

**FY 2019
ANNUAL TAX INCREMENT FINANCE
REPORT**



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality: City of Chicago Reporting Fiscal Year: **2019**
 County: Cook Fiscal Year End: **12/31/2019**
 Unit Code: 016/620/30

FY 2019 TIF Administrator Contact Information

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

I attest to the best of my knowledge, that this FY 2019 report of the redevelopment project area(s)
 in the **City/Village** of: City of Chicago
 is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
 and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

 6/26/2020
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/20YY	Date Terminated MM/DD/20YY
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	9/29/2022
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	7/21/2022
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2022
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th/St. Lawrence	1/10/1996	12/31/2020
51st/Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025

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

X

60th/Western	5/9/1996	12/31/2020
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	7/8/2021
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2031
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/31/2032
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Clark/Montrose	7/7/1999	7/7/2022
Clark/Ridge	9/29/1999	9/29/2022
Commercial Avenue	11/13/2002	12/31/2026
Cortland/Chicago River	4/10/2019	12/31/2043
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	12/31/2032
Greater Southwest Industrial (East)	3/10/1999	12/31/2023
Greater Southwest Industrial (West)	4/12/2000	12/31/2024

Harlem Industrial Park Conservation Area	3/14/2007	12/31/2019
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2019
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park	9/9/1998	9/9/2021
Jefferson/Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	12/31/2022
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Kedzie	2/16/2000	12/31/2024
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2025
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2036
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
North Branch North	7/2/1997	12/31/2021
North Branch South	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North/Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/31/2022
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2019
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Industrial Corridor	6/9/1999	12/31/2023
Randolph/Wells	6/9/2010	12/31/2034
Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Cicero Industrial Corridor	2/5/1998	2/5/2021
Roosevelt/Clark	4/10/2019	12/31/2043
Roosevelt/Racine	11/4/1998	12/31/2034
Roosevelt/Union	5/12/1999	5/12/2022
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary and Ship Canal	7/24/1991	12/31/2027

South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2019
Stevenson Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

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

FY 2019

Name of Redevelopment Project Area (below): <p style="text-align: center;">71st/Stony Island Redevelopment Project Area</p>	
Primary Use of Redevelopment Project Area*: Commercial	

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

If 'Combination/Mixed' List Component Types:
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): <div style="display: flex; justify-content: space-between; align-items: center;"> Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> Industrial Jobs Recovery Law <input type="checkbox"/> </div>

Please utilize the information below to properly label the Attachments.

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (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 submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis <u>MUST</u> be attached and (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 (g) 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 list only, not actual agreements (labeled Attachment M).	X	

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

Provide an analysis of the special tax allocation fund.

FY 2019

TIF NAME: 71st/Stony Island Redevelopment Project Area

Special Tax Allocation Fund Balance at Beginning of Reporting Period: \$ 16,195,797

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	\$ 2,970,098	\$ 48,558,679	26%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 540,396	\$ 8,178,640	4%
Land/Building Sale Proceeds	\$ -	\$ 301	0%
Bond Proceeds	\$ -	\$ 64,765,895	35%
Transfers from Municipal Sources	\$ 8,000,000	\$ 65,288,397	35%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

All Amount Deposited in Special Tax Allocation Fund \$ 11,510,494

Cumulative Total Revenues/Cash Receipts \$ 186,791,912 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 20,135,710

Transfers to Municipal Sources \$ -

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 20,135,710

Net Income/Cash Receipts Over/(Under) Cash Disbursements \$ (8,625,216)

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 7,570,581

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

Previous Year Explanation:

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

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 2019

TIF NAME: 71st/Stony Island Redevelopment Project Area

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Project Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	\$ 124,855	
		\$ 124,855
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
4. Property assembly cost and site preparation costs.	\$ 2,000,000	
		\$ 2,000,000
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
6. Costs of construction of public works or improvements.	\$ 918,388	

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

FY 2019

TIF NAME: 71st/Stony Island Redevelopment Project Area

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

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

Property 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:	

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

PAGE 1

FY 2019

TIF Name: 71st/Stony Island Redevelopment Project Area

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

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	5

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)	\$ 1,175,000	\$ -	\$ 45,893,110
Public Investment Undertaken	\$ 3,902,580	\$ 2,154,510	\$ 12,275,000
Ratio of Private/Public Investment	28/93	-	3 17/23

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Starbucks (BMG Stony Island) (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 1,175,000	-	\$ 0
Public Investment Undertaken	\$ 225,000	-	\$ 0
Ratio of Private/Public Investment	5 2/9	-	0

Project 2*: Montclare Senior Residence of Avalon Park - Phase I (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 20,227,495
Public Investment Undertaken	\$ 1,603,808	\$ 154,510	\$ 1,850,000
Ratio of Private/Public Investment	0	-	10 14/15

Project 3*: SBIF - 71st Stony Island (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 700,000
Public Investment Undertaken	0	-	\$ 350,000
Ratio of Private/Public Investment	0	-	2

Project 4*: Jeffery Plaza (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 24,965,615
Public Investment Undertaken	\$ 2,000,000	\$ 2,000,000	\$ 10,000,000
Ratio of Private/Public Investment	0	-	2 1/2

Project 5*: TIFWorks - 71st Stony Island (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 0
Public Investment Undertaken	\$ 73,772	-	\$ 75,000
Ratio of Private/Public Investment	0	-	0

Project 6*:

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

Section 5 Notes

FY 2019

TIF NAME: 71st/Stony Island Redevelopment Project Area

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.

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

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

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

Daryl Okrzesik
Associate Vice Chancellor-Finance
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

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

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

Charles Givines, President
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

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

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

I, Lori E. Lightfoot, in connection with the annual report (the “Report”) of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq. (the “Act”), with regard to the 71st/Stony Island 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.

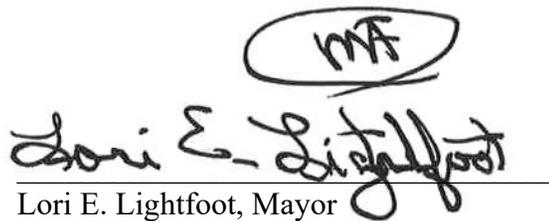
Attachment B

2. During the preceding fiscal year of the City, being January 1 through December 31, 2019, 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 26th day of June, 2020.


Lori E. Lightfoot, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

CITY OF CHICAGO

June 26, 2020

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

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

Daryl Okrzesik
Associate Vice Chancellor-Finance
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

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

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

Charles Givines, President
South Cook County Mosquito Abatement District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

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

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

Re: 71st/Stony Island 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, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark A. Flessner", written over a circular stamp or seal.

Mark A. Flessner
Corporation Counsel

SCHEDULE 1

June 26, 2020

CERTIFICATION

Commissioner
Department of Planning and Development
City of Chicago

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

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

1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City’s Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under my supervision and that of my predecessor Commissioner 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,



Maurice D. Cox
Commissioner
Department of Planning and Development

FY 2019

TIF NAME: 71st/Stony Island Redevelopment Project Area

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

<u>Name of Project</u>
Jeffery Plaza

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

JEFFERY PLAZA REDEVELOPMENT AGREEMENT

This Jeffery Plaza Redevelopment Agreement (this "Agreement") is made as of February 7, 2019, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Jeffrey Advisors LLC, an Illinois limited liability company ("JAL") and 7131 Jeffrey Development, LLC, an Illinois limited liability company ("Owner"; together with JAL, 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 October 7, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 71st and Stony Island Redevelopment Project Area" (as amended pursuant to an ordinance adopted by City Council on July 25, 2018, the "Plan Adoption Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the 71st and Stony Island Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 71st and Stony Island Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to

herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: On or before the Closing, Owner intends to purchase (the "Acquisition") certain property located within the Redevelopment Area at 2101 E. 71st St, Chicago, Illinois and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, Owner shall commence and complete construction and rehabilitation on the Property of a retail shopping center known as Jeffery Plaza shopping center, containing (i) approximately 113,300 square feet of retail space, including an approximately 62,000 square foot grocery store space (the "Grocery Store") to be occupied by Shop & Save Market, and (ii) on-site parking spaces (collectively, such retail shopping center shall be referred to as 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. Owner as landlord, and JAL, as tenant, have executed that certain Master Lease dated as of the date hereof (as amended from time to time, the "Master Lease") pursuant to which JAL shall, among other matters, lease the Grocery Store space from Owner. Owner as landlord, and each tenant of the Facility other than JAL have executed or will execute a lease (each, a "Lease," collectively, the "Leases").

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 71st and Stony Island Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") included in the Plan Adoption Ordinance and published at pages 78137 to 78242 of the Journal of the Proceedings of the City Council of October 7, 1998 and pages 81603 to 81606 of the Journal of July 25, 2018.

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	*Jobs and Occupancy Certificate
5. Conditions Precedent	E	Construction Contract
6. Agreements with Contractors	F	*Prohibited Uses
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	Junior Mortgage
13. Indemnification	L	Requisition Form
14. Maintaining Records/Right to Inspect	M	Guaranty
15. Defaults and Remedies	N	Form of Subordination Agreement
16. Mortgaging of the Project	O	Form of Payment Bond
17. Notice		
18. Miscellaneous		(An asterisk (*) indicates which exhibits are to be recorded.)

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.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with Owner or JAL, as applicable.

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under this Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant and Occupancy Covenant (Section 8.06); (2) disclosure of Construction Jobs and Permanent Jobs (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) delivery of evidence that the Sustainable Development Policy has been complied with for the Project (Section 8.23) and (7) compliance with all other executory provisions of this Agreement.

"Annual Payment" shall have the meaning set forth in Section 4.03(c) (ii).

“Assignment” shall mean, collectively, (a) an assignment of the right to receive payment of City Funds, such assignment made by Owner to JAL, and (b) a collateral assignment of the right to receive payment of City Funds, such collateral assignment made by JAL to Bridge Lender to secure the Bridge Loan, in each case in form and substance acceptable to the City in its sole discretion.

“Available Incremental Taxes” shall mean, for each payment, an amount equal to the Incremental Taxes on deposit in the TIF Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which are available for the financing or payment of Redevelopment Project Costs, after deducting (i) the TIF District Administration Fee, (ii) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, (iii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement, specifically Incremental Taxes allocated or pledged to Prior Obligations, provided, however that if this Agreement is not executed within 6 months after the effective date of the ordinance approving this Agreement, then the City may deduct the Incremental Taxes pledged or allocated to this Project or to other projects, and (iv) debt service payments with respect to the Bonds, if any, provided that such debt service payments shall not prevent the City from paying the full amount of any of the City Funds.

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

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

“Bond Ordinance” shall mean the City ordinance authorizing the issuance of Bonds.

“Bridge Lender” shall mean PNC Community Development Company, LLC, its successors and/or assigns, as assignee of Jeffrey Holding Company LLC, an Illinois limited liability company, pursuant to the Assignment of Note and Credit Documents of even date herewith.

“Bridge Loan” shall mean that certain loan in the amount of approximately \$8,000,000 made by Bridge Lender (or another provider of Lender Financing approved by the City) to JAL for the Project.

“Capital Expenditures” shall mean the amount of necessary capital improvements to the Project not included in the Project Budget.

“Certificate” shall mean the Certificate of Completion 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 Costs” shall mean the reasonable and customary closing costs and expenses of a Sale, Refinancing, or Permitted Mortgage, as applicable, subject to approval by the City.

"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.

"Closing Date Payment" shall have the meaning set forth in Section 4.03(c)(ii).

"Compliance Period" shall mean the longer of (1) if the Developer does not deliver an Extension Notice, a period beginning on the date the Certificate is issued and ending on the 10th anniversary of the date the Certificate is issued, and (2) if the Developer delivers an Extension Notice and cures the applicable Event of Default during the one year period in which the Extension Notice was delivered, a period beginning on the date the Certificate is issued and ending on the 11th anniversary of the date the Certificate is issued.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between Owner, JAL and the General Contractor providing for construction of the Project.

"Construction Jobs" shall have the meaning set forth in Section 8.06 hereof.

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

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

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

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

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

"Escrow" shall mean the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the 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).

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

"Extension Notice" shall have the meaning set forth in Section 15.04 hereof.

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

"Final Project Cost" shall have the meaning set forth in Section 7.01 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.

"Foreclosure" shall have the meaning set forth in Section 8.20 hereof.

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of the Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project during the applicable month, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by the Developer or by third parties in positions ancillary to the Developer's operations at the Project including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

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

"Grocery Store" shall have the meaning set forth in the Recitals hereof.

"Guaranty" shall mean the Guaranty dated of the date hereof made by each of Eva Jakubowski and Cezary Jakubowski in favor of the City in the form attached as Exhibit M.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

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

"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.

"Incremental Taxes From a New Project" shall mean (a) individually, Incremental Taxes attributable to the equalized assessed value ("EAV") of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area and (b) collectively, the sum of Incremental Taxes From a New Project for all New Projects, if there are multiple New Projects.

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

"Investment Fund" shall mean 7100 Jeffrey Investment Fund, LLC, an Illinois limited liability company.

"Jobs and Occupancy Certificate" shall mean the certificate attached hereto as Exhibit D.

"Junior Mortgage" shall mean a junior mortgage substantially in the form of Exhibit K, with such changes as may be approved by DPD and Corporation Counsel, executed by JAL as mortgagor of the real property identified therein, in favor of the City, as mortgagee, securing certain of the Developer's obligations under this Agreement and the Junior Mortgage; and which shall be subordinate to the mortgages securing the Lender Financing; provided that (a) the Junior Mortgage executed by JAL as lessee of the real property identified therein shall be a junior leasehold mortgage, (b) if JAL acquires a fee interest in the Property, then the Junior Mortgage executed by JAL as owner of the real property identified therein shall be a junior fee mortgage, and (c) after the NMTC Compliance Period and upon repayment, retirement, or extinguishment of the NMTC Loan, the Junior Mortgage executed by JAL as lessee of the real property shall be released and Owner as owner of the real property identified therein shall grant a fee Junior Mortgage in favor of the City.

"Junior Mortgage Amount" shall mean an amount equal to the aggregate amount of City Funds that the City has paid to Developer.

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations 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, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code relating to waste disposal.

"Lease" and "Leases" shall have the meanings set forth in the Recitals hereof.

"Lender Financing" shall mean funds borrowed by JAL or by Owner, respectively, from lenders and irrevocably available to pay for Costs of the Project, in the amounts set forth in Section 4.01 hereof, including, without limitation, the Bridge Loan, the NMTC Loan and the Senior Loan.

"Master Lease" shall have the meaning set forth in the Recitals hereof.

"Material Amendment" shall mean an amendment of either the Master Lease or the Lease the net effect of which is to directly or indirectly do any of the following with respect to the Project: (a)

materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Master Lease or the Lease, as applicable, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Master Lease or the Lease, as applicable, of the amendment; or (b) shorten the initial term of the Master Lease or the Lease, as applicable, or grant additional early termination rights that, if exercised, would shorten the initial term of the Master Lease or the Lease, as applicable.

“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.

“Minimum Assessed Value” shall have the meaning set forth in Section 8.19(c) hereof

“Minimum Occupancy” shall mean the lease and occupancy of (a) the Grocery Store and (b) not less than 50% of the total square footage of the Project (other than the Grocery Store).

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

“Net Proceeds” shall have the meaning set forth in Section 8.20 hereof.

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

“New Project” shall mean a development project (a) for which the related redevelopment agreement is recorded on or after the date of this Agreement and (b) which will receive assistance in the form of Incremental Taxes; provided, however, that “New Project” shall not include any development project that is or will be exempt from the payment of ad valorem property taxes.

“NMTC” shall mean Federal New Markets Tax Credits.

“NMTC Compliance Period” shall mean the earlier of (a) the seventh (7th) anniversary of the closing date of the NMTC Loan or (b) the termination or repayment of the NMTC Loan.

“NMTC Lender” shall mean and CDF Suballocatee XXXVII LLC, an Illinois limited liability company.

“NMTC Loan” shall mean those certain loans in the amount of approximately \$3,972,000 made by the NMTC Lender to Owner for the Project.

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

"Occupancy Covenant" shall have the meaning set forth in Section 8.06 hereof.

"Operating Covenant" shall have the meaning set forth in Section 8.06 hereof.

"Operating Expenses" shall mean the amount of expenses necessary for the operation of the Project that (a) are not included in the Project Budget, (b) are not included in Capital Expenditures, (c) are incurred on or after the first anniversary of the date the Certificate is issued, (d) are approved in writing by the City, and (e) will not cause the ratio of all debt secured by the Project (including without limitation pursuant to a Refinancing, Lender Financing, or any other loans obtained by Developer in connection with the Property) to the total appraised value of the Project (as evidenced by a written appraisal satisfactory to the City in its reasonable discretion) to exceed 75%.

"Payment Amount" shall have the meaning set forth in Section 8.20 hereof.

"Permanent Jobs" shall have the meaning set forth in Section 8.06 hereof.

"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.

"Planned Development" shall mean the City of Chicago Business Planned Development Number 446.

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

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

"Prior Obligations" shall mean Incremental Taxes pledged or committed to support the following projects:

Montclare Senior Residences of Avalon Park Phase 1
Modern Schools Across Chicago bonds (South Shore High)

"Prohibited Uses" shall mean the uses set forth in Exhibit F.

"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 DPD, in accordance with Section 3.03 hereof.

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

"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.

"Refinancing" shall have the meaning set forth in Section 8.20 hereof.

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

"Sale" shall have the meaning set forth in Section 8.20 hereof.

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

"Senior Lender" shall mean National Cooperative Bank, N.A., its successors and/or assigns.

"Senior Loan" shall mean the approximately \$10,250,000 loaned by Senior Lender to Developer.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2016, 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 Facility 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 concluding at the end of the Compliance Period.

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

"TIF District Administration Fee" shall mean the fee described in Section 4.05(b) 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 Commonwealth Land Title Insurance Company.

“Title Policy” shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing fee simple title to the Property in Owner, subject to Permitted Mortgage(s) securing the NMTC Loan, the Senior Loan and the leasehold interest of JAL under the Master Lease and naming the City as an insured leasehold mortgagee in the full amount of the City Funds, noting the recording of this Agreement and the Junior Mortgage as encumbrances against the Property, and a subordination agreement 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.).

“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 Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof, complete construction and conduct operations no later than August 7, 2020, the date which is 18 months after the Closing Date, as such deadline may be extended pursuant to a Change Order under Section 3.04(c) subject to the limits described in Section 18.01.

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 DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$24,965,615. Developer hereby certifies to the City that (a) it has Lender Financing and Equity described in Section 4.02 hereof in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of Developer Space by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Developer Space to a use other than as described in Recital D to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; or

(d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD'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 the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD 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 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, prior to requests for disbursement for costs related to the Project hereunder. If approved by DPD, the inspecting agent or architect may be the same one being used in such role by the lender providing Lender Financing, provided that such agent or architect (a) is not also the Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

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

3.10 Signs and Public Relations. Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

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

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

3.13 The Developer. Among their other obligations described in this Agreement, (a) Owner shall own the Property and undertake construction of the Project in accordance with this Agreement, and (b) JAL shall operate its business at the Project in accordance with this Agreement. Owner and JAL agree that neither shall take any action which shall impede the performance of the other under this Agreement. Notwithstanding any other provisions of this Agreement to the contrary, each of Owner and JAL shall be jointly and severally liable for the obligations of the other party under this Agreement.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$24,965,615, to be applied in the manner set forth in the Project Budget. Such costs shall be funded through an NMTC financing structure from the following sources:

Sources of Funds	Amount
Lender Financing: Senior Loan	\$10,250,000
Lender Financing: NMTC Loan	\$3,972,000
Lender Financing: Bridge Loan	\$8,000,000
City Funds	\$2,000,000
Equity (subject to Section 4.06)	\$743,615
Total	\$24,965,615

(1) City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5 hereof.

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(c)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes	\$10,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$10,000,000 or 40.8% of the actual total Project costs; and provided further, that the \$10,000,000 to be derived from Available 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:

(i) The amount of the Available Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Available Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements;

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$10,000,000 is contingent upon the fulfillment of the conditions set forth above in Section 4.03(a) and Section 4.03(b). 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) City Funds. Subject to the conditions described in this Section 4.03, the City shall pay City Funds to Developer in five installments as follows:

(i) At the Closing Date, an amount equal to \$2,000,000 (the "Closing Date Payment");

(ii) Upon the date the Grocery Store is fully occupied and conducting business, the following "Annual Payment": an amount equal to 25% of the remainder of (A) the City Funds, as adjusted under Section 4.03(b), minus (B) \$2,000,000; and

(iii) Provided that the conditions described in Section 4.03(c)(ii) have been satisfied, upon each of the second, third and fourth anniversary of the Closing Date, an Annual Payment;

provided that if the amount of the Available Incremental Taxes deposited into the TIF Fund shall be insufficient to pay the entire amount of the Closing Date Payment or any Annual Payment when due, then the City shall pay the shortfall of such Closing Date Payment or any Annual Payment in one or more subsequent years, through the expiration of the Redevelopment Area, when and to the extent that Available Incremental Taxes deposited into the TIF Fund are sufficient to pay such costs.

4.04 Requisition Form. When Developer submits documentation to the City in connection with a request for the payment of City Funds as described in Section 4.03(c), beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

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

(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, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 Preconditions of Disbursement; Execution of Certificate of Expenditure. Prior to each disbursement of City Funds hereunder or execution of a Certificate of Expenditure by the City, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for

disbursement of City Funds, or the execution by the City of a Certificate of Expenditure 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 or request for execution of a Certificate of Expenditure, that:

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

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

(c) Developer has approved all work and materials for the current disbursement request or request for Certificate of Expenditure, 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 or execution of a Certificate of Expenditure 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 or execution of a Certificate of Expenditure, including but not limited to requirements set forth in the Bond Ordinance, if any, the Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

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

4.09 Sale or Transfer of the Property or Project.

(a) Prior to the Issuance of the Certificate. Developer must obtain the prior approval of the City for any sale or transfer of any part of the Property or the Project prior to the issuance of the Certificate.

(b) After the Issuance of the Certificate. After the Certificate is issued, subject to compliance with Section 8.20, Developer need not obtain prior approval for any sale or transfer of any part of the Property or the Project; provided, however, that Developer must notify the City not less than 60 days before any closing of sale of Developer's intention to sell any part of the Property or the Project. Developer must provide the City with true and correct copies of any contract for sale and related documents as part of such notice.

4.10 Construction Escrow. The City and Developer hereby agree to enter into the Escrow Agreement, if required by the Senior Lender. Except as expressly set forth herein, all disbursements of Project funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement. If the Senior Lender does not require an Escrow Agreement, then all disbursement of Project funds shall be made by the Developer or by the Lenders. If Lender Financing is provided as contemplated by Section 4.01(a) to bridge finance any of the City Funds, then Developer may direct the amounts payable pursuant to Section 4.03 to be paid by the City in accordance with this Agreement to an account established by Developer with the Lender providing the Lender Financing until the full repayment of the Lender Financing.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. Developer has secured 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 other sources set forth in Section 4.01) to complete the Project. Developer has delivered to DPD a copy of the Escrow Agreement entered into by Developer regarding the NMTC Loan, the Senior Loan, and any other Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, in substantially the form set forth in Exhibit N hereto, with such changes as are acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, or a binding, signed, marked-up commitment to issue such Initial Title Policy, certified by the Title Company, naming the City as an insured leasehold mortgagee in the full amount of the City Funds. 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 and the leasehold Junior Mortgage 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 DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name (and the following trade names of Developer: None) 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 Recorder	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. Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel, 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. Each of JAL and Owner 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. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of DPD to review employment opportunities with the Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to DPD, and DPD has approved, the Employment Plan for the Project (the "Employment Plan"). The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project. The Employment Plan will describe outreach efforts by the Developer to residents of the South Shore neighborhood, including: (a) engaging a local community organization to recruit, train, prepare, and follow up with prospective Grocery Store applicants from the South Shore neighborhood, (b) hosting at least 3 outreach and recruiting job fairs in the South Shore neighborhood; and (c) following up with residents of the South Shore neighborhood who are hired in order to support their continued employment.

5.13 Environmental. Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its Articles or Certificate of Incorporation or organization containing the original certification of the Secretary of State of its state of incorporation or organization; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which JAL or Owner is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws or operating agreement of JAL and Owner; and such other corporate 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.

5.16 Junior Mortgage. JAL shall have delivered to the City the Junior Mortgage and such financing statements as the City may require.

5.17 Master Lease, Leases and Other Agreements. Complete copies of the Master Lease, the executed Leases, and all other written agreements, if any, setting forth the parties' understandings relating to Owner's ownership, JAL's occupancy and leasing and each tenant's occupancy of the Property and any financial agreements between the parties in any way relating to the Property, the Master Lease or the Leases, certified by JAL and Owner, shall have been delivered to the City. Copies of tenant certifications, if any, required under Executive Order No. 2018-3, as described in Section 8.26.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed 10% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit O hereto. The City shall be named as obligee or co-obligee on any such bonds. If no portion of the Project includes work on the public way, no bonds shall be required under this Section 6.03.

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 construction of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of the Project (the "Final Project Cost"), DPD shall issue to the Developer the Certificate (the "Certificate"), all in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. No Certificate shall be issued unless DPD is satisfied that the Developer has fulfilled all of the following obligations:

- (a) Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project;
- (b) Owner has completed construction of the Project according to the Plans and Specifications;
- (c) The Grocery Store is fully occupied and conducting business, and not less than 50 percent of the remaining commercial space in the Project (as measured by floor area) is leased, occupied and conducting business;
- (d) The Final Project Cost is at least \$24,965,615 (as described in Section 4.03(b), the amount of City Funds will be reduced dollar for dollar if the Final Project Cost is less than \$24,965,615);

- (e) Evidence that Developer has incurred TIF-eligible costs, in an equal amount to, or greater than, \$10,000,000;
- (f) The City's Monitoring and Compliance Unit has verified that, at the time the Certificate is issued, the Developer is in full compliance with City requirements set forth in Section 10 and Section 8.09 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled; and
- (g) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

DPD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either the requested Certificate or a written statement detailing the ways in which the Project as a whole does not conform to this Agreement or has not been satisfactorily completed, and the measures that must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon its completion of such measures.

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 (*Covenant to Redevelop*), 8.06 (*Operating Covenant; Occupancy Covenant; Job Creation*), 8.19 (*Real Estate Provisions*), 8.20 (*Payment upon Sale or Refinancing*), 8.21 (*Annual Compliance Report*) and 8.24 (*Master Lease and Lease Representations, Warranties and Covenants*) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If Developer fails to complete the Project and to receive a Certificate 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 make a demand under the Guaranty; and
- (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.

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

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

(a) Each of JAL and Owner is an Illinois limited liability company duly organized, validly existing, qualified to do business 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) Each of JAL and Owner 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 corporate action, and does not and will not violate its Articles of Incorporation or by-laws as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

(d) 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), and JAL shall acquire and shall maintain good, indefeasible and merchantable leasehold title to the Property (and all improvements thereon), in each case 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 and except for the lease of the Property described in the Master Lease and Lease; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity, provided, that the City expressly consents to the guarantees and indemnities entered into by JAL or Owner in conjunction with the NMTC Loan, the Senior Loan and/or the other Lender Financing, including, without limitation, (i) a guaranty by JAL of the NMTC Loan, (ii) JAL and Owner agreeing to indemnify the investor member of the Investment Fund on account of a recapture or disallowance of the NMTC expected to be claimed by such party), (iii) an environmental indemnity by Owner and JAL for the benefit of the NMTC Lenders and affiliates thereof, and (iv) guarantees and obligations of and under the Lender Financing; 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; and

(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 Jeffery Plaza Project Account of the TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

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

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except 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;

(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; and

(s) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) May 16, 2011, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b)

reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) Bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which is then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;

- d. a lease for a residence identifying both domestic partners as tenants.
4. Each partner identifies the other partner as a primary beneficiary in a will.

“Political fundraising committee” means a “political fundraising committee” as defined in Chapter 2-156 of the Municipal Code, as amended.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, if applicable, 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 8.02 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

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

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

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the “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 Operating Covenant; Occupancy Covenant; Job Creation.

(a) Operating Covenant. The Developer throughout the Compliance Period (i) shall cause the Property to be used as a retail shopping center, including the Grocery Store, as permitted pursuant to the Redevelopment Plan, the Planned Development and this Agreement; (ii) shall lease to tenants whose operations shall not include any Prohibited Uses, without the consent of the Commissioner, in the Commissioner's sole discretion, (iii) shall obtain the approval of the Commissioner, in the Commissioner's sole discretion prior to leasing to the following tenants: (A) initial uses that occupy 10,000 square feet except for the Grocery Store; or (B) discounters occupying 25,000 square feet or more if such discounter would bring the total number of such discounters (regardless of the number of square feet occupied by each discounter) to more than one; and (iv) shall not include any restriction upon the use and operation of the Property and the

Project, other than restrictions relating to Prohibited Uses, in any contract of sale or deed (or similar instrument) of conveyance (the covenants in clauses (i) through (iv) shall be referred to collectively as the "Operating Covenant"). Wherever there is a conflict between the permitted uses of the Property and the Project, between this Agreement and the other controlling documents set forth above, the terms of this Agreement shall control. A default under the Operating Covenant shall constitute an Event of Default without notice or opportunity to cure.

(b) Occupancy Covenant. The Developer shall maintain for the 12 months preceding Developer's delivery of a Jobs and Occupancy Certificates an average occupancy equal to the Minimum Occupancy (the "Occupancy Covenant") throughout the Compliance Period in order to receive Annual Payments. A default under the Occupancy Covenant shall be subject to the cure provisions described in Section 15.04.

(c) Job Creation. The Developer anticipates that the Project will result in the creation of (i) approximately 70 FTE construction jobs at the Project during the construction thereof (the "Construction Jobs") and (ii) approximately 60 FTE permanent jobs at the Grocery Store and approximately 86 FTE jobs elsewhere at the Project at the completion thereof to be retained or created at the Facility through the Term of the Agreement (the "Permanent Jobs"); provided, that the failure of the Project to result in the creation of the anticipated number of Construction Jobs and/or Permanent Jobs described in this sentence shall not constitute an Event of Default.

Throughout the Compliance Period, the Developer shall submit to DPD annual certified Jobs and Occupancy Certificates disclosing information about Construction Jobs and Permanent Jobs and compliance with the Operating Covenant and the Occupancy Covenant. These Jobs and Occupancy Certificates shall be submitted to DPD by February 1st for the prior calendar year.

The covenants set forth in this Section 8.06 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

A default by either Owner or JAL under the Master Lease shall not (a) relieve Owner or JAL from its obligations under this Agreement or (b) constitute any defense, excuse of performance, release, discharge or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under this Agreement.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

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

8.09 Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate

as ascertained by the 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 has given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

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

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2018 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, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

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

8.17 Compliance with Laws.

(a) Representation. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be, as and when required, in compliance with all applicable Laws 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.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all Laws. Upon the City's request, the Developer shall provide evidence to the City of its compliance with this covenant.

8.18 Recording and Filing. Developer 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. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer 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. The covenants set forth in this Section 8.19 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create,

may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(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 Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. Developer agrees that for the purpose of this Agreement, the total projected minimum assessed value of the Property ("Minimum Assessed Value") is shown below:

<u>Tax Year</u>	<u>Total Assessed Value</u>
2018	\$1,543,436
2019	\$1,543,436
2020	\$1,543,436
2021	\$1,637,907
2022	\$1,637,907

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to 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.

(iii) No Reduction in Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value for the applicable year.

(iv) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value.

(v) 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 Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon Developer and its 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. Developer 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 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.19(c).

(d) Notification to the Cook County Assessor of Change in Use and Ownership. Prior to the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the

Property. On the Closing Date, Developer shall pay to the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 Payment upon Sale or Refinancing. With respect to a Sale or Refinancing during the Compliance Period, Owner (in the case of a Sale of JAL's membership interests by Owner) or JAL, as applicable (a) shall provide the City within thirty business days before the closing, a copy of the signed purchase and sale or refinancing agreement, including all exhibits, an estimate of the Net Proceeds from such transaction, and (b) if the Net Proceeds are a positive amount, shall provide the City within five business days after the closing, a certified closing statement for such Sale or Refinancing and a check or wire transfer in the amount of the Payment Amount.

If Owner (in the case of a Sale of JAL's membership interests by Owner) or JAL, as applicable, pursuant to this Section 8.20 repays the entire amount of City Funds previously disbursed by the City plus compounded interest from the date the City Funds were disbursed, then promptly following such repayment the City shall execute and deliver to Developer a release of this Agreement in recordable form, to be recorded by Developer at Developer's expense.

"Foreclosure" shall mean the succession by a lender providing Lender Financing to the interest of Developer 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 proceeding in lieu of foreclosure or otherwise, and excluding any subsequent Sale.

"Net Proceeds" of any Sale or Refinancing shall mean an amount equal to the proceeds of any Sale or Refinancing realized by Owner (in the case of a Sale of JAL's membership interests by Owner) or JAL, as applicable, minus (a) all accrued and unpaid Lender Financing on the Project or the portion thereof sold or refinanced, not forgiven, assumed or taken subject to by the buyer, (b) in the case of a Sale by a lender after Foreclosure, the amount of Lender Financing satisfied by the Foreclosure, (c) Closing Costs of such Sale or Refinancing, (d) Capital Expenditures funded by such Refinancing, and (e) Operating Expenses funded by such Refinancing.

"Payment Amount" shall mean, during each period specified below, an amount equal to the indicated percentage of the City Funds, where "Year 1" means the period from the date the Certificate is issued through the First Anniversary, "Year 2" means the period from the First Anniversary through the second anniversary of the date the Certificate is issued, and so on; provided, however, that the schedule below shall be extended by one year if the Developer delivers an Extension Notice and cures the applicable Event of Default within the one-year period during which the Extension Notice was delivered.

Example 1: No Extension Notice is delivered, or an Extension Notice is delivered but the applicable Event of Default is not cured within the one-year period during which the Extension Notice was delivered.

Time Period	Percentage of City Funds	Dollar Amount (assuming City Funds equal \$10,000,000)
Year 1	100%	\$10,000,000
Year 2	100%	\$10,000,000

Year 3	100%	\$10,000,000
Year 4	100%	\$10,000,000
Year 5	100%	\$10,000,000
Year 6	100%	\$10,000,000
Year 7	80%	\$8,000,000
Year 8	60%	\$6,000,000
Year 9	40%	\$4,000,000
Year 10	20%	\$2,000,000

Example 2: An Extension Notice is delivered in Year 8 and the applicable Event of Default is cured within the one-year period during which the Extension Notice was delivered.

Time Period	Percentage of City Funds	Dollar Amount (assuming City Funds equal \$10,000,000)
Year 1	100%	\$10,000,000
Year 2	100%	\$10,000,000
Year 3	100%	\$10,000,000
Year 4	100%	\$10,000,000
Year 5	100%	\$10,000,000
Year 6	100%	\$10,000,000
Year 7	80%	\$8,000,000
Year 8	60%	\$6,000,000
Year 9	60%	\$6,000,000
Year 10	40%	\$4,000,000
Year 11	20%	\$2,000,000

"Refinancing" shall mean the refinancing by the Developer of the Lender Financing or any new loans obtained by the Developer in connection with the Property; provided, that neither the further investment of equity capital in JAL by Owner to finance construction or operations of the Project, nor the repayment, retirement, or extinguishment of the NMTC Loan after the NMTC Compliance Period shall by itself be considered to be a Refinancing.

"Sale" shall mean (a) the sale, exchange or other disposition of all or any portion of the Project and/or the Property by the Developer to a buyer for cash, property, assumption of indebtedness or other consideration, or (b) the sale, exchange or other disposition of all or any portion of JAL's membership interests by Owner, or the issuance of additional membership interests by JAL, for cash, property, assumption of indebtedness or other consideration; provided, however, that while a Foreclosure shall not constitute a Sale, any subsequent sale, exchange or other disposition of all or any portion of the Project and/or the Property after Foreclosure shall constitute a Sale; and provided, further, that neither the further investment of equity capital in JAL by Owner to finance construction or operations of the Project, nor the repayment, retirement, or extinguishment of the NMTC Loan after the NMTC Compliance Period shall by itself be considered to be a Sale.

The covenants set forth in this Section shall run with the land and the leasehold interest and be binding upon any transferee throughout the Compliance Period.

8.21 Annual Compliance Report. 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. Failure by Developer to submit the Annual Compliance Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants set forth in this Section 8.21 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

8.22 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.

8.23 Sustainable Development Policy. The Developer shall provide evidence acceptable to the City that they have complied with the Chicago Sustainable Development Policy standards for a Moderate Renovation Project (25 points required) for the Project within 1 year after the date of the Certificate. If a default occurs under this Section 8.23, the City shall have the right to reduce the City Funds by \$250,000 as described in Section 15.02.

8.24 Master Lease and Lease Representations, Warranties and Covenants. The Developer represents, warrants and covenants as follows:

(a) as of the date hereof, the Master Lease is valid and binding as to JAL and Owner, as applicable, and the executed Leases are valid and binding on Owner; the Master Lease and the executed Leases are in full force and effect, and are either unmodified or modified only by approved Material Amendments and/or amendments that do not constitute Material Amendments;

(b) as of the date hereof, each of JAL and Owner has performed all of its current obligations under the Master Lease and the Owner has performed all of its current obligations under any executed Leases;

(c) Throughout the Term of the Agreement, each of JAL and Owner shall deliver to DPD a copy of written notice of any change in circumstances of which Developer has knowledge that makes the representations and warranties in this Section 8.24 inaccurate;

(d) Throughout the Term of the Agreement, each of JAL and Owner shall comply with its obligations under the Master Lease and Owner shall comply with its obligations under the executed Leases;

(e) Throughout the Term of the Agreement, neither JAL nor Owner shall (i) execute or consent to a Material Amendment or (ii) sell, sublease, release, assign or otherwise transfer its interest in the Master Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion;

(f) Throughout the Term of the Agreement, Owner shall not (i) execute or consent to a Material Amendment or (ii) sell, sublease, release, assign or otherwise transfer its interest in any executed Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion;

(g) If JAL at any time acquires a fee interest in the Property, then simultaneously with such acquisition, JAL shall execute and deliver to the City a Junior Mortgage, which shall be subordinate to the mortgages securing the Lender Financing; and

(h) After the NMTC Compliance Period, and upon the repayment, retirement, or extinguishment of the NMTC Loan, the City will release the Junior Mortgage provided by JAL and Owner shall execute and deliver to the City a Junior Mortgage, which shall be subordinate to the mortgages securing the Lender Financing.

The covenants set forth in this Section 8.24 shall run with the land and the leasehold interest and be binding upon any transferee for the Term of the Agreement.

8.25. 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

8.26 Compliance with Executive Order No. 2018-3.

(a) In compliance with the City of Chicago Executive Order No. 2018-3, Developer attests to the following:

(i) that the Developer has received a sworn certificate signed within the last 60 days by a senior executive from each tenant leasing 25,000 or more square feet of the Project stating that, effective as of the Closing Date, the tenant has no plans to close any of its other retail locations within the City of Chicago in the future; and Developer attests that effective as of the Closing Date, Developer has no plans to close any of its other retail locations within the City of Chicago in the future;

(ii) that the City is a third-party beneficiary of any such certificate; and

(iii) that the Developer understands that should any such tenant certificate prove to be false or misleading, the City shall have the right to declare the Developer in default and terminate this Agreement.

(b) After the Closing Date, for any initial tenant of 25,000 or more square feet of the Project which was not identified at the time of the Closing Date with whom the Developer plans to execute a Lease, the Developer shall submit to the City affidavits attesting to the fact that it has received sworn certificates in conformance with subsection 8.26(a) prior to and effective as of the initial Lease or be in default under this Agreement.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

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

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

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

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

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

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.
- (2) At least six 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.

(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, (3) exercise all remedies available under the Junior Mortgage or (4) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred,

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "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:

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

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

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

(iv) 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 Developer hereunder:

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

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

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

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

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

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

(i) the dissolution of Developer;

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

(k) prior to the end of the Term of the Agreement, without the prior written consent of the City, any sale, transfer, conveyance, lease or other disposition of all or substantially all of Developer's 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 or as otherwise expressly permitted by this Agreement;

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

(m) the assignment or other direct or indirect transfer by Owner or JAL, as applicable, of the Master Lease or any Lease without the prior written approval of the City (which shall be in the City's sole discretion); or

(n) an Event of Default (as defined in the Master Lease or the Lease, as applicable) by Owner or JAL under the Master Lease or the Lease, as applicable, that is not cured within the cure period, if any, granted under the Master Lease or the Lease, as applicable, or the Developer's execution of a Material Amendment without the prior written approval of the City under Section 8.24.

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 issued and outstanding shares of stock or membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, make a demand under the Guaranty, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Funds paid; provided, however, that the Developer's obligation to reimburse City Funds shall be deferred until thirty (30) days after the end of the NMTC Compliance Period. Notwithstanding the foregoing, the City's remedy of suspending disbursement of City Funds shall apply only to an Event of Default occurring before the Certificate is issued.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.23, Sustainable Development Policy, the City shall have the right to seek reimbursement of \$250,000 of City Funds by reducing one or more Annual Payments or requiring the Developer to return City Funds. If the City reduces the City Funds paid as described in the preceding sentence, the City shall have no other remedy for the Developer's failure to comply with Section 8.23.

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, foreclosure of the Junior Mortgage, injunctive relief or the specific performance of the agreements contained herein or in the Junior Mortgage.

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 (including without limitation under Section 15.01(j), if applicable) 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; provided, further, that no cure period shall apply to Developer's failure to comply with the Operating Covenant, with Section 8.19(c) or with Section 8.23; and provided, further, the only cure provisions with respect to the Developer's failure to comply with the Occupancy Covenant are contained in Section 15.04 below.

15.04 Occupancy Covenant Curative Period. Notwithstanding any other provision of this Agreement to the contrary, if the Developer defaults under the Occupancy Covenant, an Event of Default shall not be declared with respect to such default if the Developer, upon irrevocable written notice (the "Extension Notice") accompanying the Jobs and Occupancy Certificate, elects to extend the Compliance Period by one year to the eleventh (11th) anniversary of the date the Certificate is

issued. The one year period during which the Extension Notice is given shall be the only cure period allowed for a default by Developer of the Occupancy Covenant as described in this paragraph; no other notice or cure periods shall apply thereto. If such default is not cured within such one year period then the Compliance Period shall not be extended and an Event of Default shall exist without notice or opportunity to cure. If the Developer has not delivered a permitted Extension Notice then any default by the Developer of the Occupancy Covenant shall constitute an Event of Default without notice or opportunity to cure. The Developer shall be entitled to deliver one Extension Notice. If the Developer has delivered an Extension Notice, then any subsequent default by the Developer of the Occupancy Covenant shall constitute an Event of Default without notice or opportunity to cure.

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." 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 (x) New Mortgage securing the NMTC Loan or the Lender Financing or any New Mortgage put in place as part of a refinancing of the NMTC Loan or the Lender Financing (if the principal amount secured thereby does not exceed the aggregate outstanding principal balance of the NMTC Loan or Lender Financing, as applicable, immediately prior to such refinancing, plus Closing Costs of such refinancing, Capital Expenditures funded by such refinancing and Operating Expenses funded by such refinancing) or (y) any other New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 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 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing

Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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

SECTION 17. NOTICE

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

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>Jeffrey Advisors, LLC 8847 S. Harlem Ave. Bridgeview, IL 60455 Attention: Kenneth O'Connor, Controller</p>
<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>Tinkoff Law Group, LLC 413 E. Main St. Barrington, IL 60010 Attn: Bruce N. Tinkoff</p>

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. In light of the provision describing Change Orders in Section 3.04(c), plus the limitation in this Section 18.01, it is acknowledged that if the Developer or its designee wishes to avail itself of the full extension time without City Council approval, the maximum extension time for completion of the Project is six months plus 90 days, and will expire no later than May 8, 2021.

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 and/or the the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

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

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

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however that Owner and/or JAL may execute the Assignment. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.27 (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 agree 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.

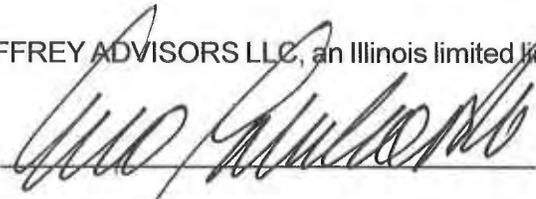
18.21 Subordination Agreement. Upon the request of a lender providing Lender Financing, the City shall agree to subordinate its interests under this Agreement and the Junior Mortgage to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel.

18.22. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.

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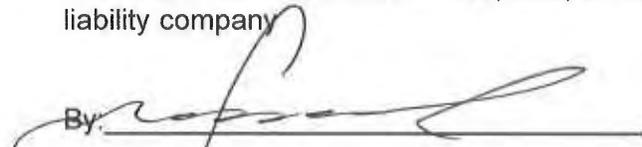
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

JEFFREY ADVISORS LLC, an Illinois limited liability company

By: 

Name: EWA JAKUBOWSKI
Title: Manager of Jeffrey Advisors, LLC.

7131 JEFFREY DEVELOPMENT, LLC, an Illinois limited liability company

By: 

Name: CEZARY JAKUBOWSKI
Title: Manager of 7131 Jeffrey Development LLC

CITY OF CHICAGO

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

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.

JEFFREY ADVISORS LLC, an Illinois limited liability company

By: _____

Name:

Title:

7131 JEFFREY DEVELOPMENT, LLC, an Illinois limited liability company

By: _____

Name:

Title:

CITY OF CHICAGO

By: _____

David L. Reifman, Commissioner
Department of Planning and Development

EXHIBIT A
REDEVELOPMENT AREA

(attached)

Exhibit "A".

That part of the west half of Section 19 and the northwest quarter of Section 35, Township 38 North, Range 15 East and that part of Sections 23, 24, 25, 26, the north half of Section 35 and the northwest quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois described as follows:

beginning at the intersection of the northeast right-of-way line of Anthony Avenue and the east right-of-way line of Stony Island Avenue; thence northwest along said northeast right-of-way line to the intersection of said west right-of-way line of Stony Island Avenue with the east extension of the north right-of-way line of 80th Street; thence west along said extension to the southwest right-of-way line of said Anthony Avenue; thence northwest along said southwest right-of-way line to the east right-of-way line of Blackstone Avenue; thence west, normal from said east right-of-way line to the west right-of-way line of said Blackstone Avenue; thence north along said west right-of-way line to the south line of Lot 1 in Block 4 of Charles L. Hutchinson's Subdivision of part of said Section 35; thence west along said south lot line to the east line of a public alley in said block; thence south along said east alley line to the east extension of the south line of Lot 44 in said Block 4; thence west along said extension and said south line to the east right-of-way line of Dante Avenue; thence west to the southeast corner of Lot 4 in Block 5 of said subdivision; thence west along the south line of said lot to the east line of a public alley in said block; thence west to the southeast corner of Lot 45 in said block; thence west along the south line of said lot and its west extension to the west right-of-way line of Dorchester Avenue; thence north along said west right-of-way line to the south line of the north 24.36 feet of Lot 1 in Block 104 of Cornell's Subdivision of part of said Sections 26 and 35; thence west along said south line to the east line of a public alley in said block; thence west to the southeast corner of the north 25.3 feet of Lot 46 in said block; thence west along the south line of said 25.3 feet of said lot to the east right-of-way line of Kenwood Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 1 in Odolph A. Johnson's Resubdivision of part of said Cornell's Subdivision; thence west along said extension and said south line to the east line of a public alley in said subdivision; thence south along said east alley line to the east extension of the south line of the north 12.50 feet of Lot 42 in Block 105 of said Cornell's Subdivision; thence west along said extension, said south line, and its westerly extension to the west right-of-way line of Kimbark Avenue; thence north along said west right-of-way line to the south right-of-way line of 79th Street; thence west along said south right-of-way line to the

east line of a public alley in Block 106 of said Cornell's Subdivision; thence south along said east alley line to the east extension of the south line of the north 6 feet of Lot 44 in said Block 106; thence west along said extension and said south line to the east right-of-way line of Avalon Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 3 in Block 107 of said Cornell's Subdivision; thence west along said extension, said south line and its west extension to the west line of a public alley in said block; thence north along said west alley line to the south line of Lot 45 in said block; thence west along said south line to the east right-of-way line of Woodlawn Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 5 in the resubdivision of Block 108 of said Cornell's Subdivision; thence west along said extension and said south line to the east line of a public alley in said resubdivision; thence south along said east alley line and its south extension to the south right-of-way line of 79th Place; thence west along said south right-of-way line to the east right-of-way line of the Illinois Central Railroad; thence north along said east right-of-way line to the south right-of-way line of said 79th Street; thence west along said south right-of-way line to the south extension of the east right-of-way line of said Illinois Central Railroad as platted north of said 79th Street; thence north along said extension and said east right-of-way line to the south right-of-way line of 76th Street; thence west along said south right-of-way line to the east right-of-way line of said Illinois Central Railroad as platted north of said 76th Street; thence north along said east right-of-way line to the north right-of-way line of said 76th Street; thence east along said north right-of-way line to the southwest right-of-way line of the Pennsylvania Railroad; thence southeast along said southwest right-of-way line to said south right-of-way line of said 76th Street; thence west along said south right-of-way line to the northeast right-of-way line of said Anthony Avenue; thence southeast along said right-of-way line to the east right-of-way line of said Avalon Avenue; thence south along said right-of-way line to the east extension of the south right-of-way line of 77th Street; thence west along said extension and said south right-of-way line to the east line of a public alley in Block 78 of said Cornell's Subdivision; thence south along said east alley line to the north line of Lot 12 in said block; thence east along said north line and its east extension to the east right-of-way line of Avalon Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 2 in Block 95 of said Cornell's Subdivision; thence west along said extension and said south line to the east line of a public alley in said block; thence south along said east alley line to the east extension of the north line of Lot 43 in said Block 95; thence west along said extension and said north line to the east right-of-way line of Woodlawn Avenue; thence south along said east right-of-way line to the north line of Lot 24 in said Block 95; thence east along said north line to the west line of a public alley in said Block 95; thence north along said west alley line to the west extension of the north line of Lot

20 in said Block 95; thence east along said extension and said north line to the west right-of-way line of Avalon Avenue; thence north along said west right-of-way line to the west extension of the north line of Lot 29 in Block 96 of said Cornell's Subdivision; thence east along said extension and said north line to the east line of a public alley in said block; thence south along said east alley line to the north line of the south 6.00 feet of Lot 19 in said block; thence east along said north line to the west right-of-way line of Kimbark Avenue; thence north along said west right-of-way line to the west extension of the north line of a public alley in Block 97 of said subdivision; thence east along said extension and said public alley line to the west right-of-way line of Kenwood Avenue; thence north along said west right-of-way line to the north right-of-way line of 78th Street; thence east along said north right-of-way line to the northwest right-of-way line of Dante Avenue; thence northeast along said northwest right-of-way line and its northeast extension to the northeast right-of-way line of said Pennsylvania Railroad; thence northwest along said northeast right-of-way line to the north right-of-way line of said 76th Street; thence east along said north right-of-way line to the southwest right-of-way line of South Chicago Avenue; thence northwest along said southwest right-of-way line to the southwest extension of the northwest right-of-way line of Kimbark Avenue; thence northeast along said northwest right-of-way line to an angle; thence east to the east right-of-way line of said Kimbark Avenue; thence south along said east right-of-way line to the north line of a public alley in Block 40 of said Cornell's Subdivision; thence east along said north alley line and its east extension to the east line of a public alley in said block; thence south along said east alley line to the north line of a public alley in said block; thence east along said north alley line to the west right-of-way line of Kenwood Avenue; thence east to the intersection of the north line of a public alley in Block 39 of said Cornell's Subdivision with the east right-of-way line of said Kenwood Avenue; thence east along said north alley line and its east extension to the east right-of-way line of Dorchester Avenue; thence south along said east right-of-way line to the north right-of-way line of 76th Street; thence east along said north right-of-way line to the west right-of-way line of Blackstone Avenue; thence north along said west right-of-way line to the north right-of-way line of 75th Street; thence east along said north right-of-way line to the west line of Lot 16 in Carton & Johnston's Subdivision of part of said Section 26; thence north along said west line and its north extension to the north line of a public alley in said subdivision; thence east along said north alley line to the west line of a public alley in said subdivision; thence north along said west alley line to the south right-of-way line of 74th Place; thence north to the intersection of the north right-of-way line of said 74th Place with the west line of a public alley in T.B. Keefe's Subdivision of part of said Section 26; thence north along said west public alley line to the south right-of-way line of 74th Street; thence north to the intersection of the north right-of-way line of said 74th Street with

the west line of a public alley in Wentworth's Subdivisions of part of said Section 26; thence north along said west alley line to the south right-of-way line of 73rd Place; thence north to the intersection of the north right-of-way line of said 73rd Place with the west line of a public alley in Slawson's Subdivision of part of said section and in Robertson's Resubdivision thereof; thence north along said west alley line and its north extension to the north right-of-way line of 73rd Street; thence east along said north right-of-way line to the southwest right-of-way line of the Baltimore and Ohio Railroad; thence northwest along said southwest right-of-way line to the south line of a public alley in Block 16 of John G. Shortall Trustee's Subdivision; thence west along said south alley line and its west extension to the west right-of-way line of Blackstone Avenue; thence north along said west right-of-way line to the north right-of-way line of 72nd Place; thence east along said north right-of-way line to the west line of a public alley in Blocks 9, 8 and 1 of said Trustee's Subdivision; thence north along said west alley line through said Blocks 9, 8 and 1 to the south line of a public alley in said Block 1 and Block 2 of said Trustee's Subdivision; thence west along said south alley line through said Blocks 1 and 2 and its west extension to the west right-of-way line of Dorchester Avenue; thence north along said west right-of-way line to the south right-of-way line of 71st Street; thence west along said south right-of-way line to the east right-of-way line of the Illinois Central Railroad; thence north along said east right-of-way line to the south right-of-way line of 67th Street; thence west along said south right-of-way line to the south extension of the west line of a public alley abutting Lots 21 through 40 in a subdivision of Blocks 15 and 16 of Woodlawn Ridge's Subdivision of part of said Section 23; thence north along said south extension and said west alley line to the south right-of-way line of 66th Street; thence east along said south right-of-way line to the east line of a public alley in White and Coleman's Subdivision of Block 4 of Junius Mulvey's Subdivision of part of said Section 23; thence south along said east alley line to the south right-of-way line of 66th Place; thence west along said south right-of-way line to the west line of the east 16 feet of Lot 9 in White and Coleman's Subdivision of Lots 16 to 25 of Block 1 of said Junius Mulvey's Subdivision; thence south along said west line and its south extension to the south line of a public alley in said subdivision; thence west along said south alley line to the west line of Lot 11 in a subdivision of Blocks 1 and 4 of said Junius Mulvey's Subdivision; thence south along said west line to the north right-of-way line of 67th Street; thence east along said north right-of-way line to the north extension of the east right-of-way line of Stony Island Avenue as platted south of said 67th Street; thence south along said extension and said east right-of-way line to the south right-of-way line of 69th Street; thence west along said south right-of-way line to east right-of-way line of Stony Island Avenue; thence south along said east right-of-way line to the north line of Block 3 of Hambleton's Subdivision of part of the Superior Court Partition of part of said Section 24;

thence east along said north line to the east line of a public alley in said block and also in A. Matteson's Subdivision of part of said Section 24; thence south along said east alley line to the north right-of-way line of 70th Street; thence south to the intersection of the south right-of-way line of 70th Street with the east line of a public alley in Block 3 of Cronkhite, Clarkson and Boyd's Subdivision of part of said Section 24; thence south along said east alley line to the north line of Lot 9 in said block; thence east along said north line to the west right-of-way line of Cornell Avenue; thence north along said west right-of-way line to the west extension of the north line of Lot 18 in Block 2 of said Cronkhite, Clarkson and Boyd's Subdivision; thence east along said extension and said north line to the west line of a public alley in said Block 2; thence north along said west alley line to the south right-of-way line of 70th Street; thence north to the intersection of the north right-of-way line of 70th Street with the west line of a public alley in said A. Matteson's Subdivision and also in Block 2 of said Hambleton's Subdivision and also in Block 2 of Dickey and Baker's Subdivision of part of said Section 24; thence north along said west alley line and its north extension to the north right-of-way line of 69th Street; thence east along said north right-of-way line to the north extension of the east right-of-way line of East End Avenue; thence south along said extension and said east right-of-way line to the south line of Lot 15 in Block 1 of said Cronkhite, Clarkson and Boyd's Subdivision; thence east along said south line to the west line of a public alley in said Block 1; thence north along said west alley line to the west extension of the north line of Lot 10 in said Block 1; thence east along said extension and said north line to the west right-of-way line of Cregier Avenue; thence north along said west right-of-way line to the west extension of the north line of Lots 16 and 9 in Block 13 of Jackson Park Highlands Subdivision of part of said Section 24; thence east along said extension, said north line and its east extension to the east right-of-way line of Constance Avenue; thence south along said east right-of-way line to north line of the south 20 feet of Lot 14 in Block 14 of said Jackson Park Highlands; thence east along said north line to the west line of Lot 11 in said block; thence south along said west line to the south line of said Lot 11; thence east along said south line to the west right-of-way line of Bennett Avenue; thence north along said west right-of-way line to the west extension of the north line of the south 42 feet of Lot 14 in Block 15 of said Jackson Park Highlands; thence east along said extension and said north line to the west line of Lot 11 in said block; thence north along said west line to the north line of the south 46 feet of said Lot 11; thence east along said north line to the west right-of-way line of Euclid Avenue; thence north along said west right-of-way line to the west extension of the north line of Lots 14 and 9 in Block 16 of said Jackson Park Highlands; thence east along said extension and said north line to the west right-of-way line of Jeffery Avenue; thence south along said west right-of-way line to the west extension of the north line of the south 40 feet of Lot 9 in

Block 1 of Commissioner's Partition of part of said Section 24; thence east along said extension, said north line and its east extension to the east line of a public alley in said Block 1; thence south along said east alley line to the north line of the south 0.25 feet of Lot 15 in said Block 1; thence east along said north line to the west right-of-way line of Chappel Avenue; thence east to the intersection of the east right-of-way line of Chappel Avenue with the north line of the south 45 feet of Lot 14 in Block 2 of said Commissioner's Partition; thence east along said north line to the west line of a public alley in said Block 2; thence north along said west alley line to the west extension of the north line of the south 17.75 feet of Lot 9 in said Block 2; thence east along said extension, said north line and its east extension to the east right-of-way line of Clyde Avenue; thence south along said east right-of-way line to the north line of a public alley in Block 3 of said Commissioner's Partition; thence east along said north alley line to the west right-of-way line of Merrill Avenue; thence east to the intersection of the east right-of-way line of Merrill Avenue with the south line of Lot 10 in E. L. Summer's Subdivision of part of said Commissioner's Partition; thence east along said south line to the west line of a public alley between said Summer's Subdivision and a resubdivision of the east half of Block 4 of said Commissioner's Partition; thence north along said west alley line to the west extension of the north line of the south 26 feet of Lot 9 in said resubdivision; thence east along said extension, said north line and its east extension to the east right-of-way line of Paxton Avenue; thence south along said east right-of-way line to the north line of a public alley in Block 6 of a resubdivision of part of South Shore Division Number 5 of part of said Section 24; thence east along said north alley line to the west right-of-way line of Crandon Avenue; thence north along said west right-of-way line to the north right-of-way line of 70th Place; thence east along said north right-of-way line to the west right-of-way line of South Shore Drive; thence north along said west right-of-way to a cul-de-sac at the intersection of 67th Street; thence clockwise along said cul-de-sac to the west shore of Lake Michigan; thence easterly and southerly along said west shore to the south right-of-way line of South Shore Drive; thence west along said south right-of-way line to the northeast right-of-way line of Exchange Avenue; thence southeast along said northeast right-of-way line to the east extension of the north line of the south 40 feet of Lot 3 in Block 4 of South Shore Subdivision of part of said Section 30; thence west along said extension and said north line to the east line of the west 75 feet of said Lot 3 and Lot 4; thence south along said east line to the north right-of-way line of 72nd Street; thence east along said north right-of-way line to the northwest extension of the northeast right-of-way line of Phillips Avenue; thence southeast along said extension and said northeast right-of-way line to the east extension of the south line of Lot 6 in said Block 4; thence west along said extension, said south line and its west extension to the west right-of-way line of Yates Avenue; thence north along said west right-of-way line to the

southwest right-of-way line of 71st Street; thence northwest along said southwest right-of-way line to the east extension of the north line of Lot 16 in the resubdivision of Lots 1 and 2 in Block 1 of Stave and Klemm's Subdivision of part of said Section 25; thence west along said extension and said north line to the east right-of-way line of Oglesby Avenue; thence south along said east right-of-way line to the east extension of the south line of a public alley in the resubdivision of Lots 3, 4 and 5 in Block 1 of said Stave and Klemm's Subdivision; thence west along said extension, said south line and its west extension of the west right-of-way line of Crandon Avenue; thence north along said west right-of-way line to the south line of the north 45 feet of Lot 2 in Block 1 of Columbia Addition to South Shore Subdivision of part of said Section 25; thence west along said south line to the east line of a public alley in said block; thence south along said east alley line to the east extension of the south line of Lot 23 in said block; thence west along said extension and said south line to the east right-of-way line of Luella Avenue; thence south along said east right-of-way line to the east extension of the south line of the north 20 feet of Lot 3 in Block 2 of said Columbia Addition; thence west along said extension, said south line and its west extension to the west line of a public alley in said block; thence north along said west alley line to the south line of Lot 23 in said Block 2; thence west along said south line to the east right-of-way line of Paxton Avenue; thence west to the intersection of the west right-of-way line of Paxton Avenue with the south line of the north 97 feet of Lot 1 in Block 2 of Stave and Klemm's Subdivision; thence west along said south line to the east line of a public alley abutting Lots 6 through 10 in Adolph Lindstrom's Resubdivision of part of said Stave and Klemm's Subdivision; thence south along said east alley line to the east extension of the south line of the north 5 feet of Lot 9 in said Adolph Lindstrom's Resubdivision; thence west along said extension, said south line and its west extension to the west right-of-way line of Merrill Avenue; thence north along said west right-of-way line to the south line of Lot 1 in said Adolph Lindstrom's Resubdivision; thence west along said south line to the west line of a public alley abutting said resubdivision; thence south along said west alley line to the north line of Lots 16 and 17 in Block 2 of said Stave and Klemm's Subdivision; thence west along said north line to the east line of the west 124.33 feet of said Lot 16; thence south along said east line and its south extension to the south right-of-way line of 72nd Street; thence west along said south right-of-way line to the west right-of-way line of Jeffery Avenue; thence north along said west right-of-way line to the south line of a public alley abutting Frank's Resubdivision of part of said Section 25; thence west along said south alley line to the east line of Block 1 of South Kenwood Resubdivision of part of said Section 25; thence north along said east line to the south line of Lot 3 in said Block 1; thence west along said south line and its west extension to the west right-of-way line of Euclid Avenue; thence north along said west right-of-way line to the south line of

Lot 2 in Block 1 of said South Kenwood Resubdivision; thence west along said south line to the west line of said lot; thence south along said west line to the north line of the south 72 feet of the north three-tenths of Block 3 of Geo. W. Clark's Subdivision of part of said Section 25; thence west along said north line to the east right-of-way line of Bennett Avenue; thence south along said east right-of-way line to the north line of Belknap's Resubdivision of part of said Block 3 of Geo. W. Clark's Subdivision; thence west along said north line to the east line of Lots 4, 3 and 2 in Christopher Columbus Addition to Jackson Park Subdivision of part of said Section 25; thence north along said east line to the south line of said Lot 2; thence west along said south line and its west extension to the west right-of-way line of Constance Avenue; thence north along said west right-of-way line to the south line of the north 32 feet of Lot 47 in said Christopher Columbus Addition; thence west along said south line and its west extension to the east line of the west 83.43 feet of Lot 2 in Murray Wolbach's Addition to South Shore Subdivision of part of said Section 25; thence south along said east line to the north line of the south 78.72 feet of said Lot 2; thence west along said south line and its west extension to the west line of a public alley in said Murray Wolbach's Addition; thence north along said west alley line to the south line of a public alley in said subdivision; thence west along said south alley line and its west extension to the west right-of-way line of East End Avenue; thence north along said west right-of-way line to the south line of Lot 4 in a resubdivision of Block 2 of Conrad Selpp's Subdivision of part of said Section 25; thence west along said south line to the east line of a public alley in said resubdivision; thence south along said east alley line to the east extension of the north line of the south 3.00 feet of Lot 20 in said resubdivision; thence west along said extension, said south line and its west extension to the west right-of-way line of Cornell Avenue; thence north along said west right-of-way line to the south line of Lot 28 in said resubdivision; thence west along said south line to the east line of the public alley in said resubdivision, also being the east line of a public alley in the resubdivision of Block 3 of said Conrad Selpp's Subdivision, also being the east line of a public alley in the Engers, Cook and Holinger's Resubdivision of Lot 6 in said Conrad Selpp's Subdivision, and also being the east line of a public alley in the resubdivision of Lot 7 in said Conrad Selpp's Subdivision; thence south along said east alley line to the north right-of-way line of 73rd Street; thence west along said north right-of-way line to the east right-of-way line of Stony Island Avenue; thence south along said east right-of-way line to the centerline of 74th Street; thence east along said centerline to the north extension of the east line of a public alley in Platt's Resubdivision of Lots 14 and 16 in said Conrad Selpp's Subdivision; also being the east line of public alley in Pierce's Third Addition to Chicago Resubdivision of Lot 15 in said Conrad Selpp's Subdivision; thence south along said extension and said east alley line to the north right-of-way line of 75th Street; thence east along said north right-of-way line to the

west right-of-way line of East End Avenue; thence north along said west right-of-way line to the north right-of-way line of 74th Street; thence east along said north right-of-way line to the northeast right-of-way line of the Baltimore and Ohio Railroad; thence southeast along said northeast right-of-way line to the north extension of the east right-of-way line of Cregier Avenue; thence south along said extension and said east right-of-way line to the north right-of-way line of 75th Street; thence east along said north right-of-way line to the east right-of-way line of Jeffrey Boulevard; thence south along said east right-of-way line to the south right-of-way line of 76th Street; thence west along said south right-of-way line to the east right-of-way line of Bennett Avenue; thence south along said east right-of-way line to the south right-of-way line of 77th Street; thence west along said south right-of-way line to the west right-of-way line of Constance Avenue; thence north along said west right-of-way line to the south line of a public alley in Blocks 4, 5 and 6 of James Stinson's Subdivision of part of said Section 25; thence west along said south alley line and its west extension to the west right-of-way line of East End Avenue; thence north along said west right-of-way line to the south line of a public alley abutting Lot 82 in Wells and Stuart's Resubdivision of Blocks 7 and 8 of said James Stinson's Subdivision; thence west along said extension and said south alley line to the east line of a public alley abutting said Lot 82; thence south along said east alley line and its south extension to the south right-of-way line of 76th Street; thence west along said south right-of-way line to the east line of a public alley in the resubdivision of Blocks 9 and 10 of said James Stinson's Subdivision, also being the east line of public alley in Blocks 24 and 25 of Southfield Resubdivision of part of said James Stinson's Subdivision; thence south along said east alley line and its south extension to the south line of Lot 15 in Block 25 of said Southfield Resubdivision; thence east along said south line and its east extension to the east right-of-way line of Cornell Avenue; thence south along said east right-of-way line to the north line of a public alley in Block 26 of said Southfield Resubdivision; thence east along said north alley line and its east extension to the east right-of-way line of East End Avenue; thence south along said east right-of-way line to the north right-of-way of 79th Street; thence east along said north right-of-way line to the north extension of the east right-of-way line of East End Avenue as platted south of 79th Street; thence south along said extension and said east line to the south line of a public alley in the subdivision of the west 1,111 feet of the northwest quarter of said Section 36; thence west along said south alley line to the east line of a public alley in said subdivision of the west 1,111 feet; thence south along said east alley line to the northeast line of a public alley in said subdivision of the west 1,111 feet; thence southeast along said northeast alley line and its southeast extension to the southeast right-of-way line of East End Avenue; thence southwest along said southeast right-of-way line to the northeast right-of-way line of South Chicago Avenue; thence southeast along said northeast right-of-way

line to the northeast extension of the southeast line of Lot 16 in Block 3 of Anthony and Harvey's Subdivision of part of said Section 36; thence southwest along said extension, said southeast line and its southwest extension to the southwest line of a public alley abutting the southwest right-of-way line of the Pennsylvania Railroad; thence northwest along said southwest alley line to the east right-of-way line of Stony Island Avenue; thence south along said east right-of-way line to said point of beginning, except therefrom the following parcel:

beginning at the intersection of the north right-of-way line of 69th Place with the west line of a public alley in Block 1 of Bass and Reynold's Subdivision of part of said Section 23; thence north along said west alley line and its north extension to the north right-of-way line of 69th Street; thence east along said north right-of-way line to the west line of a public alley in Block 1 of Marston's Subdivision of part of said Section 23; thence north along said west alley line to the south line of a public alley in said block; thence west along said south alley line to the south extension of the west line of a public alley in said block and also in Block 1 of Pearce and Benjamin's Subdivision of part of said section; thence north along said west alley line and its north extension to the north right-of-way line of 68th Street; thence east along said north right-of-way line to the west line of a public alley in Bass and Edmond's Subdivision of part of said Section 23; thence north along said west alley line to the south line of a public alley in said subdivision and also in Blocks 1 and 4 in Bass' Subdivision of part of said Section 23; thence west along said south alley line to the east right-of-way line of Dorchester Avenue; thence south along said east right-of-way line to the north right-of-way line of 68th Street; thence east along said north right-of-way line to the north extension of the east line of a public alley in Block 2 of said Pearce and Benjamin's Subdivision; thence south along said extension and said east alley line to the east extension of the south line of Lot 21 in said Block 2; thence west along said extension and said south line to the east right-of-way line of Dante Avenue; thence south along said east right-of-way line to the east extension of the south line of the north 12.50 feet of Lot 3 in Block 3 of said Pearce and Benjamin's Subdivision; thence west along said extension and said south line to the east line of a public alley in said block; thence south along said east alley line to the south line of the north 9 feet of Lot 18 in said Block 3; thence west along said extension and said south line to the east right-of-way line of Dorchester Avenue; thence south along said east right-of-way line to the north right-of-way line of 69th Place; thence east along said north right-of-way line to said point of beginning.

EXHIBIT B
PROPERTY

Legal Description of the Property:

PARCEL 1:

THE WEST 74.14 FEET OF LOT 7, LOTS 8 AND 9 (EXCEPT THE NORTH 22 FEET OF SAID LOTS 7, 8 AND 9); THE NORTH 67 FEET AND THE SOUTH 100 FEET OF LOT 11, LOTS 12, 13 AND LOT 16 (EXCEPT THE EAST 32 FEET THEREOF AND EXCEPT THE WEST 7.67 FEET OF LOT 16) ALL IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 11 TO 20, BOTH INCLUSIVE (EXCEPT THE NORTH 22 FEET OF LOTS 11 AND 16), IN CARL LUNDAHL'S RESUBDIVISION OF LOTS 5 AND 6 AND LOT 7 (EXCEPT THE WEST 74.14 FEET THEREOF) IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THE VACATED 8-FOOT WIDE NORTH-SOUTH ALLEY LYING WEST OF AND ADJOINING LOTS 11 TO 15 AFORESAID, AND ALL OF VACATED CLYDE AVENUE LYING EAST OF AND ADJOINING LOTS 11 TO 15, LYING WEST OF AND ADJOINING LOTS 16 TO 20 AFORESAID, LYING NORTH OF A LINE EXTENDED FROM THE SOUTHEAST CORNER OF SAID LOT 15 TO THE SOUTHWEST CORNER OF SAID LOT 20, AND LYING SOUTH OF A LINE EXTENDED FROM A POINT ON THE EAST LINE OF SAID LOT 11, A DISTANCE OF 22.00 FEET SOUTH OF THE NORTHEAST CORNER THEREOF TO A POINT ON THE WEST LINE OF SAID LOT 16, A DISTANCE OF 22.00 FEET SOUTH OF THE NORTHWEST CORNER THEREOF, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 1 TO 7, BOTH INCLUSIVE, IN E.T. HENDEE'S RESUBDIVISION OF LOTS 14, 15 AND THE WEST 7.67 FEET OF LOT 16 IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THE VACATED 16-FOOT WIDE NORTH-SOUTH ALLEY LYING WEST OF AND ADJOINING SAID LOTS 1 TO 5 AFORESAID, AND ALL OF VACATED CLYDE AVENUE, LYING EAST OF AND ADJOINING SAID LOTS 1 TO 5, AND LYING SOUTH OF THE NORTH LINE OF LOT 5, EXTENDED EAST AND LYING NORTH OF THE SOUTH LINE OF LOT 1 EXTENDED EAST, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS APPURTENANT TO AND FOR THE BENEFIT OF PARCELS 1, 2 AND 3, TAKEN AS A TRACT, OVER, ACROSS AND UPON THE SOUTH 20.00 FEET OF LOT 10 IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, AND ALSO A NON-EXCLUSIVE

EASEMENT FOR PARKING PURPOSES APPURTENANT TO AND FOR THE BENEFIT OF SAID PARCELS 1, 2 AND 3, TAKEN AS A TRACT, OVER THOSE PORTIONS OF LOT 10 (EXCEPT THE NORTH 22.00 FEET THEREOF) IN BLOCK 2 IN STAVE AND KLEMM'S SUBDIVISION, AFORESAID, CONSTRUCTED FOR THE PURPOSE OF PARKING MOTOR VEHICLES, AS CREATED BY RECIPROCAL GRANT OF EASEMENTS AGREEMENT DATED FEBRUARY 23, 1989 AND RECORDED JUNE 29, 1989 AS DOCUMENT NO. 89298743 AND FILED JUNE 29, 1989 AS DOCUMENT LR 3805916.

Common address and PINs:

2101 E. 71st St, Chicago, Illinois

20-25-200-034

20-25-200-036

20-25-200-037

20-25-201-033

20-25-201-035

**EXHIBIT C
TIF-FUNDED IMPROVEMENTS**

Line Item	Project Budget Amount	% TIF Eligible	TIF Eligible Cost
Land Acquisition	\$13,000,000	100%	\$13,000,000
Total*			\$13,000,000

*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 the lesser of \$24,965,615 or approximately 40.05% of the Project Budget.

EXHIBIT D

JOBS AND OCCUPANCY CERTIFICATE

[to be retyped on letterhead of Developer]

_____, 20____

City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

Re: Jobs and Occupancy Certificate
Jeffery Plaza Redevelopment Agreement

Dear Commissioner:

This Certificate is delivered pursuant to the Jeffery Plaza Redevelopment Agreement dated as of _____, 2019 (the "Agreement") and constitutes the Jobs and Occupancy Certificate of the Developer for the period ended _____, _____ [add month, day and year] (the "Period"). The undersigned certifies that (a) the Developer continues to satisfy the Operating Covenant and the Occupancy Covenant, (b) the Developer has located _____ new FTEs at the Project during the Period; (c) a total of _____ FTE Construction Jobs have been located at the Project since the execution of the Agreement; (d) a total of _____ FTE Permanent Jobs have been located at the Project since the execution of the Agreement; (e) each of the individuals listed in the chart below is a Full Time Equivalent Employee of the Developer at the Project. Capitalized terms used without definition in this Certificate have the meanings given them in the Agreement.

Sincerely yours,

JEFFREY ADVISORS LLC

By: _____

Its: _____

7131 JEFFREY DEVELOPMENT, LLC

By: _____

Its: _____

Full Time Equivalent Employees located at the Project as of _____, 20__

Employee Name (Last, First)	Address of Principal Residence	Zip Code of Principal Residence	Number of months employed at the Project during the year	On the payroll for work done at the Project? (Y or N)	Work hours total at least 35 per week? (Y or N)	Work hours total at least 1750 during the year (Y or N)	Independent contractor, third-party service provider, consultant, or ancillary services employee? (Y or N)	Job title

Indicate New FTEs with an asterisk () next to employee's name

EXHIBIT F

PROHIBITED USES

- Adult oriented businesses
- Strip clubs
- Astrology, card-reading, palm-reading or fortune telling businesses
- Currency exchanges
- Houses of worship
- Inter-track wagering facilities
- Laundromats
- Pawn shops
- Pay day loan stores/predatory lenders
- Tattoo parlors
- Bingo parlors
- Game rooms or arcades
- Night clubs or discotheques
- Flea markets
- Junkyard or recycling center
- Automobile, truck, motorcycle, trailer or recreational vehicle sale, display, or repair
- Mortuaries or funeral homes
- Second hand stores or thrift shops
- Liquidators
- Taverns
- Package liquor stores
- Gasoline service station
- Discounters occupying less than 25,000 square feet
- General merchandise discounters whose goods generally have price points that range from under one dollar to ten dollars including by way of example but not by limitation Family Dollar, Dollar Tree and Dollar General

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.

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any: liens against personal property of the Developer securing the Senior Loan and/or the Bridge Loan.

**EXHIBIT H-1
PROJECT BUDGET**

Land Acquisition	\$13,346,708
Soft Costs / Fees	\$446,533
Hard Buildout Costs	\$4,816,272
Other Project Costs	\$3,931,955
Project Reserves	\$2,424,146
TOTAL PROJECT COSTS	\$24,965,615

**EXHIBIT H-2
MBE/WBE BUDGET**

Hard Buildout Costs	\$4,816,272
Project MBE/WBE Total Budget	\$4,816,272
Project MBE Total at 26%	\$1,252,231
Project WBE Total at 6%	\$288,976

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2019

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

C O N T E N T S

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Statement of activities and governmental funds revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-11
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Schedule of expenditures by statutory code	12



INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the 71st and Stony Island Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 71st and Stony Island Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements present only the activities of the 71st and Stony Island Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other debt service and special revenue funds of the City of Chicago, Illinois, as of December 31, 2019 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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



June 26, 2020

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the 71st and Stony Island 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, 2019. 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
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

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

Notes to the Financial Statements

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

Other Supplementary Information

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

Condensed Comparative Financial Statements

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

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$3,416,278 for the year. This was a decrease of 10 percent over the prior year. The change in net position (including other financing sources) produced an increase in net position of \$8,336,803. The Project's net position increased by 346 percent from the prior year making available \$10,747,266 of funding to be provided for purpose 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
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 11,222,663	\$ 19,104,887	\$ (7,882,224)	-41%
Total liabilities	<u>475,397</u>	<u>16,694,424</u>	<u>(16,219,027)</u>	-97%
Total net position	<u>\$ 10,747,266</u>	<u>\$ 2,410,463</u>	<u>\$ 8,336,803</u>	346%
Total revenues	\$ 3,956,674	\$ 3,998,586	\$ (41,912)	-1%
Total expenses	<u>3,619,871</u>	<u>1,091,872</u>	<u>2,527,999</u>	232%
Other financing sources	<u>8,000,000</u>	<u>5,565,642</u>	<u>2,434,358</u>	44%
Changes in net position	<u>8,336,803</u>	<u>8,472,356</u>	<u>(135,553)</u>	-2%
Ending net position	<u>\$ 10,747,266</u>	<u>\$ 2,410,463</u>	<u>\$ 8,336,803</u>	346%

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2019

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 7,730,475	\$ -	\$ 7,730,475
Property taxes receivable	3,475,372	-	3,475,372
Accrued interest receivable	<u>16,816</u>	<u>-</u>	<u>16,816</u>
Total assets	<u>\$ 11,222,663</u>	<u>\$ -</u>	<u>\$ 11,222,663</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 437,511	\$ -	\$ 437,511
Due to other City funds	<u>37,886</u>	<u>-</u>	<u>37,886</u>
Total liabilities	<u>475,397</u>	<u>-</u>	<u>475,397</u>
Deferred inflows	<u>3,176,685</u>	<u>(3,176,685)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>7,570,581</u>	<u>(7,570,581)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 11,222,663</u>		
Net position:			
Restricted for future redevelopment project costs		<u>10,747,266</u>	<u>10,747,266</u>
Total net position		<u>\$ 10,747,266</u>	<u>\$ 10,747,266</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance - governmental funds			\$ 7,570,581
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>3,176,685</u>
Total net position - governmental activities			<u>\$ 10,747,266</u>

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

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 2,970,098	\$ 446,180	\$ 3,416,278
Interest	540,396	-	540,396
Total revenues	<u>3,510,494</u>	<u>446,180</u>	<u>3,956,674</u>
Expenditures/expenses:			
Economic development projects	3,198,439	-	3,198,439
Debt service:			
Principal retirement	16,195,000	(16,195,000)	-
Interest	742,271	(320,839)	421,432
Total expenditures/expenses	<u>20,135,710</u>	<u>(16,515,839)</u>	<u>3,619,871</u>
Excess of expenditures over revenues	(16,625,216)	16,962,019	336,803
Other financing sources:			
Operating transfers in (Note 3)	8,000,000	-	8,000,000
Excess of expenditures over revenues and other financing sources	(8,625,216)	8,625,216	-
Change in net position	-	8,336,803	8,336,803
Fund balance/net position:			
Beginning of year	16,195,797	(13,785,334)	2,410,463
End of year	<u>\$ 7,570,581</u>	<u>\$ 3,176,685</u>	<u>\$ 10,747,266</u>

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

Net change in fund balance - governmental funds	\$ (8,625,216)
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.	446,180
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.	16,195,000
Premium received on the issuance of long-term debt is not accrued in governmental funds, but rather is amortized over the life of the bonds.	<u>320,839</u>
Change in net position - governmental activities	<u>\$ 8,336,803</u>

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

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In October 1998, the City of Chicago (City) established the 71st and Stony Island 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 debt service and special revenue funds of the City.

The financial statements present only the activities of the 71st and Stony Island Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other debt service and special revenue funds of the City of Chicago, Illinois, as of December 31, 2019 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 funds 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.

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

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND 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 funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. Refer to Note 4 for reimbursements paid to the developer.

The semi-annual principal and interest payments are made solely from incremental real property taxes, which are paid in this redevelopment district and other contiguous redevelopment districts needed to fulfill the debt service requirements.

Note 2 – Bonds Payable

In January 2007, the City issued \$60,595,000 of General Obligation Bonds (Modern Schools Across Chicago Program), Series 2007B at a premium. The bonds have interest rates ranging from 3.60 to 5.00 percent and maturity dates ranging from December 1, 2008 to December 1, 2020. Net proceeds of \$60,595,000 will be used to pay for a portion of the costs for construction, renovation, design and acquisition of elementary and high schools that are part of the school system operated by the Board of Education of the City of Chicago (the "Board") and refund certain outstanding obligations of the Board.

Long-term liability activity for the year ended December 31, 2019 was as follows:

Beginning balance	\$ 16,195,000
Additions	-
Reductions	<u>(16,195,000)</u>
Ending balance	<u><u>\$ -</u></u>

As of December 2, 2019, the Modern Schools Across Chicago Program General Obligation Bonds, Series 2007B originally issued at a premium for the 71st and Stony Island Redevelopment Project were fully redeemed early because the balance in the principal and interest account held with the trustee was sufficient to cover the remaining debt service.

Note 3 – Operating Transfers In

During 2019, in accordance with State statutes, the Project received \$8,000,000 from two contiguous Redevelopment Projects (Stony Island Avenue Commercial and Burnside Industrial Corridors \$3,000,000 and Woodlawn \$5,000,000) to fund debt service for Phase I of the Modern Schools Across Chicago Bonds, Series 2007.

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 4 – Tax Abatement Payments

Under the terms of a redevelopment agreement, the Project paid a developer \$2,155,196 during the year ended December 31, 2019.

Note 5 – Commitments

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

As of December 31, 2019, the Project has entered into contracts for approximately \$701,631 for services and construction projects.

Note 6 – Subsequent Event

The City evaluated its December 31, 2019 financial statements for subsequent events through the date the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen. The potential financial impact of these uncertainties is unknown at this time.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
71ST AND STONY ISLAND 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	\$ 124,855
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	2,000,000
Costs of the construction of public works or improvements	918,388
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	16,937,271
Costs of construction of new housing units for low income and very low income households	<u>155,196</u>
	<u><u>\$ 20,135,710</u></u>



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INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, 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 71st and Stony Island Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2019, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 26, 2020.

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 71st and Stony Island Redevelopment Project of the City of Chicago, Illinois.

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

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

Prado & Renteria

June 26, 2020