii) Commercial General Liability (Primary and Umbrella). Commercial General

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

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

(b) Construction. Prior to the construction of any portion of the Project, 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 building/facility. 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. Each Developer party 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 "Indemnitees") 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 Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

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

(b) such Developer party's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project 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 such Developer party or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of such Developer party or any of its Affiliates; or

(d) any act or omission by such Developer party or any of its Affiliates; 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 is violative of 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 the Developer parties hereunder:

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

(b) the failure of a Developer party to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer parties under any other

agreement with any person or entity if such failure may have a material adverse effect on the Developer Parties' business, property, assets, operations or condition, financial or otherwise;

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

(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 a Developer party or for the liquidation or reorganization of a Developer party, or alleging that a Developer party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer party's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving a Developer party; provided, however, that if such commencement of proceedings is involuntary, such action 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 a Developer party, for any substantial part of the Developer party's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of a Developer party; provided, however, that if such appointment or commencement of proceedings is involuntary, such action 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 a Developer party 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 or the death of any natural person who owns a material interest in the Developer parties;

(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 a Developer party, for any crime (other than a misdemeanor);

(k) prior to the issuance of the Certificate, the sale or transfer of the ownership interests of a Developer party without the prior written consent of the City, except for a Permitted Transfer pursuant to Section 4.09;

(l) the failure of a Developer party, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to 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 thirty (30) days of when it is due, as set forth in Section 8.20; or

(n) failure to adhere to the policies and procedures in ATS Manual and pre-construction meeting.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, subject to all applicable notice and cure provisions, 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 the Senior Lender's mortgage lien in the amount of City Funds paid, or seek reimbursement of any City Funds paid. 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.

Upon the occurrence of an Event of Default under Section 8.24, the Developer Parties or Affiliates shall be obligated to reimburse the City all of the City Funds disbursed to any one of the Developer parties to date. 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 reimbursement of all or part of the City Funds, injunctive relief or the specific performance of the agreements contained herein. Without limiting the generality of the foregoing, with respect to Events of Defaults by a Developer Party prior to the issuance of a Certificate, the City shall be entitled to seek reimbursement of City Funds from Developer parties.

For an Event of Default caused by failing to provide the City with an Annual Compliance Report, in addition to any other remedy the City may choose to pursue, Developer shall be required to pay to City \$10,000, as liquidated damages, for each such Event of Default.

For an Event of Default caused by failing to meet or comply with the Sustainable Development Policy, in addition to any other remedy the City may choose to pursue, the City shall have the right to reduce the City Funds by \$250,000.

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 Right to Cure by Investor and Lenders other than the Sponsor. In the event that 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, 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 the parties identified in Section 17 and the Investor and any lender providing Lender Financing, other than the Developer, shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(i) if the Event of Default is a monetary default, the cure is completed within 30 days after the later of: (a) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (b) receipt by the lenders and the Investor of such notice from the City; and

(ii) if the Event of Default is of a non-monetary nature, the cure is completed within 30 days after the later of: (a) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (b) receipt of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by the lenders or the Investor within such 30-day period, such period shall be extended for such reasonable period of time as may be necessary to cure such default, provided that the party seeking such cure must continue diligently to pursue such cure 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.

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 on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." The City hereby consents to the recording of the mortgage to be executed in connection with the Permanent Loan (the "Permanent Mortgage"). Other than the Permanent Mortgage, 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, including the Permanent Mortgage, 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.

If to the City:	If to Developer:
City of Chicago Department of Housing 121 North LaSalle Street, Room 1006 Chicago, Illinois 60602 Attention: Commissioner	Earle School, LLC c/o Gorman and Company LLC 200 North Main Street Oregon, WI 53575 Attention: Michael Redman And Phoenix Foundation 4335 South Vincennes Avenue, Suite #2N Chicago, Illinois 60653 Attention: Sterling Gildersleeve

<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Reinhart Law 1000 North Wacker Street, Suite 1700 Milwaukee, WI 53202 Attention: William Cummings</p> <p>And</p> <p>MCI Earle School, LLC c/o Merchants Capital Investments, LLC 410 Monon Boulevard Carmel, Indiana 46032 Attention: Asset Management</p> <p>And</p> <p>Merchants Bank of Indiana 410 Monon Boulevard, 2nd Floor Carmel, Indiana 46032 Attention MBI Asset Management</p> <p>With copies to:</p> <p>Applegate and Thorne-Thomsen 425 South Financial Place, Suite 1900 Chicago, IL 60605 Attention: Glenn Graff</p> <p>And</p> <p>Applegate and Thorne-Thomsen 425 South Financial Place, Suite 1900 Chicago, IL 60605 Attention: Nicholas J. Brunick</p> <p>And</p> <p>John W. Hamilton Dinsmore & Shohl LLP One Indiana Square Suite 1800 Indianapolis, IN 46204</p> <p>And</p> <p>Frost Brown Todd LLP 400 West Market Street, Suite 3200 Louisville, Kentucky 40202</p>
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	Attention: Amy Curry, Esq.
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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, the Commissioner of DPD, the Commissioner of DOH, or any matter is to be to the City's, DPD's, DOH's, or the Commissioner of DPD's or the Commissioner of DOH's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD, DOH or the Commissioner of DPD or the Commissioner of DOH in writing and in the reasonable discretion thereof. The Commissioner of DPD or the Commissioner of DOH, or such other persons designated by the Mayor of the City, shall act for the City, DOH or DPD, as applicable in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. Except as permitted in Section 4.09 and for Developer's collateral assignment of this Agreement to the Senior Construction Lender for the Project, 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. 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), 8.24 (Affordable Housing Covenant), 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.

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

18.22 Debarment Certification. Failure by the Developer or any controlling person of either, as defined in Section 1-23-010 of the Municipal Code, thereof to maintain eligibility to do business with the City as required by Section 1-23-030 of the Municipal Code shall be grounds for termination of this Agreement and the transactions contemplated thereby.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]


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

EARLE SCHOOL, LLC,
a Wisconsin limited liability company

By: **Earle School MM, LLC,**
a Wisconsin limited liability company,
its managing member

By: **GEC Earle School, LLC,**
a Wisconsin limited liability company,
its manager

By: **Gorman & Company, LLC,**
a Wisconsin limited liability company,
its sole member and manager

By: 

Name: Michael Redman

Title: Secretary

[OWNER SIGNATURE PAGE – REDVELOPMENT AGREEMENT]

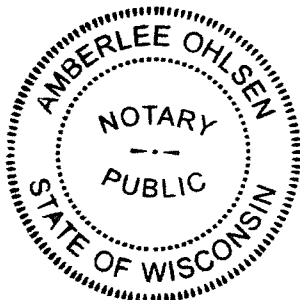
STATE OF Wisconsin)
) SS
COUNTY OF Dane)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Michael Redman, personally known to me to be the Manager of Gorman & Company, LLC, a Wisconsin limited liability company, the manager of GEC Earle School, LLC, a Wisconsin limited liability company, the manager of Earle School MM, LLC, a Wisconsin limited liability company, the managing member ("Managing Member") of Earle School LLC a Wisconsin limited liability company ("Owner") 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 Manager, he signed and delivered the said instrument, pursuant to authority given by the members of the Managing Member as his free and voluntary act, and as the free and voluntary act and deed of the Managing Member, and Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 29th day of July, 2024.

Amberlee Ohlsen
Notary Public

(SEAL)



My Commission Expires 01/01/2028

[OWNER NOTARY PAGE – REDVELOPMENT AGREEMENT]

CITY OF CHICAGO,
by and through its Department of Planning
and Development

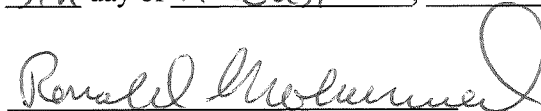
By: 
Ciere Boatright, Commissioner

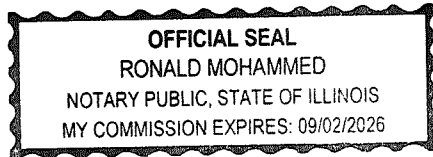
[SIGNATURE PAGE – REDVELOPMENT AGREEMENT]

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 Ciere Boatright, 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/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act 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 5th day of AUGUST, 2024


Notary Public



My Commission Expires: 09/02/2026

CELESTERLING FOUNDATION,
d/b/a Phoenix Foundation, NFP,
an Illinois not for profit corporation

By: _____

Name: Sterling Gildersleeve

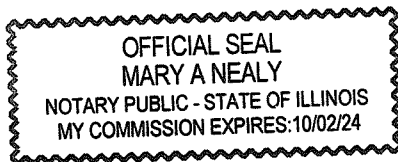
Title: Authorized Signatory

[SPONSOR SIGNATURE PAGE – REDVELOPMENT AGREEMENT]

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 Sterling Gildersleeve, personally known to me to be the
Authorized Signatory of CELESTERLING FOUNDATION, d/b/a Phoenix
Foundation, NFP, an Illinois not for profit corporation (the "Sponsor"), and personally known to
me to be the same person whose name is subscribed to the foregoing instrument, appeared
before me this day in person and acknowledged that he/she signed, sealed, and delivered said
instrument, pursuant to the authority given to him/her by the Board of Directors of Sponsor, as
his/her free and voluntary act and as the free and voluntary act of Sponsor, for the uses and
purposes therein set forth.

GIVEN under my hand and official seal this 29th day of July, 2024.



(SEAL)

Mary A. Nealy
Notary Public

My Commission Expires 10/02/24

[SPONSOR NOTARY PAGE – REDVELOPMENT AGREEMENT]

EXHIBIT A
REDEVELOPMENT AREA

City of Chicago

63rd/Ashland Redevelopment Project Area

Legal Description.

All that part of Sections 7, 8, 17, 18, 19, and 20, Township 38 North, Range 14 East of the Third Principal Meridian, being bounded and described as follows:

beginning at the point of intersection of the north line of 69th Street with the east line of Lot 253 Englewood on the Hill, a subdivision of the east half of the southwest quarter of the northwest quarter of the southwest quarter of said Section 20, and running; thence north along said east line of Lot 253 in said Englewood on the Hill and the northerly extension thereof to the north line of the 16 foot wide alley north of 69th Street; thence west along said north line of the 16 foot wide alley north of 69th Street to the east line of the 16 foot wide alley east of Ashland Avenue; thence north along said east line of the 16 foot wide alley east of Ashland Avenue and the northerly extension thereof to the point of intersection of the east line of the 16 foot wide alley east of Ashland Avenue with the north line of 68th Street, said point being also the southwest corner of Lot 25 in Hastie and Rhett's Addition to Englewood on the Hill in Section 20; thence north along said east line of the 16 foot wide alley east of Ashland Avenue and the northerly extension thereof to the point of intersection of the east line of the 16 foot wide alley east of Ashland Avenue with the north line of Marquette Road, said point being also the southwest corner of Lot 6 in the resubdivision of Lots 19 to 28, inclusive, in Block 4 in E.S. Kirkland's Subdivision in Section 20; thence north along said east line of the 16 foot wide alley east of Ashland Avenue and the northerly extension thereof to the point of intersection of the east line of the 16 foot wide alley east of Ashland Avenue with the north line of 66th Street, said point being also the southwest corner of Lot 24 in Block 1 in Hosmer and Fenn's Subdivision of the north half of the southwest quarter of the northwest quarter of Section 20; thence north along said east line of the 16 foot wide alley east of Ashland Avenue to the south line of the 16 foot wide alley north of 66th Street; thence east along said south line of the 16 foot wide alley north of 66th Street and the easterly extension thereof to the east line of Justine Street; thence north along said east line of Justine Street to the south line of 64th Street; thence east along said south line of 64th Street to the west line of Loomis Street; thence north along said west line of Loomis Street to the north line of the 16 foot wide alley north of 63rd Street, said point being also the southeast corner of Lot 1 in D.W. Baker's Subdivision of the east half of the southeast quarter of the southwest quarter of the southwest quarter of Section 17; thence west along said north line of the 16 foot wide alley north of 63rd Street and the westerly extension thereof to the point of intersection of the north line of the 16 foot wide alley north of 63rd Street with the west line of Bishop Street, said point being also the southeast corner of Lot 18 in Sobey and Shont's Subdivision of the west half of the southeast quarter of the southwest quarter of the southwest quarter of Section 17; thence west along said north line of the 16 foot wide alley north of 63rd Street and the westerly extension thereof to the point of intersection of the north line of the 16 foot wide alley north of 63rd Street with the west line of Laflin Street, said point being also the southeast corner of Lot 18 in Shont's Subdivision of the east half of the southwest quarter of the southwest quarter of the southwest quarter of Section 17; thence west along said north line of the 16 foot wide alley north of 63rd Street and the westerly extension thereof to the point of intersection of the north line

of the 16 foot wide alley north of 63rd Street with the west line of Justine Street, said point being also the southeast corner of Lot 18 in Staple's Subdivision of the west half of the southwest quarter of the southwest quarter of the southwest quarter of Section 17; thence west along said north line of the 16 foot wide alley north of 63rd Street to the east line of the 16 foot wide alley west of Justine Street; thence north along said east line of the 16 foot wide alley west of Justine Street and the northerly extension thereof to the north line of 62nd Street; thence east along said north line of 62nd Street to the east line of Lot 43 in Block 12 in the Plat of Belleville, a subdivision of the west half of the southwest quarter of Section 17; thence north along said east line of Lot 43 in Block 12 in said Plat of Belleville to the north line thereof; thence west along said north line of Lot 43 in Block 12 in said Plat of Belleville to the southerly extension of the east line of the 15 foot wide alley west of Justine Street; thence north along said southerly extension of the east line of the 15 foot wide alley west of Justine Street and the east line thereof to the south line of the 15 foot wide alley south of 61st Street; thence east along said south line of the 15 foot wide alley south of 61st Street to the southerly extension of the east line of Lot 19 in Block 12 in said Plat of Belleville; thence north along said southerly extension of the east line of Lot 19 in Block 12 in said Plat of Belleville and the east line thereof to the south line of 61st Street; thence north along the northerly extension of the east line of Lot 19 in Block 12 in said Plat of Belleville to the north line of 61st Street; thence west along said north line of 61st Street to the east line of the 16 foot wide alley west of Justine Street; thence north along said east line of the 16 foot wide alley west of Justine Street and the northerly extension thereof to the north line of 60th Street; thence east along said north line of 60th Street to the east line of the 16 foot wide alley west of Justine Street; thence north along said east line of the 16 foot wide alley west of Justine Street to the south line of the 16 foot wide alley south of 59th Street; thence east along said south line of the 16 foot wide alley south of 59th Street and the easterly extension thereof to the point of intersection of the south line of the 16 foot wide alley south of 59th Street with the east line of Justine Street, said point being also the northwest corner of Lot 46 in Block 1 in B.F. Jacob's Subdivision of the northwest quarter of the northwest quarter of the southwest quarter of Section 17; thence east along said south line of the 16 foot wide alley south of 59th Street and the easterly extension thereof to the centerline of Laflin Street; thence north along said centerline of Laflin Street to the centerline of 59th Street; thence east along said centerline of 59th Street to the northerly extension of the east line of Laflin Street; thence south along said northerly extension of the east line of Laflin Street and the east line thereof to the south line of the 16 foot wide alley south of 59th Street; thence east along said south line of the 16 foot wide alley south of 59th Street and the easterly extension thereof to the east line of Bishop Street; thence south along said east line of Bishop Street to the south line of Lot 32 in T.J. Campbell's Boulevard Addition, a subdivision of the east half of the northeast quarter of the northwest quarter of the southwest quarter of Section 17; thence east along said south line of Lot 32 in said T.J. Campbell's Boulevard Addition and the easterly extension thereof to the east line of the 16 foot wide alley east of Bishop Street; thence north along said east line of the 16 foot wide alley east of Bishop Street to the south line of Lot 4 in said T.J. Campbell's Boulevard Addition; thence east along said south line of Lot 4 in said T.J. Campbell's Boulevard Addition to the west line of Loomis Street; thence north along said west line of Loomis Street to the north line of the Pennsylvania Railroad right-of-way, being also the north line of Lot 6 in Block 8 in the Plat of Dr. Snowdon's Subdivision of the southwest quarter of the northwest quarter of Section 17; thence west along said northerly line of the Pennsylvania Railroad right-of-way to a point on the east line of the 15 foot wide alley west of Laflin Street, said point being also the southwest corner of Lot 5 in Block 6 in the plat of Dr. Snowdon's Subdivision of the southwest quarter of the

northwest quarter of Section 17; thence north along the west line of Lot 5 in Block 6 in said plat of Dr. Snowdon's Subdivision of the southwest quarter of the northwest quarter of Section 17 to the easterly extension of the south line of lot the parcel of land bearing Permanent Index Number 20-17-125-008; thence west along said easterly extension of the south line of the parcel of land bearing Permanent Index Number 20-17-125-008 and the south line thereof to the east line of Justine Street; thence west along the westerly extension of the south line of the parcel of land bearing Permanent Index Number 20-17-125-008 to the west line of Justine Street; thence south along said west line of Justine Street to the south line of Lot 5 in Block 5 in said plat of Dr. Snowdon's Subdivision of the southwest quarter of the northwest quarter of Section 17; thence west along said south line of Lot 5 in Block 5 in said plat of Dr. Snowdon's Subdivision of the southwest quarter of the northwest quarter of Section 17 to the east line of the 15 foot wide alley west of Justine Street; thence north along said east line of the 15 foot wide alley west of Justine Street and the northerly extension thereof to the point of intersection of the east line of the 15 foot wide alley west of Justine Street with the north line of 58th Street, said point being also the southwest corner of Lot 12 in Block 4 in said plat of Dr. Snowdon's Subdivision of the southwest quarter of the northwest quarter of Section 17; thence north along said east line of the 15 foot wide alley west of Justine Street and the northerly extension thereof to the point of intersection of the east line of the 15 foot wide alley west of Justine Street with the north line of 57th Street, said point being also the southwest corner of Lot 12 in Block 12 in the plat of Dr. Snowdon's Subdivision of the northwest quarter of the northwest quarter of Section 17; thence north along said east line of the 15 foot wide alley west of Justine Street and the northerly extension thereof to the point of intersection of the east line of the 15 foot wide alley west of Justine Street with the north line of 56th Street, said point being also the southwest corner of Lot 12 in Block 13 in said plat of Dr. Snowdon's Subdivision of the northwest quarter of the northwest quarter of Section 17; thence north along said east line of the 15 foot wide alley west of Justine Street to the south line of the 16 foot wide alley south of Garfield Boulevard; thence east along said south line of the 16 foot wide alley south of Garfield Boulevard and the easterly extension thereof to the east line of Justine Street; thence north along said east line of Justine Street to the north line of Garfield Boulevard; thence west along said north line of Garfield Boulevard to the east line of Lot 24 in Block 3 in New Ashland, being a subdivision of the west half of the southwest quarter of the southwest quarter of Section 8; thence north along said east line of Lot 24 in Block 3 in said New Ashland to the south line of the 16 foot wide alley north of Garfield Boulevard, thence east along said south line of the 16 foot wide alley north of Garfield Boulevard to the southerly extension of the east line of the 16 foot wide alley west of Justine Street; thence north along said southerly extension of the east line of the 16 foot wide alley west of Justine Street and the east line thereof to the south line of 54th Street; thence north along the northerly extension of the east line of the 16 foot wide alley west of Justine Street to the point of intersection of the east line of the 16 foot wide alley west of Justine Street with the north line of 54th Street, said point being also the southwest corner of Lot 24 in Block 2 in said New Ashland Subdivision; thence north along said east line of the 16 foot wide alley west of Justine Street to the south line of 53rd Street; thence west along said south line of 53rd Street to the west line of the 16 foot wide alley west of Ashland Avenue; thence south along said west line of the 16 foot wide alley west of Ashland Avenue and the southerly extension thereof to the point of intersection of the west line of the 16 foot wide alley west of Ashland Avenue with the south line of 54th Street, said point being also the northeast corner of Lot 46 in Block 1 in E. Galvin's Subdivision of the southeast quarter of the southeast quarter of the southeast quarter of Section 7; thence south along said west line of the 16 foot wide alley west of

Ashland Avenue and the southerly extension thereof to the south line of the 16 foot wide alley north of Garfield Boulevard; thence east along said south line of the 16 foot wide alley north of Garfield Boulevard to the west line of the 16 foot wide alley west of Ashland Avenue; thence south along said west line of the 16 foot wide alley west of Ashland Avenue to the north line of Garfield Boulevard; thence west along said north line of Garfield Boulevard to the west line of Marshfield Avenue; thence south along said west line of Marshfield Avenue to the westerly extension of the 16 foot wide alley south of Garfield Boulevard; thence east along said westerly extension of the south line of the 16 foot wide alley south of Garfield Boulevard and the south line thereof to the west line of the 16 foot wide alley west of Ashland Avenue; thence south along said west line of the 16 foot wide alley west of Ashland Avenue and the southerly extension thereof to the point of intersection of the west line of the 16 foot wide alley west of Ashland Avenue with the south line of 56th Street, said point being also the northeast corner of Lot 48 in Block 8 in Ashland, a subdivision of the north three-quarters of the east half of the northeast quarter of Section 18, together with the north 33 feet of the south quarter thereof; thence south along said west line of the 16 foot wide alley west of Ashland Avenue and the southerly extension thereof to the point of intersection of the west line of the 16 foot wide alley west of Ashland Avenue with the south line of 57th Street, said point being also the northeast corner of Lot 48 in Block 9 in said Ashland Subdivision in Section 18; thence south along said west line of the 16 foot wide alley west of Ashland Avenue and the southerly extension thereof to the point of intersection of the west line of the 16 foot wide alley west of Ashland Avenue with the south line of 58th Street, said point being also the northeast corner of Lot 20 in Block 1 in Phipp's Addition to Ashland in Section 18; thence south along the east lines of Lots 20 through 11, inclusive, in Block 1 in said Phipp's Addition to Ashland to the north line of the Pennsylvania Railroad right-of-way; thence west along said north line of the Pennsylvania Railroad right-of-way to the centerline of Damen Avenue; thence south along said centerline of Damen Avenue to the south line of the Pennsylvania Railroad right-of-way; thence west along said south line of the Pennsylvania Railroad right-of-way to the east line of Hoyne Avenue; thence south along said east line of Hoyne Avenue to the north line of said 59th Street; thence east along the north line of 59th Street to a point which is 157.77 feet east from the intersection of the centerline of Hoyne Avenue with said north line of 59th Street; thence south to the northeast corner of the parcel of land bearing Permanent Index Number 20-18-301-008; thence south along the easterly line of the parcel of land bearing Permanent Index Number 20-18-301-008, to an angle point on said easterly line, said point being also the northernmost point on the east line of the parcel of land bearing Permanent Index Number 20-18-301-007; thence south along the east line of the parcel of land bearing Permanent Index Number 20-18-301-007, to the south line thereof; thence south to a point on the centerline of 61st Street (partially vacated), which point is 157.69 feet east from the intersection of said centerline with the aforementioned centerline of Hoyne Avenue; thence west along the centerline of 61st Street (partially vacated) to the northerly extension of the east line of Hoyne Avenue; thence south along said east line of Hoyne Avenue, and its extension, to the easterly extension of the south line of the 16 foot wide alley north of 63rd Street; thence west along said easterly extension of the south line of the 16 foot wide alley north of 63rd Street and the south line thereof to the east line of Hamilton Avenue; thence south along said east line of Hamilton Avenue to the south line of 65th Street; thence east along said south line of 65th Street to the west line of Marshfield Avenue; thence south along said west line of Marshfield Avenue to the north line of 69th Street; thence east along said north line of 69th Street to the point of beginning at the east line of Lot 253 in Englewood on the Hill Subdivision in Section 20; all in the City of Chicago, Cook County, Illinois.

EXHIBIT B

PROPERTY

Parcel 1 (North Parcel/Subarea A):

Lots 1 to 14, Lots 37 to 48, Part of Lot 15, Part of Lot 36 and all vacated alleys, all being in Block 3 in Englewood on the Hill, a subdivision of the Southeast Quarter of the Southeast Quarter of Section 18, Township 38 North, Range 14 East of the Third Principal Meridian, all in Cook County, Illinois, described as follows:

Beginning at the Northeast corner of said Lot 1; thence South 01 degrees 32 minutes 36 seconds East along the east line of said Block 3, a distance of 363.33 feet; thence South 88 degrees 31 minutes 23 seconds West, a distance of 136.66 feet; thence North 01 degrees 32 minutes 36 seconds West, a distance of 55.25 feet; thence South 88 degrees 31 minutes 23 seconds West, a distance of 127.68 feet to the west line of said Block 3; thence North 01 degrees 32 minutes 53 seconds West along the west line of said Block 3, a distance of 308.08 feet to the Northwest corner of said Lot 48; thence North 88 degrees 31 minutes 23 seconds East along the north line of said Block 3, a distance of 264.37 feet to the Point of Beginning, containing 2.043 acres, more or less.

Common Address: 1711 West 61st Street, Chicago, IL 60636

PINs: 20-18-421-001-0000
20-18-421-011-0000
20-18-421-024-0000

EXHIBIT C
TIF-FUNDED IMPROVEMENTS

Rehabilitation	\$17,965,400
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*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 \$4,200,000.

EXHIBIT E
CONSTRUCTION CONTRACT
[Not attached for recording]

EXHIBIT F

ESCROW AGREEMENT

[Not attached for recording]

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.

Exhibit H-1 – Project Budget

Line Item	Amount
Building Cost	168,000
Land Cost	32,000
Acquisition Costs Subtotal	200,000
Net Construction Costs	17,762,465
Surface Parking	893,143
Other Hard Costs	3,108,360
General Conditions	806,569
Overhead	317,159
Profit	951,476
Construction Costs Subtotal	23,839,172
Furniture, Fixtures, & Equip't	95,000
Building Permits	334,815
GC Insurance	144,907
Contingency	2,176,397
Other Construction Subtotal	2,751,119
Architect - Design	885,012
Architect - Supervision	12,000
Engineering Fees	680
As-Is Plats & Surveys	36,922
Accountant -- 8609s	16,500
Accountant -- General	123,609
Legal - Organizational	285,000
Consultant - Historic	75,231
Appraisal	15,200
Phase I Environ. Report	51,910
Title & Recording Fees	70,000
Other Professional Fees	155,521
Professional Fees Subtotal	1,727,585
Tax Credit Issuer Fees	160,500
Construction Points	158,250
Perm Loan Points	25,670
Lender Legal Fees	131,340
Construction Interest	1,727,967
Other Lender Fees	48,250
Lender Fees Subtotal	2,251,977
Liability Insurance	261,803
Real Estate Taxes	10,000
Construction Period Subtotal	271,803
Developer Fee	1,395,366
	604,634
Developer Fee Subtotal	2,000,000

Lease-Up Reserve	78,038
Insurance Reserve	52,267
Property Tax Reserve	31,900
Operating Reserve	337,883
Replacement Reserve	50,000
Reserves Subtotal	550,088
Grand Total Dev Costs	33,591,744

EXHIBIT H-2
MBE/WBE BUDGET

Development Cost	Total Costs	MBE (26%)	WBE(6%)
Net Construction Costs	\$17,965,400	\$4,671,004	\$1,077,924
General Conditions	\$806,569	\$209,708	\$48,394
Overhead	\$317,159	\$82,461	\$19,030
Contingency*	\$2,176,397	\$565,863	\$130,584
Total	\$21,265,525	\$5,529,037	\$1,275,932

* To the extent any of these costs change, increase, or contingency is used it will be included in the MBE/WBE budget.

EXHIBIT I

APPROVED PRIOR EXPENDITURES

None.

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on Developer's Counsel's letterhead]

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to _____, an [Illinois] _____ (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the _____ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the ADocuments":

(a) _____ Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City");

[(b) the Escrow Agreement of even date herewith executed by Developer and the City;]

(c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if Developer is not a corporation]; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of Developer.

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies each class of capital stock of Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of Developer. Each outstanding share of the capital stock of Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking

to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

[Note: include a reference to the laws of the state of incorporation/organization of Developer, if other than Illinois.]

This opinion is issued at Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

By:

Name:

EXHIBIT L

REQUISITION FORM

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, _____, _____ of _____, a
_____ (the "Developer"), hereby certifies that with respect to that
certain _____ Redevelopment Agreement between Developer and the City of
Chicago dated _____, ____ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$_____, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$_____

C. Developer requests reimbursement for the following cost of TIF-Funded Improvements:

\$ _____

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and Developer is in compliance with all applicable covenants contained herein.

2. 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.

All capitalized terms which are not defined herein has the meanings given such terms in the Agreement.

[Developer]

By: _____
Name

Title: _____

Subscribed and sworn before me this ____ day of _____
_____.

My commission expires: _____

Agreed and accepted:

Name

Title: _____
City of Chicago
Department of Planning and Development

FY 2024

Name of Redevelopment Project Area:

63rd/Ashland

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

<u>Parties to Agreement with City</u>	<u>Project Description</u>	<u>Address</u>
N/A	Construction of Mixed Use Property	6041 S WOLCOTT AVE
N/A	Construction of Mixed Use Property	6129 S PAULINA ST
N/A	Construction of Mixed Use Property	6221 S HONORE ST
N/A	Construction of Mixed Use Property	6229 S HONORE ST
N/A	Construction of Mixed Use Property	6330 S HERMITAGE AVE

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2024

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND REDEVELOPMENT PROJECT

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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 63rd/Ashland Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2024, 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 63rd/Ashland Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2024, 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 63rd/Ashland 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 63rd/Ashland Redevelopment Project. They do not purport to, and do not, present the financial position of the City of Chicago, Illinois, as of December 31, 2024 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.

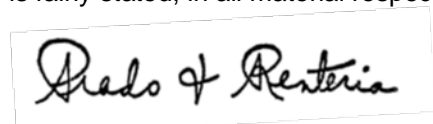
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 63rd/Ashland 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, 2025

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the 63rd/Ashland 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, 2024. 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
63RD/ASHLAND 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 \$433,370 for the year. This was an increase of 56 percent over the prior year. The change in net position produced an increase in net position of \$275,886. The Project's net position increased by 5 percent from the prior year making available \$5,657,442 of funding to be provided for purposes of future redevelopment in the Project's designated area. 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
63RD/ASHLAND REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
 (Concluded)

Government-Wide

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 5,672,985	\$ 5,390,396	\$ 282,589	5%
Total liabilities	<u>15,543</u>	<u>8,840</u>	<u>6,703</u>	76%
Total net position	<u>\$ 5,657,442</u>	<u>\$ 5,381,556</u>	<u>\$ 275,886</u>	5%
Total revenues	\$ 521,120	\$ 483,837	\$ 37,283	8%
Total expenses	<u>245,234</u>	<u>121,765</u>	<u>123,469</u>	101%
Changes in net position	<u>275,886</u>	<u>362,072</u>	<u>(86,186)</u>	-24%
Ending net position	<u>\$ 5,657,442</u>	<u>\$ 5,381,556</u>	<u>\$ 275,886</u>	5%

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2024

<u>A S S E T S</u>	Governmental Fund	Adjustments	Statement of Net Position
Cash and investments	\$ 5,220,131	\$ -	\$ 5,220,131
Property taxes receivable	422,710	-	422,710
Due from other funds	11,045	-	11,045
Accrued interest receivable	19,099	-	19,099
Total assets	<u>\$ 5,672,985</u>	<u>\$ -</u>	<u>\$ 5,672,985</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Other accrued liability	\$ 15,543	\$ -	\$ 15,543
Deferred inflows	333,414	(333,414)	-
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	5,324,028	(5,324,028)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 5,672,985</u>		
Net position:			
Restricted for future redevelopment project costs		5,657,442	5,657,442
Total net position		<u>\$ 5,657,442</u>	<u>\$ 5,657,442</u>

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

Total fund balance - governmental fund	\$ 5,324,028
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>333,414</u>
Total net position - governmental activities	<u>\$ 5,657,442</u>

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

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Governmental Fund	Adjustments	Statement of Activities
Revenues:			
Property tax	\$ 462,049	\$ (28,679)	\$ 433,370
Interest	87,750	-	87,750
	<hr/>	<hr/>	<hr/>
Total revenues	549,799	(28,679)	521,120
Expenditures/expenses:			
Economic development projects	245,234	-	245,234
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	304,565	(304,565)	-
Change in net position	-	275,886	275,886
Fund balance/net position:			
Beginning of year	5,019,463	362,093	5,381,556
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 5,324,028</u>	<u>\$ 333,414</u>	<u>\$ 5,657,442</u>

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

Net change in fund balance - governmental fund	\$ 304,565
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.	<hr/> (28,679)
Change in net position - governmental activities	<u>\$ 275,886</u>

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

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In March 2006, the City of Chicago (City) established the 63rd/Ashland 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 63rd/Ashland 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, 2024 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
63RD/ASHLAND 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 fund financial statements.

Capital Assets

Capital assets are not capitalized in the governmental fund 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 fund as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND 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 – Commitments

As of December 31, 2024, the Project has various outstanding service and construction projects with encumbrances for approximately \$4,200,000.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
63RD/ASHLAND 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	\$ 6,269
Costs of the construction of public works or improvements	<u>238,965</u>
	<u>\$ 245,234</u>

INDEPENDENT AUDITOR'S REPORT

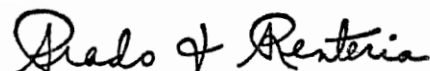
The Honorable Brandon Johnson, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the 63rd/Ashland Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2024, 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, 2025.

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 63rd/Ashland 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, 2025