STATE OF ILLINOIS

)SS

COUNTY OF COOK

CERTIFICATE

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the Community Development Commission of the City of Chicago at a Regular Meeting held on the 11th Day of September 2007 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 11th Day of September 2007

[Signature]

EXECUTIVE SECRETARY
Jennifer Rampke

07-CDC-80
COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 07- CDC - 60

AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH 5007 LAWNDALE CORPORATION
AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF 5007 LAWNDALE CORPORATION
AS DEVELOPER

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council (the City Council referred to herein collectively with the Mayor as the "Corporate Authorities") as codified in Section 2-124 of the City's Municipal Code; and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.), (as amended from time to time, the "Act"); and

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 99-CDC-252 and pursuant to the Act, enacted three ordinances on May 17, 2000 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 51st and Archer Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, 5007 Lawndale Corporation (the "Developer"), has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of a 181 unit residential development (the "Project"); and

WHEREAS, DPD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; now, therefore,
BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.

Section 3. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 4. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be effective as of the date of its adoption.

Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: September 11, 2007

Attachment: Exhibit A, Street Boundary Description
EXHIBIT A

Street Boundary Description of the
51st and Archer Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by Archer Avenue on the north, Kedzie Avenue on the east, 59th Street on the south, and Kolmar Avenue on the west.
I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Park Place Residential Development

Applicant Name: 5007 Lawndale Corporation

Project Address: 3606-3656 West 51st Street and 4945-5059 South Lawndale Avenue.

Ward and Alderman: 14th/ Alderman Edward M. Burke

Community Area: West Elsdon

Redevelopment Project Area: 51st and Archer TIF

Requested Action: TIF Developer Designation

Proposed Project: Project includes 89 Single-family homes (SFH), 74 townhouses (TH), and 18 three-flats. The project will provide 181 housing units of which 36 units, or 20 percent will be affordable for households earning no more than 100 percent of the area median income.

TIF Assistance: Not to exceed $7.4M
II. PROPERTY DESCRIPTION

Address: 3606-3656 West 51st Street and 4945-5059 South Lawndale Avenue

Location: Northeast corner of South Lawndale Avenue and West 51st Street.

                     19-11-120-016 19-11-120-021

Land Area: 15.18 acres (gross)

Current Use: Property is currently vacant land with 10 model homes and sales center. Property was formerly a warehouse for World’s Finest Chocolate.

Current Zoning: Residential Planned Development No. 989

Proposed Zoning: same

Environmental Condition: Property will undergo final remediation and a draft NFR letter is on file.

III. BACKGROUND

The surrounding neighborhood is generally single-family homes with some multi-unit buildings to the south and west, industrial uses to the north (World’s Finest Chocolate manufacturing facility and offices-active) separated by the elevated Orange Line, vacant industrial land immediately east and separated by the Grand Trunk rail line and new residential development further east at 51st and Homan. This proposed development, together with the proposed 51st and Homan development, will be one of the largest new residential developments on the southwest side of the City in nearly fifty years. This development will provide current neighborhood residents new construction of high quality and an affordable alternative to suburban communities, and will also attract new residents looking for cheaper alternatives to the north side or other south side communities to the east. The property was previously owned by World’s Finest Chocolate as excess warehouse space. The company closed this facility over three years ago and the property has sat vacant since without industrial interest. This former industrial pocket is undergoing change with the decline in industrial demand and increase in residential demand. Due to accessibility and nearby residential uses, the City agrees that this parcel is no longer appealing for industrial use and would better serve the area as residential. The developer acquired the parcel for $6.9M. This parcel was acquired privately and was not the subject of previous CDC action.
IV. PROPOSED DEVELOPMENT TEAM

Development Entity: 5007 Lawndale Corp. consists of Ted Mazola, August Mauro, Neil Renzi, Anthony Tirtilli and Charles Papp. Ted Mazola and his company New West Realty is an established residential developer whose projects include, University Village, Heritage Homes of West Village and University Station, the rehabilitation of an Art-Deco loft building in the West Loop. The developer is licensed by the City as a Residential Developer.

Consultants: Louik and Schneider is TIF consultant for this development. Louik and Schneider have extensive experience with TIF applications and TIF redevelopment plans. The architect is Pappageorge/Haymes. New West will provide sales and marketing for this project.

V. PROPOSED PROJECT

Project Overview:
The developer proposes to construct a Residential Planned Development containing 181 dwelling units comprised of 89 single-family residences, 74 town-homes, 18 three-flat buildings and a one-acre park.

The developer proposes to establish a standard Chicago-style street grid system by the public dedication of West 50th Place, West 50th Street, South Millard and South Central Park plus two (2) east-west alleys and (2) north-south alleys. The dedication of the streets and alleys will allow the connection of the dwelling units to South Lawndale Avenue and west 51st Street.

The single-family homes will offer a variety of designs and facades and include a 2-car detached garage. Some SFH will include an attached 2-car garage depending upon the location of the home. Each structure will feature face brick on the front facade wrapped around the side and vinyl siding on the sides and rear. Some single family homes will feature a large, covered front porch. All structures facing a public street will include masonry construction. The three-flat buildings will also provide a two-car garage. The 74 town-homes will be masonry on fronts and sides and include a metal balcony on the rear. Each town-house will include an attached, 2-car garage and up to 3 bedrooms. The development will meet visitable/accessible requirements set forth by the Mayor’s Office for People with Disabilities. The development will include a one-acre park and the sales center will be converted into a community center featuring a social room, fitness center, private community pool and locker rooms.

A site plan, floor plans and elevation are provided as exhibits to this report.

Residential Unit Profile: The following tables provide detailed descriptions of the market-rate and affordable components of the proposed project. The subject property will provide a total of 181 housing units of which 36 units or 20 percent will be affordable for households earning no more than 100 percent of the area median income. These units will satisfy the Chicago affordable housing ordinance, which required 20 percent affordable units in projects receiving TIF assistance. The Department of Housing has reviewed and approved the pricing of the affordable units.
### Market Rate For-Sale Units

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Size-sf</th>
<th>Price/sf</th>
<th>Price*</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family C</td>
<td>1</td>
<td>1,644</td>
<td>246</td>
<td>404,000</td>
<td>404,000</td>
</tr>
<tr>
<td>Single Family A</td>
<td>2</td>
<td>1,690</td>
<td>239</td>
<td>404,000</td>
<td>808,000</td>
</tr>
<tr>
<td>Single Family B</td>
<td>3</td>
<td>1,876</td>
<td>237</td>
<td>444,900</td>
<td>1,334,700</td>
</tr>
<tr>
<td>Single Family D</td>
<td>58</td>
<td>1,727</td>
<td>219</td>
<td>377,000</td>
<td>21,866,000</td>
</tr>
<tr>
<td>Single Family E</td>
<td>18</td>
<td>1,626</td>
<td>218</td>
<td>354,000</td>
<td>6,372,000</td>
</tr>
<tr>
<td>Single Family E w/o Basement</td>
<td>7</td>
<td>1,626</td>
<td>216</td>
<td>350,900</td>
<td>2,456,300</td>
</tr>
<tr>
<td>Townhome A</td>
<td>2</td>
<td>1,801</td>
<td>186</td>
<td>334,900</td>
<td>669,800</td>
</tr>
<tr>
<td>Townhome A2</td>
<td>4</td>
<td>1,801</td>
<td>180</td>
<td>324,900</td>
<td>1,299,600</td>
</tr>
<tr>
<td>Townhome B</td>
<td>2</td>
<td>1,973</td>
<td>171</td>
<td>337,900</td>
<td>675,800</td>
</tr>
<tr>
<td>Townhome B2</td>
<td>9</td>
<td>1,973</td>
<td>171</td>
<td>337,900</td>
<td>3,041,100</td>
</tr>
<tr>
<td>Townhome D</td>
<td>18</td>
<td>1,862</td>
<td>180</td>
<td>334,900</td>
<td>6,028,200</td>
</tr>
<tr>
<td>Townhome F</td>
<td>21</td>
<td>1,634</td>
<td>195</td>
<td>317,900</td>
<td>6,675,900</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>145</strong></td>
<td><strong>1,737</strong></td>
<td><strong>$205</strong></td>
<td><strong>$356,494</strong></td>
<td><strong>$51,631,400</strong></td>
</tr>
</tbody>
</table>

### Affordable For-Sale Units

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Size-sf</th>
<th>Market Price</th>
<th>Write-Down</th>
<th>Affordable Price*</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Townhome FP</td>
<td>8</td>
<td>1,862</td>
<td>334,900</td>
<td>119,900</td>
<td>215,000</td>
<td>1,720,000</td>
</tr>
<tr>
<td>Townhome F</td>
<td>10</td>
<td>1,634</td>
<td>317,900</td>
<td>121,900</td>
<td>196,000</td>
<td>1,960,000</td>
</tr>
<tr>
<td>Condo A</td>
<td>4</td>
<td>1,233</td>
<td>254,000</td>
<td>88,000</td>
<td>166,000</td>
<td>664,000</td>
</tr>
<tr>
<td>Condo B</td>
<td>4</td>
<td>1,151</td>
<td>247,000</td>
<td>80,000</td>
<td>167,000</td>
<td>668,000</td>
</tr>
<tr>
<td>Condo C</td>
<td>6</td>
<td>790</td>
<td>174,000</td>
<td>43,000</td>
<td>131,000</td>
<td>786,000</td>
</tr>
<tr>
<td>Condo D</td>
<td>4</td>
<td>1,050</td>
<td>225,000</td>
<td>71,000</td>
<td>154,000</td>
<td>616,000</td>
</tr>
<tr>
<td><strong>Total/Average</strong></td>
<td><strong>36</strong></td>
<td><strong>1,381</strong></td>
<td><strong>$275,227</strong></td>
<td><strong>$94,227</strong></td>
<td><strong>$178,166</strong></td>
<td><strong>$6,414,000</strong></td>
</tr>
</tbody>
</table>
Environmental Features: The project satisfies the department’s ‘Building Green/Green Matrix by incorporating energy efficient homes and achieving Energy Star Certification. Additionally, there will be a one-acre park located at the south end of the development site. The park will be owned by the homeowners association but open to the general public.

VI. FINANCIAL STRUCTURE

This project is a for-sale residential development. There have been four pre-sales to date. The deal is conventionally financed through The Private Bank and Trust. The developer will participate in the Housing for Teachers program and Veteran’s housing initiatives. The TIF assistance will be in an amount not to exceed $7.4M, or 12% of total project costs. The TIF assistance will be in the form of two Developer Notes, which will not be issued until each of the project phases is complete. The first phase will include the necessary site work, infrastructure and the construction of a portion of the units. Construction for the first phase is expected to commence Fall 2007 and complete Fall 2008. The second phase will include the construction of the remaining the units and all development amenities. Construction of the second phase is expected to commence Fall 2008 and be completed by Winter 2010.

The Notes will be payable from the project PINs only. The TIF assistance amount of up to $7.4M will represent no more than 90% of the total amount of increment expected to be generated by the new project over the remaining life of the TIF. This development is being built upon an industrial site that will require some environmental remediation and which lacks any residential infrastructure whatsoever. The Developer will be responsible for all utilities, infrastructure, and roads and sidewalks. The new streets will be dedicated to the City, and as such will have to be built to City standards. DPD would like to see high quality construction like this in emerging markets, such as this area, so existing residents have new construction options in their communities.

The following tables identify the sources and uses of funds and the estimated profit.

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>$1,997,000</td>
<td>3.2%</td>
</tr>
<tr>
<td>Debt - Private Bank</td>
<td>$59,910,713</td>
<td>96.8%</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$61,907,713</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses</th>
<th>Amount</th>
<th>$/sf of Building*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition ($10.43 /sf of land)</td>
<td>$6,900,000</td>
<td>$22.88 psf</td>
</tr>
<tr>
<td>Site Clearance and Preparation ($10.99 /sf of land)</td>
<td>$7,269,082</td>
<td>$24.10 psf</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>$33,160,644</td>
<td>$109.96 psf</td>
</tr>
<tr>
<td>Hard Cost Contingency</td>
<td>$850,380</td>
<td>$2.82 psf</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$41,280,106</td>
<td>$136.88 psf</td>
</tr>
<tr>
<td>Soft Cost Contingency</td>
<td>$300,000</td>
<td></td>
</tr>
</tbody>
</table>
Architect/Eng Fee (2.2% of hard costs) $900,000
Financing Costs/Interest (6.4% of loan) $3,835,573
Legal/Acct Fees (0.3% of total costs) $180,000
Marketing/Models (3.5% of total costs) $2,194,000
Developer Fee $2,417,468
Sales Commissions/Closing Costs $2,413,564
Real Estate Taxes $529,802
Insurance $120,000
Permits/Fees/Expediting $452,500
Letter of Credit $25,000
Warranty Reserves $108,600
Other soft costs (.04% of total costs) $251,100
Total Soft Costs (22.2% of Project Total) $13,727,607 $45.52 psf

Total Uses $61,907,713 $205.28 psf

**Profit Analysis**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Sales Revenue</td>
<td></td>
</tr>
<tr>
<td>145 market rate units</td>
<td>$51,631,400</td>
</tr>
<tr>
<td>36 affordable units</td>
<td>$6,414,000</td>
</tr>
<tr>
<td>Upgrades (3.5% of market rate sales)</td>
<td>$1,810,000</td>
</tr>
<tr>
<td>Total Gross Unit Sales</td>
<td>$59,855,400</td>
</tr>
<tr>
<td>Parking Revenue (included in unit price)</td>
<td>$0</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$59,855,400</td>
</tr>
<tr>
<td>Less: Cost of Sales</td>
<td></td>
</tr>
<tr>
<td>Closing Costs (&lt;1% of sales)</td>
<td>$271,500</td>
</tr>
<tr>
<td>Sales Commissions (3.6% of sales)</td>
<td>$2,142,064</td>
</tr>
<tr>
<td>Total Cost of Sales</td>
<td>-$2,413,564</td>
</tr>
<tr>
<td>Net Sales Revenue</td>
<td>$57,441,836</td>
</tr>
<tr>
<td>Plus: TIF</td>
<td>$7,400,000</td>
</tr>
<tr>
<td>Net Sales Revenue Including TIF</td>
<td>$64,841,836</td>
</tr>
<tr>
<td>Less: TPC (not incl. cost of sales/dev fee)</td>
<td>-$57,076,681</td>
</tr>
<tr>
<td>Profit</td>
<td>$7,765,155</td>
</tr>
</tbody>
</table>

**Indicators:**

- Profit as Percent of Total Project Costs: 12.5%
- Profit as Percent of Gross Sales Revenue: 13%
- Percent Equity Return: 255%
VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

**Affordable Housing:** The project will provide 36 new affordable housing units.

**Housing for Teachers:** The developer has agreed to participate in the Chicago Public Schools’ Housing for Teachers initiative.

**Veteran’s Housing:** Adaptable housing marketed to and discounted for disabled veterans

**Property Taxes:** The project will expand the tax base because the investment in the property will result in an increase in its assessed value.

**Environmental Features:** Energy-efficient homes that achieve Energy Star Certification. This project will incorporate environmentally-sensitive, low-impact design with on-site water detention.

**Construction Jobs:** The project will produce approximately 150 temporary construction jobs.

**Affirmative Action:** The developer will comply with the requirements of Chicago’s affirmative action ordinance, which requires contract participation of 24% by minority-owned business enterprises (MBEs) and 4% by woman-owned business enterprises (WBEs). The developer has provided notification of the proposed project, by certified mail, to several associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report.

**City Residency:** The developer will comply with the requirements of Chicago’s city residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT

Because this site is in a former industrial area, there are no local community organizations that represent this area.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 51st and Archer Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area’s redevelopment plan: Encourage the development of a variety of residential housing types where adjacent residential units exist or in other appropriate areas and; support the expansion of residential uses in the Area.
The implementation strategy for achieving the plan’s goals envisions the need to provide TIF financial assistance for the development of residential development. The proposed project also conforms to the plan’s land use map, which calls for residential development at the subject site.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DPD will negotiate a redevelopment agreement with the developer. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is DPD policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action. Before today’s action is presented to the city council for approval, the department will conduct a thorough background check of all principals having an ownership interest of 7.5 percent or greater, and of the boards of directors and trustees of non-profit organizations. Similar background checks will be conducted on the development entity itself.

Closing of the redevelopment agreement will not occur before the City Council has approved the agreement, the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The redevelopment agreement will include a development timetable.

XI. RECOMMENDATION

The Department of Planning and Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project’s conformance with the redevelopment area plan, and DPD recommends that the CDC recommend to the City Council the designation of 5007 Lawndale Corporation as Developer for the development of 181 residential units at 51st and Lawndale Ave.
EXHIBITS

Redevelopment Area Map
Neighborhood Map or Aerial
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Lender’s Letter of Interest
Alderman’s Letter of Support
August 22, 2007

Hely Ratner
Women Business Development Center
8 S. Michigan Avenue
Suite 400
Chicago, Illinois  60603

BY CERTIFIED MAIL

Re: Park Place Homes
51st and Lawndale

Dear Ms Ratner:

5007. Lawndale Corporation is pleased to announce the development of the property located at 5007 Lawndale, Chicago, Illinois. Park Place Homes will include approximately 340,000 square feet of residential housing, consisting of condos, town homes, and single family homes.

5007 Lawndale Corporation has chosen New West Realty Group-Construction, L.L.C. to be the general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. Attached to this letter is the project budget with the amounts subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The attachment also includes the estimated project schedule and contact information for the general contractor.

At your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. At your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications).

5007 Lawndale Corporation is requesting that you make your member companies aware of this exciting project so they may submit bids for appropriate opportunities. Should you have any questions, please do not hesitate to call.

Sincerely,
5007 Lawndale Corporation

[Signature]

Ted Mazola,
Managing Partner

Cc: John Molloy
Department of Planning and Development, City of Chicago
REAL ESTATE LOAN DEPARTMENT
LOAN SETTLEMENT STATEMENT

Loan No. ___________________________  Closing Date: June 28, 2006  Amount $18,244,500.00

To: 5007 Lawndale Corp

Payment Amount
Tax Escrow Reserve:
Hazard Insurance Reserve:
Mortgage Insurance Reserve:
TOTAL PAYMENT:

Interest Only

Interest Due:

First Payment Due: August 1, 2006

Your real estate loan is now ready for disbursement. For your information and approval, we have itemized
the following expenses and made the necessary disbursements in regard to your real estate transaction.
The distribution of your monthly payment is shown above.

CHARGES MADE BY BANK:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Origination Fee - 15% A&amp;A Loan</td>
<td>$81,222.50</td>
</tr>
<tr>
<td>Loan Origination Fee - 10% 10,000,000 Revolver</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>Loan Discount</td>
<td>$0.00</td>
</tr>
<tr>
<td>Interest</td>
<td>$0.00</td>
</tr>
<tr>
<td>Appraisal</td>
<td>$0.00</td>
</tr>
<tr>
<td>Attorney Fee</td>
<td>$7,000.00</td>
</tr>
<tr>
<td>Phase 1 Environmental Report to</td>
<td>$9,000.00</td>
</tr>
<tr>
<td>Tax Service Fee</td>
<td>$0.00</td>
</tr>
<tr>
<td>Credit Reports</td>
<td>$0.00</td>
</tr>
<tr>
<td>UCC Searches</td>
<td>$0.00</td>
</tr>
<tr>
<td>Title Company</td>
<td>$0.00</td>
</tr>
<tr>
<td>Flood Certification</td>
<td>$0.00</td>
</tr>
<tr>
<td>TOTAL CHARGES</td>
<td>$144,247.50</td>
</tr>
</tbody>
</table>

FUNDS HELD FOR BENEFIT OF BORROWER:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payoff Private Bank loan #1867445 9001</td>
<td>$1,221,218.00</td>
</tr>
<tr>
<td>Interest Reserve</td>
<td>$1,215,000.00</td>
</tr>
<tr>
<td>Remaining availability</td>
<td>$93,218.00</td>
</tr>
<tr>
<td>TOTAL HELD</td>
<td>$11,575,219.01</td>
</tr>
</tbody>
</table>

FUNDS DISBURSED AT BORROWER'S DIRECTION:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wire to Title Company (payoff Cole Taylor)</td>
<td>$4,525,033.49</td>
</tr>
<tr>
<td>Title Company (fees)</td>
<td>$0.00</td>
</tr>
<tr>
<td>TOTAL DISBURSED</td>
<td>$4,525,033.49</td>
</tr>
</tbody>
</table>

TOTAL DISBURSED:

MORTGAGE PROCEEDS AND FUNDS HELD BY LENDER:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORTGAGE PROCEEDS</td>
<td>$18,244,500.00</td>
</tr>
<tr>
<td>FUNDS PAID BY BORROWER: (BALANCE OWED BY BORROWER)</td>
<td>$4,525,033.49</td>
</tr>
</tbody>
</table>

The undersigned acknowledges the receipt and correctness of this Loan Settlement Statement and authorizes and directs
the disbursements of the funds as shown above.

Authorized Signature for 5007 Lawndale Corp
August 22, 2007

Terrie Whittaker
New West Realty
1300 S. Paulina
Chicago, IL 60607

Dear Terrie:

Thank you again for the opportunity to work together again. We have enjoyed being able to help your purchasers enter homeownership over the past 3 years, and we look forward to continuing to support you and your team.

I'm sure you've seen the recent media focus on the challenges facing today's mortgage industry. Despite these challenges, Wells Fargo is uniquely positioned. As a well-capitalized, diversified financial services company, we are well-positioned to be successful through all market cycles - as evidenced by our 20 years of double-digit compound growth and 15 consecutive years as the #1 Retail mortgage lender. As a leader in responsible lending, we are the only AAA rated bank in the United States, and we continue to offer Sub-prime, Alt-A, Jumbo, FHA/VA and Prime mortgage at competitive terms. Furthermore, our closing guarantee is backed by 1 month mortgage payment if your purchaser is delayed. We believe in our ability to fund on-time, and invite you to enjoy that same piece of mind.

I understand that your newest property will have an affordable component to it. As you know, we are extremely capable to assisting that buyer profile. We will utilize our exclusive Home Opportunities® mortgage, specifically designed to meet the needs of low to moderate income purchasers. The loan provides up to 100% financing for them, allowing them access to home ownership with as little as $500 invested into the purchase. We also have special enhanced qualifying guidelines for 'public employees', such as Nurses, Teachers, Police Officers, and Fire Fighters. We too see the value of supporting these important professionals, and will provide the resources to help them become homeowners.

Should you like to discuss any of our programs in further detail, please give me a call. We look forward to another successful development with you.

Sincerely,

[Signature]

Todd M. Olson
Regional Builder Sales Manager
Wells Fargo Home Mortgage
630-820-5205 Work Phone
815-846-0966 Fax
630-240-2600 Mobile

Wells Fargo Home Mortgage is the nation's leading new construction lender.
August 30, 2007

Arnold L. Randall
Acting Commissioner
Department of Planning and Development
121 North LaSalle Street, Room 501
Chicago, Illinois 60602

Dear Mr. Randall:

Please be informed that I fully support a request for Tax Increment Financing (TIF) assistance by 5007 Lawndale Corporation for a new residential development located at 51st and Lawndale Avenue within the 51st and Archer Tax Increment Financing District.

If you have any questions do not hesitate to call me at (312) 744-3380 or (773) 471-1414.

Sincerely,

Edward M. Burke
Alderman, 14th Ward

EMB/kg