

**FY 2018
ANNUAL TAX INCREMENT FINANCE
REPORT**



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

Name of Municipality: City of Chicago
County: Cook
Unit Code: 016/620/30

Reporting Fiscal Year: **2018**
Fiscal Year End: **12/31/2018**

TIF Administrator Contact Information

First Name: Eleanor Last Name: Esser Gorski
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 2018 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.].

Eleanor Gorski 6/28/2019
Written signature of TIF Administrator Date

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

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	9/29/2022
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.]

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

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

	Roosevelt/Racine	11/4/1998	12/31/2034
	Roosevelt/Union	5/12/1999	5/12/2022
	Roseland/Michigan	1/16/2002	12/31/2026
	Sanitary and Ship Canal	7/24/1991	12/31/2027
	South Chicago	4/12/2000	12/31/2024
	South Works Industrial	11/3/1999	12/31/2023
	Stevenson Brighton	4/11/2007	12/31/2031
	Stockyards Annex	12/11/1996	12/31/2020
	Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
	Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
	Touhy/Western	9/13/2006	12/31/2030
	Washington Park	10/8/2014	12/31/2038
	Weed/Fremont	1/9/2008	12/31/2018
	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
X	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 2018

Name of Redevelopment Project Area (below): <p style="text-align: center;">Western/Rock Island Redevelopment Project Area</p>
Primary Use of Redevelopment Project Area*: <u>Combination/Mixed</u>

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

If 'Combination/Mixed' List Component Types: <u>Commercial/Residential/Institutional</u>
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): <div style="display: flex; justify-content: space-between;"> Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> 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 or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] 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 2018

TIF NAME: Western/Rock Island Redevelopment Project Area

Special Tax Allocation Fund Balance at Beginning of Reporting Period:

\$ 1,021,852

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	\$ 1,219,200	\$ 13,074,435	72%
State Sales Tax Increment			
Local Sales Tax Increment			
State Utility Tax Increment			
Local Utility Tax Increment			
Interest	\$ (5,683)	\$ 115,854	1%
Land/Building Sale Proceeds		0	0%
Bond Proceeds		0	0%
Transfers from Municipal Sources	\$ 1,831,115	\$ 5,031,115	28%
Private Sources		0	0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 5,933	0%

All Amount Deposited in Special Tax Allocation Fund

\$ 3,044,632

Cumulative Total Revenues/Cash Receipts

\$ 18,227,337 100%

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

\$ 2,317,530

Transfers to Municipal Sources

\$

Distribution of Surplus

\$

Total Expenditures/Disbursements

\$ 2,317,530

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

\$ 727,102

FUND BALANCE, END OF REPORTING PERIOD*

\$ 1,748,954

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

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

FY 2018

TIF NAME: Western/Rock Island Redevelopment Project Area

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		0
Note Proceeds		0
Non-compliance Payment		\$ 5,933
Excess Reserve Requirement		0
Build America Bonds Subsidy		0
Collection Returns		0
Credits from Expenditures		0

Total Schedule of "Other" Sources During Reporting Period \$ -

Cumulative Total Schedule of "Other" Sources \$ 5,933

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 2018

TIF NAME: Western/Rock 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.		
	\$ 25,534	
		\$ 25,534
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
	\$ 177,500	
		\$ 177,500
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.		
	\$ 2,114,496	
		\$ 2,114,496

SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.		
Costs of construction of new housing units for low income or very low income households.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 2,317,530

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

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

FY 2018

TIF NAME: Western/Rock Island Redevelopment Project Area

FUND BALANCE BY SOURCE: \$ 1,748,954

Amount of Original Issuance	Amount Designated
-----------------------------	-------------------

1. Description of Debt Obligations

Total Amount Designated for Obligations \$ \$

2. Description of Project Costs to be Paid

Restricted for future redevelopment project costs		\$ 1,748,954

Total Amount Designated for Project Costs \$ 1,748,954

TOTAL AMOUNT DESIGNATED: \$ 1,748,954

SURPLUS/(DEFICIT): \$ -

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

FY 2018

TIF NAME: Western/Rock 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)

FY 2018

TIF Name: Western/Rock 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 number of projects undertaken by the municipality within the Redevelopment Project Area:	3

LIST the 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)	\$ 1,206,995	\$ -	\$ 5,013,825
Public Investment Undertaken	\$ 1,270,241	\$ 90,000	\$ 1,500,000
Ratio of Private/Public Investment	77/81	-	3 12/35

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: CPMOK Properties (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 1,206,995	-	\$ 0
Public Investment Undertaken	\$ 350,000	-	\$ 0
Ratio of Private/Public Investment	3 13/29	-	

Project 2*: SBIF - Western Rock Island (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 2,100,000
Public Investment Undertaken	\$ 830,241	-	\$ 1,050,000
Ratio of Private/Public Investment		-	2

Project 3*: Beverly Western Partners (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 2,913,825
Public Investment Undertaken	\$ 90,000	\$ 90,000	\$ 450,000
Ratio of Private/Public Investment		-	6 19/40

Project 4*:

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

Project 5*:

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

Project 6*:

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

Section 5 Notes

FY 2018

TIF NAME: Western/Rock Island Redevelopment Project Area

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

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

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

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenue that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on 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.

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

SECTION 6

FY 2018

TIF NAME: Western/Rock Island Redevelopment Project Area

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

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

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

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

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

SECTION 7

Provide information about job creation and retention:

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

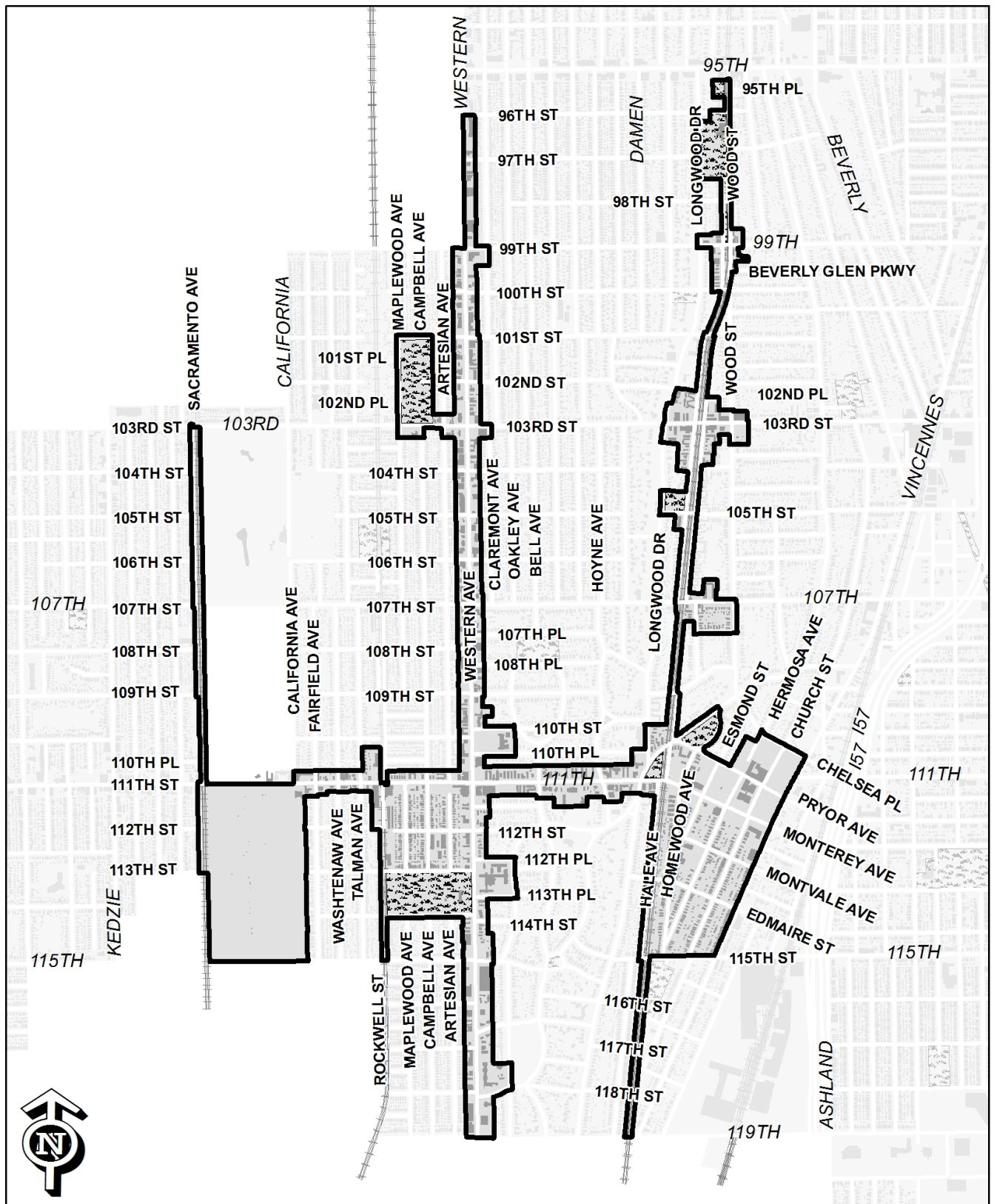
SECTION 8

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

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

Western Avenue/Rock Island TIF

2018 Annual Report



STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

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

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

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

Jay Stewart
Interim Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
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 Western/Rock 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, 2018, the City complied, in all material respects, with the requirements of the Law, 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 28th day of June, 2019.


Lori E. Lightfoot, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW
CITY OF CHICAGO

June 28, 2019

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

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

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

Jay Stewart
Interim Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
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: Western/Rock 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 Acting Commissioner of the Department of Planning and Development attached hereto as Schedule 1, along with the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth.

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,



Mark A. Flessner
Corporation Counsel

SCHEDULE 1

June 28, 2019

CERTIFICATION

Acting Commissioner
Department of Planning and Development
City of Chicago

I, Eleanor Esser Gorski, am the Acting 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 the supervision 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,



Eleanor Esser Gorski
Acting Commissioner
Department of Planning and Development

FY 2018

TIF NAME: Western/Rock Island Redevelopment Project Area

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

<u>Name of Project</u>
Buona Restaurant

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

BEVERLY WESTERN PARTNERS, LLC REDEVELOPMENT AGREEMENT

This Beverly Western Partners, LLC Redevelopment Agreement (this “Agreement”) is made as of this 3rd day of May, 2018, by and between the City of Chicago, an Illinois municipal corporation (the “City”), through its Department of Planning and Development (“DPD”), and Beverly Western Partners, LLC, an Illinois limited liability company qualified to do business in Illinois (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 February 8, 2006: (1) “An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Western/Rock Island Redevelopment Project Area”; (2) “An Ordinance of the City of Chicago, Illinois Designating the Western/Rock 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 Western/Rock 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.

Pursuant to an ordinance adopted by the City Council of the City on January 25, 2017 and published in the Journal of Proceedings of the City Council for said date at pages 40939 through 41013, inclusive, the City has authorized the Commissioner of DPD to execute and deliver this Agreement (the “Ordinance”).

D. The Property. The approximately 32,036 square foot development site is located in the Redevelopment Area at the northeast corner of Western Avenue and West 107th Street with common addresses of 2342 West 107th Street and 10633 South Western Avenue in Chicago, Illinois, and is legally described in Exhibit B (the “Property”).

E. The Project. The Developer, as owner of the Property, intends to demolish three existing one-story commercial building structures on the Property and replace them with a new commercial building with approximately twenty-eight (28) off-street parking spaces. The project includes demolition, Property site preparation, construction of an approximately 3,940 square foot restaurant building with drive-through service for a Buona Beef restaurant, related on-site improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C), and adjacent improvements in the public right of way, if any (the “Project”). The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

The building to be constructed as part of the Project will be oriented toward Western Avenue with the building facade in close proximity to Western Avenue, consistent with the majority of the commercial buildings along Western Avenue in the Beverly neighborhood. Appropriate landscaping features will occupy space along Western Avenue and 107th Street and the northern boundary of the site, which abuts King Lockhart Park. There shall be customer ingress-egress points on 107th Street and Western Avenue, and one egress for the drive-through on Western Avenue. Vacation of an east/west bisecting alley, with an approximate land area of 1,588 square feet (99’ in length by 16’ in width) is required. The Project is expected to create approximately forty-two (42) temporary construction jobs, and the Buona Beef restaurant will employ approximately thirteen (13) FTEs after construction.

F. Redevelopment Plan. The Project will be carried out in accordance with this Agreement and the City of Chicago Western/Rock Island Tax Increment Financing Redevelopment Area Project and Plan (the “Redevelopment Plan”) included in the TIF-Adoption Ordinance and published at pages 69482 through 69612, inclusive, of the Journal of the Proceedings of the City Council.

G. 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, reimburse the Developer, or refinance debt incurred by the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. Upon recordation of this Agreement, the Developer shall have priority for Available Incremental Taxes ahead of all projects **EXCEPT** for the projects to be completed pursuant to: (1) that certain redevelopment agreement (the “Home Run Inn RDA”) entered into as of February 20, 2014 by and between the City and CPMOK Properties, LLC and recorded on March 6, 2014 as document number 1406535298; (2) that certain

intergovernmental agreement entered into as of February 7, 2012 by and between the City of Chicago and the Board of Education for the City of Chicago for the Morgan Park High School renovations; and (3) that certain intergovernmental agreement by and between the City of Chicago and the Chicago Park District for Fireman’s Memorial Park.

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

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

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B *Property
3. The Project	C *TIF-Funded Improvements
4. Financing	D Intentionally Omitted
5. Conditions Precedent	E *Permitted Liens
6. Agreements with Contractors	F-1 *Project Budget
7. Completion of Construction or Rehabilitation	F-2 *MBE/WBE Budget
8. Covenants/Representations/Warranties of Developer	G Intentionally Omitted
9. Covenants/Representations/Warranties of the City	H Opinion of Developer's Counsel
10. Developer’s Employment Obligations	I Jobs Certificate
11. Environmental Matters	J Subordination Agreement
12. Insurance	K Intentionally Omitted
13. Indemnification	L *Job Readiness Covenant For Inclusion In Tenant And Commercial Leases
14. Maintaining Records/Right to Inspect	M Requisition Form
15. Defaults and Remedies	
16. Mortgaging of the Project	(An asterisk (*) indicates which exhibits are to be recorded.)
17. Notice	
18. Miscellaneous	

SECTION 2. DEFINITIONS

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

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

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

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

"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. The obligations to be covered by the Annual Compliance Report shall include, but not be limited to, the following: (1) compliance with the TIF Recapture Covenant (Section 8.05); (2) compliance with the Operating Covenant, Occupancy Covenant and Jobs Covenant (Section 8.06); (3) delivery of 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); and (6) compliance with all other executory provisions of this Agreement.

"Annual Payments" shall have the meaning set forth in Section 4.03(b)(i) hereof.

"Available Incremental Taxes" shall mean a portion of the Incremental Taxes not to exceed any Annual Payment due under this Agreement that are received and that have been deposited in the TIF Fund as of December 31 of a calendar year.

"Available Project Funds" shall mean: (1) the undisbursed City Funds; (2) the undisbursed Lender Financing, if any; (3) the undisbursed Equity and (4) any other amounts deposited by Developer pursuant to this Agreement.

"Bundle" shall have the meaning set forth in Section 8.01(n) hereof.

"Capital Event" shall have the meaning set forth in Section 8.05(e) hereof.

"Certificate of Completion" shall mean the Certificate of Completion issued in accordance with the requirements of Section 7.01 hereof.

"Certified Project Cost" shall mean the actual cost of the Project as certified by the Developer as set forth in Section 7.01(c)(ii).

"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 Fee" shall mean the fee described in Section 4.05(b) hereof.

"City Funds" shall mean the funds paid to reimburse the Developer for the actual Project costs of the TIF-Funded Improvements, in an amount not to exceed the Maximum TIF Assistance amount, which may be reduced or terminated pursuant to the terms of this Agreement.

“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.

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

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

“Contribution” shall have the meaning set forth in Section 8.01(n) hereof.

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

“Corporation Counsel” shall mean the City’s Department of Law.

“Developer” shall have the meaning set forth in the Recitals hereof, together with its permitted successors and/or assigns.

“Distributable Cash Flow” shall have the meaning set forth in Section 8.05(e) hereof.

“Domestic Partner” shall have the meaning set forth in Section 8.01(n) hereof.

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

“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 8.23 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 shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available as and when required 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).

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

"Extension Notice" shall have the meaning set forth in Section 8.06(c) 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 every three years, and unaudited financial statements for all other years, for the finances of the Project, which shall include a detailed accounting of all Operating Expenses as well as an accounting of any and all disbursements to entities related to the Developer, prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"FOIA" shall have the meaning set forth in Section 8.24(a) hereof.

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of a Tenant of the Developer (or an Affiliate of one of the foregoing) at the Project if such employee is employed at the Project during an applicable month (excluding persons engaged as or employed by independent contractors, third party service providers or consultants) and works at least thirty-five (35) hours per week. Two Part-Time Employees shall be recognized as one Full-Time Equivalent Employee.

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

"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(g) 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.

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

"Jobs Certificate" shall have the meaning set forth in Section 8.06(b) hereof.

"Jobs Covenant" shall have the meaning set forth in Section 8.06(a)(iii) hereof.

"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.

“Lender” shall mean any provider of Lender Financing.

“Lender Financing” shall mean any funds borrowed by the Developer from any provider of funds, including but not limited to the \$2,050,000 construction loan, and irrevocably available to pay for Project costs, in the amount set forth in Section 4.01 hereof.

“Living Wages” shall mean a base wage as that term is defined and calculated in Section 2-92-610 of the City of Chicago Municipal Code.

“Local Records Act” shall have the meaning set forth in Section 8.27(c) hereof.

“Maximum TIF Assistance” shall mean \$450,000, subject to reduction pursuant to the terms of this Agreement.

“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 F-2, as described in Section 10.03.

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

“Minimum Occupancy” shall mean have the meaning set forth in Section 8.06 hereof.

“Monitoring and Compliance Period” shall have the meaning set forth in Section 4.04(d) hereof.

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

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

“Net Operating Income” shall have the meaning set forth in Section 8.05(e) hereof.

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

“Occupancy Covenant” shall have the meaning set forth in Section 8.06(a)(ii) hereof.

“Occupancy Report” shall have the meaning set forth in Section 8.06(a)(ii) hereof.

“Operating Covenant” shall have the meaning set forth in Section 8.06(a)(i) hereof.

“Operating Expenses of the Project” shall have the meaning set forth in Section 8.05(e) hereof.

"Other Contract" shall have the meaning set forth in Section 8.01(n) hereof.

"Part-Time Employee" shall mean any employee that works at least 17.5 hours per week.

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

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

"Plans and Specifications" shall mean initial construction documents, and any amendments thereto, 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.

"Political fundraising committee" shall have the meaning set forth in Section 8.01(n) hereof.

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

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

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

"Project Revenues" shall have the meaning set forth in Section 8.05(e) 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.

"Reporting Period" shall mean January 1 through and including December 31 for each year beginning one year after the issuance of the Certificate of Completion; provided, however, the first reporting period shall be such shorter amount of time from the date of issuance of the Certificate of Completion through and including December 31 for the same year.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit M, to be delivered by the Developer to DPD pursuant to Section 4.04(c) hereof.

"Sale Proceeds" shall have the meaning set forth in Section 8.05(e) hereof.

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

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2011 Minimum Standard Detail Requirements for

ALTA/ACSM Land Title Surveys, effective February 23, 2011, 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 completion of the Project as required by the City or Lender(s) providing Lender Financing).

“Ten Year Anniversary” shall mean ten years from the date of issuance of the applicable Certificate of Completion pursuant to Section 7.01 hereof.

“Tenant” shall mean the lessees and tenants from time to time of the leasable square footage within the Project.

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on December 31, 2030, the date on which the Redevelopment Area is no longer in effect.

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

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

“TIF Recapture Amount” shall mean the amount of money paid to the City pursuant to the computations set forth in Sections 8.05(b) and 8.05(c) hereof.

“Title Company” shall mean Chicago Title Insurance Company, or such other title company reasonably acceptable to the City and Developer.

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

“Tri-Annual Recapture” shall have the meaning set forth in Section 8.05(c) hereof

“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. The Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof and the receipt of all necessary permits: (i) commence construction no later than September 30, 2014; and (ii) complete construction and conduct business operations therein no later than November 30, 2015.

3.02. Scope Drawings and Plans and Specifications. The Developer has delivered (a) the Plans and Specifications to all appropriate City departments and DPD has approved same, (b) Scope Drawings to DPD and DPD has approved same, and (c) submitted the Plans and Specifications to the Buildings Department. After such initial approvals, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order in accordance with Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the terms and conditions of the Agreement, the Redevelopment Plan and all Laws, including without limitation, all zoning and building code requirements. The Developer shall submit all necessary documents to the City's Buildings 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. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount of not less than Three Million Three Hundred Sixty-Three Thousand Eight Hundred Twenty-Five Dollars (\$3,363,825) (the "Total Project Cost"). The Developer hereby certifies to the City that: (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects as of the date hereof. 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 the Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the Project by five percent (5%) or more (either individually or cumulatively); (b) a change to any of the general uses of the Project from what is set forth in Recital E to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; (d) any change which would impair the ability of the Project to be constructed on the Property; or (e) Change Orders resulting in an aggregate increase to the Project Budget of ten percent (10%) or more. DPD will attempt to expeditiously review any such Change Order request and approve or disapprove (with a brief written explanation given of any disapproval) such proposed Change Order within thirty (30) days of its receipt thereof. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in the preceding clauses (a) through (f) hereof or the furnishing of materials in connection therewith prior to the receipt by the 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 the 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 the 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, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The 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 Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as and when required hereunder.

3.07. Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly construction progress reports (i.e., on or about January 1st, April 1st, July 1st and September 1st) 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 if such date is more than six (6) months after the completion date set forth in Section 3.01). The 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. Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all Laws. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades (other than the name and logo of the Developer).

3.09. Signs and Public Relations. The 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 the Developer, the Property and the Project in the City's promotional literature and communications.

SECTION 4. FINANCING

4.01. Total Project Cost and Sources of Funds. The cost of the Project is estimated to be Three Million Three Hundred Sixty-Three Thousand Eight Hundred Twenty-Five Dollars (\$3,363,825), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Lender Financing	\$ 2,050,000
Equity (subject to Sections 4.03(b) and 4.06)	\$ 1,313,825

ESTIMATED TOTAL

\$ 3,363,825

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

4.03. City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03 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. In no event, however, shall City Funds be paid to the Developer in excess of the Maximum TIF Assistance.

(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 reimburse the Developer for the actual Project costs of the TIF-Funded Improvements, in an amount not to exceed the Maximum TIF Assistance amount (the "City Funds"), as follows:

(i) Payment of City Funds will be provided through five (5) equal, annual payments (the "Annual Payments"). No City Funds shall be paid on the Closing Date. The Annual Payments will commence upon the issuance of the Certificate of Completion.

(ii) The payment of City Funds will be provided according to the following schedule:

Annual Payment	Timing	City Funds Amount
Annual Payment #1	Issuance of Certificate of Completion	\$90,000
Annual Payment #2	1st anniversary of issuance of Certificate of Completion	\$90,000
Annual Payment #3	2nd anniversary of issuance of Certificate of Completion	\$90,000
Annual Payment #4	3rd anniversary of issuance of Certificate of Completion	\$90,000
Annual Payment #5	4th anniversary of issuance of Certificate of Completion	\$90,000

(iii) The actual amount may vary depending on the final Certified Total Project Costs and the amount of TIF-Eligible expenses incurred for the Project. The City Funds will be reduced on a dollar for dollar basis if the Certified Final Project Costs fall below \$3,363,825. Such reduction shall be made from the Annual Payment #1 and, if necessary, successive annual payments.

4.04. Conditions for Payment of City Funds.

No City Funds shall be paid to the Developer unless all of the following conditions have been met:

(a) Issuance of the Certificate of Completion.

(b) Evidence acceptable to DPD that the Certified Final Project Cost is equal to, or in

excess of, \$3,363,825. The City Funds will be reduced on a dollar for dollar basis, as described in Section 4.03(b)(iii) above.

(c) When the Developer submits documentation to the City in connection with a request for the payment of the City Funds as described in Section 4.03(b), beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD). The Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

(d) All required Annual Compliance Reports have been submitted as required by this Agreement. The Developer will be required to provide the Annual Compliance Report throughout the "Monitoring and Compliance Period," which is defined as beginning on the date of the issuance of the Certificate of Completion and extends ten years from the issuance of the Certificate of Completion.

4.05. Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the 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. 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) City Fee. Annually, the City may allocate an amount not to exceed ten percent (10%) 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 \$5,000 or \$20,000 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, the 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. Certification of Project Costs. Prior to the certification of Project Costs by the City, the Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of

any request for execution for a Certification of Project Costs shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the request for such Certification is for TIF-Funded Improvements that represent 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 request for such Certificate of Expenditure have been paid to the parties entitled to such payment (or have been incurred by the Developer);

(c) the Developer has approved all work and materials for the request for such 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 applicable covenants contained herein;

(e) the 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. The Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, provide the City with evidence of sufficient sources of funds that will place the Project In Balance.

The City shall have the right, in its discretion, to require the 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 the 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 the Developer. In addition, the Developer shall have satisfied all other preconditions for execution of a Certificate of Expenditure, including but not limited to requirements set forth in the TIF Ordinances and/or this Agreement.

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

4.09. Order of Spending of Project Funds. All Developer Equity and/or Lender Financing will be spent first, and City Funds will be provided as described in Section 4.03.

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

5.03. Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any Laws to begin construction of the Project and has submitted evidence thereof to DPD.

5.04. Financing. The Developer has furnished proof reasonably acceptable to the City that the 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, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. Developer has delivered to DPD a copy of the construction escrow agreement entered into by Developer regarding the Lender Financing, if any. Any liens against the Property in existence at the Closing Date, except Permitted Liens, have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date in substantially the form set forth in Exhibit J hereto, with such changes as acceptable to the City, which is to be recorded at the expense of the Developer with the Office of the Recorder of Deeds of Cook County.

5.05. Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit E hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The 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 the Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

Jurisdiction

Secretary of State
Cook County Recorder

U.S. District Court
Clerk of Circuit Court, Cook County

Searches

UCC, Federal tax
UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
Pending suits and judgments (including bankruptcy)
Pending suits and judgments

5.07. Surveys. The Developer has furnished the City the Survey – in an electronic format and one (1) copy with original signatures and seal.

5.08. Insurance. The 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, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit H, with such changes as required by or acceptable to Corporation Counsel. If the 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 H hereto, such opinions were obtained by the Developer from its general corporate counsel.

5.10. Evidence of Prior Expenditures. The 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. The Developer has provided Financial Statements to DPD for its most recent fiscal year, and interim financial statements.

5.12. Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters.

5.13. Environmental. The Developer has provided DPD with copies of that certain: (a) 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. The 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. The Developer has provided a copy of its Articles or Organization containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement; and such other corporate documentation as the City has requested.

The Developer has provided to the City, an EDS in the City's then current form, dated as of the Closing Date, which is incorporated by reference, and the Developer further will provide any other affidavits or certifications as may be required by Law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under

the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City 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 Section 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. The Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the 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. Payment of City Residency Liquidated Damages. The Developer has provided the City a payment in the amount of \$15,452.25 for its failure to fully comply with the City Resident Construction Worker Employment Requirement in Section 10.02.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01. Bid Requirement for General Contractor and Subcontractors. The City shall have the right to review and approve the Developer's selection of the General Contractor. The Developer shall submit copies of the proposed 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. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

6.02. Construction Contract. Prior to the execution thereof, the 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 review. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the 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 that includes work on the public way, the 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 approved by the City. The City shall be named as obligee or co-obligee on any such bonds.

6.04. Employment Opportunity. The 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

7.01. Certificate of Completion of Construction.

(a) Upon (i) satisfaction of the conditions set forth in Sections 7.01(c) hereof, and (ii) the Developer's written request, DPD shall issue to the Developer a Certificate of Completion in recordable form certifying that all obligations to complete the Project have been fulfilled by the Developer in accordance with the terms of this Agreement.

(b) DPD shall respond to the Developer's written request for a Certificate of Completion within forty-five (45) days by issuing either a Certificate of Completion or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate of Completion. The Developer may resubmit a written request for a Certificate of Completion upon completion of such measures. The failure by DPD to respond within forty-five (45) days shall not be deemed approval of the Developer's request for the Certificate of Completion.

(c) The Developer acknowledges that the City will not issue a Certificate of Completion until all of the following conditions have been met:

(i) the Developer has given the City written notification that construction of the Project, including all of TIF-Funded Improvements, has been completed in accordance with the terms of this Agreement;

(ii) the Developer has provided evidence acceptable to DPD that the total cost to complete the Project is equal to, or in excess of, \$3,363,825 (the "Certified Final Project Cost"). As described in Section 4.03(b)(iii), the City Funds will be reduced on a dollar for dollar basis if the Certified Final Project Cost is less than \$3,363,825;

(iii) the Developer has provided a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has completed the Project in compliance with the Plans and Specifications and all building permit requirements;

(iv) the Developer has provided evidence acceptable to DPD that the Project met or exceeded MBE/WBE, Prevailing Wage, and City Residency requirements, including receiving a letter from DPD's Compliance and Monitoring division stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage), as provided in this Agreement;

(v) the Developer has provided evidence acceptable to DPD that the Developer has incurred TIF-eligible costs in an amount equal to, or greater than, the total maximum amount of City Funds for the Project (\$450,000); and

(vi) the Developer has provided a copy of a fully-executed lease with The Buona Companies, L.L.C., with a term extending, at a minimum, for the entire Monitoring and Compliance Period;

(vii) the Developer has provided evidence acceptable to DPD that The Buona Companies, L.L.C. has obtained all required business licenses, is open for business, and has employed a minimum of thirteen (13) FTEs; and

(viii) there exists neither an Event of Default that 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.

7.02. Effect of Issuance of Certificate of Completion; Continuing Obligations. The Certificate of Completion 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 of Completion, 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 of Completion 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 8.01(j), 8.01(k), 8.02, 8.06, 8.19, and 8.21 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 of Completion; provided, that upon the issuance of a Certificate of Completion, 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 of Completion shall be binding only upon the Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03. Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

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

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

(c) the right to seek reimbursement of the City Funds from the Developer.

7.04. Notice of Expiration of Term of Agreement. Upon the expiration of the Term of

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

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

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Articles of Organization or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) the 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 the Developer which would impair its ability to perform under this Agreement;

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

(h) the 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 the Developer is a party or by which the Developer or the Property 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 the Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) prior to or after the issuance of a Certificate of Completion, the 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; provided, however, no written consent or notice shall be needed when admitting new equity investors or when equity investors exit; (2) except as provided in Section 8.05(a), assign, 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); (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition.

(k) the Developer has not incurred, and, prior to the issuance of a Certificate of Completion, 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 and/or liens bonded by the Developer or insured by the Title Company; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither the Developer nor any affiliate of the 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; and

(n) 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, Developer’s receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Ordinance, the Scope Drawings, Plans and Specifications, the Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate of Completion with respect thereto.

8.03 Redevelopment Plan. The 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 the Developer shall be used by Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Recapture of TIF Assistance.

(a) Limitations on Sale or Transfer. Prior to the third anniversary of the issuance of the Certificate of Completion, the Developer may not sell or otherwise directly or indirectly transfer the Property, or any part thereof, including any building constructed as part of the Project. For the period after the third anniversary and prior to the tenth anniversary of the issuance of the Certificate of Completion, the Developer may not sell or otherwise directly or indirectly transfer the Property, or any part thereof, including any buildings constructed as part of the Project, without the City’s approval, except to a wholly-owned entity of the Developer. City approval is predicated on the new ownership entity’s ability to demonstrate the financial capacity, together with the experience, needed to effectively operate and manage a restaurant/retail development and that entity agreeing to assume all surviving responsibilities and covenants applicable to the Developer under this Agreement.

(b) Capital Event. In the instance of a Capital Event, the Developer shall pay to the City 50% of the Sale Proceeds in excess of the amount required to achieve an Unleveraged Internal Rate of Return of 9% on the Project. However, if the Developer realizes a higher Unleveraged Internal Rate of Return solely as a result of offering a personal guarantee and/or separate, unrelated collateral in refinancing the Project, and provided evidence thereof to the City, then this Capital Event provision will not apply.

(c) Tri-Annual Recapture. The Developer shall pay to the City 50% of the cumulative tri-annual Distributable Cash Flow, for such three-year period that is in excess of the amount required to achieve an Unleveraged Internal Rate of Return of 9% on the Project. However, if the Developer realizes a higher Unleveraged Internal Rate of Return solely as a result of offering a personal guarantee and/or separate, unrelated collateral in refinancing the Project, and provided evidence thereof to the City, then this Tri-Annual Recapture provision will not apply.

(d) Maximum Recapture Amount. The amount of the TIF Recapture for the Capital Event and Tri-annual Recapture will be capped at the amount of the City Funds paid to the Developer, plus an additional eleven percent (11%).

(e) As used in this subsection, the following terms shall have the following meanings:

(i) "Amortization" shall mean those certain amortization amounts for the Project as set forth in the audited annual Financial Statements.

(ii) "Capital Event" shall mean the sale, transfer or refinancing of the Project or any part thereof.

(iii) "Debt Service" shall mean those certain debt service amounts for the Project as set forth in the audited annual Financial Statements.

(iv) "Depreciation" shall mean those certain depreciation amounts for the Project as set forth in the audited annual Financial Statements.

(v) "Distributable Cash Flow" shall be computed using the following formula: Net Operating Income less Lender Required Reserves plus Amortization plus Depreciation.

(v) "Income Taxes" shall mean those certain income tax amounts for the Project as set forth in the audited annual Financial Statements.

(vi) "Net Operating Income" shall be computed using the following formula: Project Revenues minus Operating Expenses of the Project.

(vii) "Operating Expenses of the Project" shall mean those certain operating expenses set forth in the audited annual Financial Statements including Debt Service and any Lender required reserves, but excluding any reserves arising in connection with a Capital Event, Income Taxes, Depreciation and Amortization.

(viii) "Project Revenues" shall mean those certain revenues for the Project as set forth in the audited annual Financial Statements.

(ix) "Sales Proceeds" shall mean proceeds of such sale net of outstanding Lender Financing based on the final executed settlement statement prepared in

connection with such sale.

(x) "Unleveraged Internal Rate of Return" shall be computed using the following formula: Distributable Cash Flow/Equity.

(f) Any TIF Recapture Amount received by the City shall be deposited into a separate account within the TIF Fund and shall be used for Redevelopment Project Costs.

(g) Any TIF Recapture Amount due and owing to the City pursuant to Section 8.05(c) shall be paid by the Developer on or before March 1 in conjunction with the filing of the Annual Compliance Report. Any TIF Recapture Amount due and owing to the City pursuant to Section 8.05(b) due the occurrence of a Capital Event shall be paid by the Developer on the closing date of such Capital Event.

(h) This Section 8.05 shall be in effect until there is a Capital Event in which Developer is no longer in control of the entire Project. With respect to a Capital Event of less than the entire Project, such successor shall not have any obligations or liabilities under this Section 8.05. The Developer, however, shall continue to have obligations under this Section 8.05 with respect to the portion of the Project that was not subject to the Capital Event.

8.06 Jobs, Operation and Occupancy Covenants

(a) *Job Creation and Retention; Operating Covenant; Occupancy Covenant.*

The Developer shall continuously operate through the Ten Year Anniversary, a "Buona Beef" restaurant or such other commercial business acceptable to DPD, as permitted pursuant to the Redevelopment Plan and this Agreement (the "Operating Covenant").

The Developer shall maintain 100% occupancy of the Project as a "Buona Beef" restaurant, or such other commercial business acceptable to DPD for each Reporting Period (the "Minimum Occupancy"). The Developer shall deliver an occupancy progress report certifying compliance with the requirement (the "Occupancy Report") to maintain a Minimum Occupancy (the "Occupancy Covenant") for the Reporting Period, such request to be submitted each year, through the Term of the Agreement. The Developer hereby covenants and agrees to maintain Minimum Occupancy through the Term of the Agreement.

Additionally, not less than thirteen (13) Full-Time Equivalent Employee jobs shall be created by the Developer or an affiliate of the Developer to operate and maintain the Project on or before the issuance of the applicable Certificate of Completion and such number of jobs shall be maintained during the Term of the Agreement (the "Jobs Covenant").

Following the issuance of the Certificate of Completion until the Term of the Agreement, the Developer shall submit to DPD certified Jobs Certificates (in substantially the form set forth in Exhibit I hereto) disclosing compliance with the Jobs Covenant to DPD. These Jobs Certificates shall be submitted to DPD with the Annual Compliance Report regarding compliance with the Jobs Covenant for the Reporting Period. The Jobs Certificate shall include employee identifiers and titles for FTEs employed at the Project as of the end of the prior 12-month reporting period and documentation sufficient to support, to DPD's satisfaction, each position as either newly created or maintained.

(b) *Non-Curable Covenant Defaults.* There shall be no cure period for a default

under the Operating Covenant or Occupancy Covenant, nor if the Occupancy Report or the Jobs Certificate is not submitted with the Annual Compliance Report.

(c) *Jobs Covenant Default and Cure Period.* If the Developer defaults under the Jobs Covenant described in Section 8.06(a) above, 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 Annual Compliance Report, elects to extend the Monitoring and Compliance Period by one year to the eleventh (11th) anniversary of the date the Certificate of Completion 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 Jobs Covenant as described in this paragraph; no other notice or cure periods shall apply thereto and if such default is not cured within such one-year period then an Event of Default shall exist without notice or opportunity to cure. No City Funds shall be paid to the Developer for any year that it is in default under the Jobs Covenant. If the Developer has not delivered a permitted Extension Notice then any default by the Developer under the Jobs Covenant shall constitute an Event of Default without notice or opportunity to cure. The Developer shall be entitled to deliver only one Extension Notice. If the Developer has delivered an Extension Notice, then any subsequent default by the Developer of the Jobs Covenant as described in this paragraph shall constitute an Event of Default without notice or opportunity to cure.

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

8.07 Employment Opportunity; Progress Reports. The 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 monthly. 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. The 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. The 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, the Developer shall provide the City with copies of all such contracts entered into by the 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. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the

Developer and reimbursement to the 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, the 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 the 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 the Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2013 and each December 31 thereafter for the Term of the Agreement.

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, the 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. The 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. The Developer has the right, before any delinquency occurs: 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 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. The 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 the Developer to any other person or entity. The 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 the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be, as and when required, in compliance with all Laws pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

(b) *Covenant.* The 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. The 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. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the 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.

(a) *Governmental Charges.*

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

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

The Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the 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 the 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 the 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 the 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 the 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 the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Minimum Assessed Value. The Developer agrees that, for the purpose of this Agreement, the total minimum assessed value of the Property ("Minimum Assessed Value") is \$192,268.

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

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the 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 the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the 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. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property from and after the Closing Date 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 the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 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 of Completion) shall be in effect throughout the Term of the Agreement.

8.21 Annual Compliance Report. The Developer shall provide to DPD an Annual Compliance Report consisting of (a) an Affidavit from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, and (b) sufficient documentation and certifications, to the satisfaction of DPD, to evidence that all ongoing requirements have been satisfied during the preceding reporting period (which DPD shall have the right, but not the obligation, to audit compliance with to determine the sufficiency of such Annual Compliance Report). The Annual Compliance Report shall be submitted each year on March 1 after the end of the calendar year to which the Annual Compliance report relates (each such calendar year being a "Reporting Period"). Failure by the 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 contained in this Section 8.21 shall run with the land and be binding upon any transferee for the Term of the Agreement.

8.22 Inspector General. It is the duty of the 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 the Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.23 Job Readiness Program. Not less than thirty (30) days prior to the Closing Date, the Developer shall meet with Workforce Solutions (DPD workforce division) regarding compliance with all Section 8.23 requirements. During this meeting, the Developer will work

with DPD to create an Employment Plan for its employees at the Project, listing future job openings, titles, descriptions, qualifications and such other information as DPD may request. The Employment Plan may include recruitment, training, placement and reporting requirements, the sufficiency of which DPD shall approve as a precondition to the Closing. The Developer hereby covenants and agrees to work with the City, and to use best efforts to have the retail and commercial tenants work with the City, to maximize the recruitment and interviewing of qualified City of Chicago candidates.

This Section 8.23 covenant shall be deemed satisfied with respect to using best efforts to have the retail and commercial tenants work with the City upon Developer's inclusion of a job readiness covenant in each retail and commercial tenant lease executed on or after the Closing Date substantially in the form attached hereto as Exhibit L.

8.24 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.

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 of the Developer, 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. The City has determined that the Developer failed to fully comply with the requirement of this Section and must make a payment to the City in the amount of \$15,452.25.

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:

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 F-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

At least 24 percent by MBEs.

At least four percent by WBEs.

For purposes of this Section 10.03 only, Developer (and any party to whom a contract is

let by Developer in connection with the construction of the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the 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.

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.

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.

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.

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.

Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of

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

SECTION 11. ENVIRONMENTAL MATTERS

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

11.02. Developer Indemnification. 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 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 all or any portion of the Property, 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 the Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

Prior to execution and delivery of this Agreement.

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.

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.

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.

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:

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.

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.

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.

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.

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.

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.

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.

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.

Post Construction

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

Other Requirements

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance to the City on an insurance certificate form to the City's satisfaction 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 during the Term of the Agreement.

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:

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

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

(c) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement 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 the Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

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

(e) 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 shall have 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 and/or liens bonded by the Developer or insured by the Title Company to the satisfaction of DPD, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against 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) 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.

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

15.02. Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, discontinue payment of the City Funds, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Funds paid to the Developer. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the terms and conditions contained herein. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all City Funds previously paid to the Developer.

15.03. Curative Period.

In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, unless otherwise provided in this Agreement, 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, unless otherwise provided in this Agreement, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement, unless otherwise provided in 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 there shall be no cure period with respect to (i) the filing of the Annual Compliance Report pursuant to Section 8.21 hereof, (ii) the submission of the Occupancy Report and Jobs Certificate with the Annual Compliance Report, (iii) the Occupancy Covenant and Operating Covenant, and (iv) that the cure period for noncompliance with the Jobs Covenant shall be as provided for in Section 8.06(b) hereof.

15.04. Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation or reduction of the amount of City Funds to be paid hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation), unless otherwise provided in this Agreement, to cure such Event of Default as follows:

(a) if the Event of Default is a monetary default, the Lender may cure such default within 45 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lender of such notice from the City; and

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 60 days after the later of: (i) the expiration of the cure period, if

any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

(c) Notwithstanding the provisions of Section 15.03(b) hereof, if such non-monetary default is an Event of Default set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or Event of Default by the Developer of a nature so as not reasonably being capable of being cured within such 60 day period (each such default being a "Personal Developer Default"), the Lender shall provide written notice to the City within 45 days of receipt of notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or any other party agreed to in writing by both the Lender and the City. Upon receipt by the City of such notice from the Lender, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of Developer's rights hereunder.

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 E 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 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:

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

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

expressly running with the land.

Prior to the issuance by the City to Developer of a Certificate of Completion 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>Beverly Western Partners LLC 6801 W. Roosevelt Road Berwyn, Illinois 60402 Attention: Carlo Buonavolanto</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>Meltzer, Purtil & Stelle LLC 300 South Wacker Drive, Suite 2300 Chicago, Illinois 60606 Attention: William J. Mitchell</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 (A) 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%), (B) reduce by more than 5,000 the number of square feet required pursuant to Section 7.01(c)(iii), (C) materially change the Property or character of the Project or any activities

undertaken by Developer affecting the Property, the Project, or both, or (D) increase any time agreed for performance by Developer by more than ninety (90) days.

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

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

18.04. Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05. Waiver. Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

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

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

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

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

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

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

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

18.14. Assignment. Except as permitted in Section 8.01(j) hereof, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.02 (Covenant to Redevelop), Section 8.06 (Jobs, Occupancy and Operating Covenant), Section 8.19 (Real Estate Provisions), Section 8.20 (Survival of Covenants) and Section 8.24 (FOIA and Local Records Act Compliance) hereof, for the Term of the Agreement. The proposed buyer or assignee of the Developer must be qualified to do business with the City (including but not limited to provision of Economic Development Statement(s) and compliance with anti-scofflaw requirements). 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 acts of nature beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17. Business Economic Support Act. Pursuant to the Business Economic Support

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

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

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

18.20. Business Relationships That Create Financial Interests. The 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, 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. The 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. 2011 City Hiring Plan Prohibitions.

(a) The City is subject to the June 24, 2011 "City of Chicago Hiring Plan" (the "2011 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2011 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(b) The Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with the Developer, either as an employee or as a subcontractor, and from directing the Developer to hire an individual as an employee or as a subcontractor. Accordingly, the Developer must follow its own hiring and contracting

procedures, without being influenced by City employees. Any and all personnel provided by the Developer under this Agreement are employees or subcontractors of the Developer, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by the Developer.

(c) The Developer will not condition, base, or knowingly prejudice or affect any term or aspect to the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to the Developer by a City employee or City official in violation of Section 12.7(ii) above, or advocating a violation of Section 12.7(iii) above, the Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("IGO Hiring Oversight"), and also to the head of the relevant City Department utilizing services provided under this Agreement. The Developer will also cooperate with any inquiries by IGO Hiring Oversight related to the Agreement.


18.22. Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

18.23. Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Beverly Western Partners, LLC,
an Illinois limited liability company

By: 
Name: Carlo Buonavolanto
Title: Manager

CITY OF CHICAGO, an Illinois municipal corporation

By: _____
Name: David L. Reifman
Title: 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.

Beverly Western Partners, LLC,
an Illinois limited liability company

By: _____

Name: Carlo Buonavolanto

Title: Manager

CITY OF CHICAGO, an Illinois municipal corporation

By: _____

Name: David L. Reifman

Title: Commissioner, Department of
Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, LYNN V. KEARINS, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Carlo Buonavolanto, personally known to me to be the Manager of Beverly Western Partners, LLC, an Illinois limited liability company, (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Developer, as his free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 3rd day of May, 2018.

Lynn V. Kearins

Notary Public

My Commission Expires 10/09/19

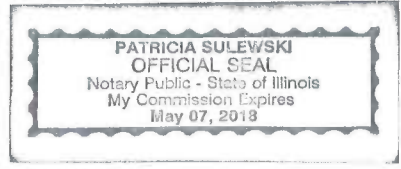
(SEAL)

OFFICIAL SEAL
LYNN V KEARINS
Notary Public - State of Illinois
My Commission Expires Oct 9, 2019

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 30th day of March, 2018.



(SEAL)

Patricia Sulewski
Notary Public
My Commission Expires 5/7/18

EXHIBIT A

REDEVELOPMENT AREA

[See Attached]

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: November 8, 2005

[(Sub)Exhibit "A" referred to in this Resolution 05-CDC-100
unavailable at time of printing.]

Exhibit "C".
(To Ordinance)

*Western Avenue/Rock Island Tax Increment
Financing Legal Description.*

Those parts of Sections 12, 13 and 24 in Township 37 North, Range 13 East of the Third Principal Meridian, and Sections 7, 18 and 19 in Township 37 North, Range 14 East of the Third Principal Meridian described, as follows:

beginning at the centerline of South Western Avenue and the centerline of West 96th Street; thence east (north, south, east and west are approximate directions and for the purposes of this legal are not meant to be cardinal directions, they are to follow street lines, centerlines, alley lines, lot lines, et cetera, and all their extensions thereof) along the centerline of West 96th Street, also being a south line of the 95th/Western T.I.F. District, to the extension of the east line of the first alley east of South Western Avenue; thence southerly along the east line of said alley to the north line of Lot 12 in Block 2, in John Jensen and Son's Beverly Highlands, recorded per Document T258206; thence west along said north line of Lot 12 extended to the centerline of said alley; thence south along the centerline of said alley to the north line of West 99th Street; thence east along the north line of West 99th Street to the east line of South Claremont Avenue;

thence south along the east line of South Claremont Avenue to the south line of Lot 9 in Block 2 extended east in Preble's Ridge View Subdivision, recorded per Document 1504806; thence west along the south line of said Lot 9 to the centerline of the first alley east of South Western Avenue; thence south along the centerline of said alley to the north line of an east/west dedicated alley extended east; thence east along said north line of said alley to the east line of the first alley east of South Western Avenue; thence south along the east line of said alley to the north line of West 101st Street; thence east along the north line of West 101st Street to the extension of the first alley east of South Western Avenue and south of West 101st Street; thence south along the east line of said alley to the north line of West 103rd Street as widened; thence east along the north line of West 103rd Street as widened to the extension of the east line of South Claremont Avenue; thence south along the east line of South Claremont Avenue to the south line of the first alley south of West 103rd Street; thence west along the south line of said alley to the east line of the first alley east of South Western Avenue; thence south along the east line of said alley to the north line of West 105th Street; thence south to the south line of West 105th Street and the east line of the first alley east of South Western Avenue; thence south along the east line of said alley to the north line of the first alley north of West 107th Street; thence east along the north line of said alley to the east line of Lot 12 extended north in Block 4 in Jernberg's Subdivision, recorded per Document 1293095; thence south along the east line of Lot 12 in Block 4 to the north line of West 107th Street; thence south to the northeast corner of Lot 1 in the resubdivision of Lots 16 to 21 in Block "S" of Morgan Park, recorded per Document 2039956; thence south along the east line of the resubdivision of Lots 16 to 21 in Block "S" of Morgan Park and the east line of the resubdivision of Lots 50 to 55 in Block "S" of Morgan Park, recorded per Document 2043315 to the centerline of West 108th Place; thence continuing south along the east line of Lots 72 and 77 in the resubdivision of Block "S" of the resubdivision of the Blue Island Land and Building Company of certain lots and blocks in Morgan Park, Washington Heights, recorded per Document 106694, to the south line of West 109th Street; thence west along the south line of West 109th Street to a line 15 feet east of the west line of Lot 73 in the resubdivision of Lots 6 to 16 and the north 90 feet of Lots 1 to 5, inclusive, in Block "L" of the resubdivision of the Blue Island Land and Building Company of certain lots and blocks in Morgan Park, Washington Heights recorded per Document 106693; thence south along said 15 foot east line to the north line of Lot 64 in resubdivision of Lots 6 to 16; thence east along the north line of said Lot 64 to the northeast corner of Lot 64; thence south along the east line of Lots 64, 63 and 60 to the southeast corner of Lot 60; thence west along the south line of Lot 60 to the northeast corner of Lot 57; thence south along the east line of Lot 57 to the north line of West 110th Street; thence east along the north line of West 110th Street to the point of curve in the south line of Lot 49; thence southeasterly to the northeast corner of Lot 47; thence south along the east line of Lots 47 and 24 to the south line of West 110th Place; thence west along the south line of West 110th Place to a line 20 feet west

of the east line of Lot 3; thence south along said 20 foot west line to the south line of Lot 3 in the resubdivision of Lots 6 to 16; thence east to the southeast corner of Lot 19 in resubdivision of Block "N", recorded per Document 1060979; thence north along the east line of said Lot 19 to the north line of West 110th Place; thence east along the north line of West 110th Place to the west line of South Longwood Avenue; thence north along the west line of South Longwood Avenue to the north line of Lot 1 extended west, in Subdivision of Lot 12 in Block 15 of Washington Heights, recorded per Document 736577; thence east along the north line of said Lot 1 to the westerly line of the C.R.I. and P. Railroad; thence northerly along the westerly line of the C.R.I. and P. Railroad to the southeast corner of Lot 1 in the subdivision of Lot 1, recorded per Document 1234103; thence west along the south line of said lot to the southwest corner of said lot; thence north along the west line of said lot to the northwest corner of said lot; thence northwesterly to the southeast corner of Lot 25 in W. M. Baker's Subdivision, recorded per Document 667479, also being the westerly line of South Walden Parkway; thence northeasterly along the westerly line of South Walden Parkway to the southerly line of Lot 4 in aforesaid W. M. Baker's Subdivision; thence westerly along the southerly line of Lot 4 to the southwest corner of Lot 4; thence northeasterly along the westerly line of Lots 3 and 4 in said W. M. Baker's Subdivision and continuing northeasterly along the westerly line of the resubdivision of Lots 1 and 2 in Block 3 in W. M. Baker's Subdivision, recorded per Document 14347107 to the south line of West 105th Street; thence west along the south line of West 105th Street to the west line of South Longwood Drive; thence northerly along the curved westerly line of South Longwood Drive to the northeast corner of Lot 1 in the aforesaid W. M. Baker's Subdivision; thence easterly to the northwest corner of Lot 27 in Washington Park, Chas. Hopkinson's Subdivision, recorded per Document 97901; thence easterly to the northeasterly corner of Lot 17; thence northerly along the westerly line of South Walden Parkway, to a line 10 feet northerly of the southerly line of Lot 10 in aforesaid Washington Park, Chas. Hopkinson's Resubdivision; thence westerly along said 10 foot northerly line to the westerly line of Lot 10; thence northerly to the northwesterly corner of Lot 3, also being the southeast corner of the resubdivision of Lot 42 in Block 1 in C. Hopkinson's Resubdivision recorded per Document 4648179; thence westerly along the south line of said subdivision to the westerly line of South Longwood Drive; thence northerly along the westerly curved line of South Longwood Drive to the south line of West 103rd Street; thence northerly to the north line of West 103rd Street and the west line of South Longwood Drive; thence northerly along the westerly line of South Longwood Drive to the northeasterly corner of Lot 2 in Robert C. Givens Subdivision, recorded per Document 3781116; thence easterly to the northwesterly corner of Lot 16 in Barnard's Subdivision, recorded per Document 1103904; thence east along the north line of Lot 16 to the easterly lines of Parcels 25-7-412-053, 25-7-412-054, 25-7-412-051; thence northeast along the easterly line of said parcels to the northerly line of Lot 20 in said Barnard's Subdivision; thence easterly along the northerly lines of Lots 20 and 7 to the

westerly line of South Walden Parkway; thence northerly along the westerly line of South Walden Parkway and extended to the northerly line of West 101st Street; thence east along the north line of West 101st Street to the westerly line of the alley east of South Longwood Drive; thence northerly along the curved westerly line of said alley to the south line of West 100th Street; thence west along the south line of West 100th Street to the west line of the first alley east of South Longwood Drive (north of West 100th Street) extended south; thence north along the west line of said alley to the south line of West 99th Street; thence west along the south line of West 99th Street to the west line of South Longwood Drive; thence northerly to the north line of West 99th Street and South Longwood Drive; thence north along the west line of South Longwood Drive to a line 31 feet north of the south line of Lot 15, extended west in Block 12 in Walden Addition to Washington Heights, recorded per Document 1115422; thence east along said 31 foot north line to the west line of the first alley east of South Longwood Drive; thence north along the west line of said alley to the north line of Orlando J. Buck's Subdivision, recorded per Document 4090049, extended west; thence east along the north line of Orlando J. Buck's Subdivision to the west line of South Walden Parkway; thence north along the west line of South Walden Parkway to the south line of a 20 foot east/west alley in Block 7 in said Walden Addition to Washington Heights; thence west along south line of said east/west alley to the west line of South Longwood Drive; thence north along the west line of South Longwood Drive to the south line of Lot 23 in Block 6, extended west in aforesaid Walden Addition to Washington Heights; thence east along the south line of said Lot 23 to the west line of the north/south alley in Block 6; thence north along the west line of said alley to the north line of West 96th Street; thence east along the north line of West 96th Street to the west line of South Wood Street; thence north along the west line of South Wood Street to the southeast corner of Lot 8 in Block 1 in Dore's Subdivision, recorded per Document 196222; thence west to the southwest corner of Lot 8; thence north to the northwest corner of Lot 5, also the southeast corner of Lot 9 in the subdivision of Lots 21, 22, 23 and 24 in Block 1 in Dore's Subdivision recorded per Document 1440885; (the following four (4) courses are contiguous with the 95th/Western T.I.F. District) thence north along the line between Lots 4 and 9 to the southwest corner of Lot 3 in said Dore's Subdivision; thence east along the south line of Lot 3 to the centerline of the C.R. I. and P. Railroad; thence north along the centerline of said railroad to the extension of the centerline of the first alley east of said railroad and south of West 95th Street; thence east along said centerline of alley to the east line of South Wood Street (east of said railroad); thence south along the east line of South Wood Street to the north line of the first alley north of West 99th Street; thence east along the north line of said alley to the east line of Parcel 25-7-217-068 and extended north; thence south along the east line of said parcel and extended south to the south line of West 99th Street; thence west along the south line of West 99th Street to the east line of Parcel 25-7-404-063; thence south along the east line of said parcel to the southeast corner of said parcel; thence east along the south line of Parcel 25-7-404-064

to the southeast corner of said parcel, also being the west line of Parcel 25-7-404-005; thence south along the west line of said Parcel 25-7-404-005 to the southwest corner of said parcel, also being the north line of Parcel 25-7-404-065; thence east along the north line of said Parcel 25-7-404-065 to the northeast corner of said parcel; thence south along the east line of said parcel to the southeast corner of said Parcel 25-7-404-065; thence west along said south line of said parcel to the east line of the following Parcels: 25-7-404-030, 25-7-404-031 and 25-7-404-032; thence south along the east line of said parcels and extended to the south line of West 99th Place, also known as West Beverly Glen; thence west along the south line of West 99th Place to the northwest corner of Parcel 25-7-405-001; thence south along the west line of aforesaid parcel to the easterly line of the C. R. I. and P. Railroad; thence southwesterly along the curved easterly right-of-way of the C. R. I. and P. Railroad to the south line of West 101st Street; thence east along the south line of West 101st Street to the northwest corner of Lot 1 in Barnhart's Tracy Subdivision recorded per Document T204020; thence southerly along the west lines of Lots 1 through 16 in said Barnhart's Tracy Subdivision, to the southwest corner of Lot 16; thence east along the south line of Lot 16 to the northeast corner of Lot 17; thence south to the southeast corner of Lot 20, also being the northwest corner of Emma J. Graham's Subdivision recorded per Document 4956627; thence east along the north line of Emma J. Graham's Subdivision to the east line of South Wood Street; thence south along the east line of South Wood Street to a line 133 feet north of the north line of West 103rd Street; thence east along said line 133 feet north, to the west line of Lot 5 in Norton's Subdivision of the west half of Lot 15 and 16 in Block 4 in Blue Island Land and Building Company's Subdivision, recorded per Document 1621596; thence south along said west line of Lot 5 to the north line of West 103rd Street; thence east along the north line of West 103rd Street to the east line of Lot 13 extended north in Washington Heights, Clark's Subdivision, recorded per Document 2022179; thence south along said east line of Lot 13 to a point on the east line of Lot 13, 165.4 feet south of the northeast corner of Lot 13; thence west along said 165.4 feet south line to the west line of South Wood Street; thence north along the west line of South Wood Street to the south line of the first alley south of West 103rd Street; thence west along the south line of said alley to the northeast corner of Lot 9 in Murray's Tracy Addition, recorded per Document 5190645; thence south along the east line of Lot 9 in aforesaid Murray's Tracy Addition to the southeast corner of Lot 9; thence west along the south line of Lot 9 to the northeast corner of Parcel 25-18-201-016; thence south along east line of Parcels 25-18-201-016; 25-18-201-017; 25-18-201-026; thence west along the south line of said parcel to the east line of Lot 8 in said Erastus A. Bernhard's Subdivision; thence south along the east line of Lot 8 to the south line of West 104th Street; thence west along the south line of West 104th Street to the east line of South Hale Avenue; thence southerly along the east line of South Hale Avenue to the northwest corner of Lot 45 in said Erastus A. Barnard's Subdivision; thence easterly along the north line of

Lot 45 to the westerly line of the first alley east of South Hale Avenue; thence northerly along the westerly line of said alley to the north line of Lots 20 and 21 extended west; thence east along said north line of Lots 20 and 21, and extended in aforesaid Erastus A. Barnhard's Subdivision to the northwest corner of Lot 1 in Lightfield Subdivision recorded per Document T248429; thence south along the west line of Lots 1, 2, 3 and 4 and extended to the north line of Lot 11 in said Lightfield Subdivision; thence west to the northwest corner of Lot 11 in said Lightfield Subdivision; thence south along the west line of Lot 11 to the north line of West 107th Street; thence east along the north line of West 107th Street to the east line of South Wood Street; thence south along the east line of South Wood Street to the south line of West 107th Place extended east; thence west along the south line of West 107th Place to the west line of South Hale Avenue; thence north along the west line of South Hale Avenue to a line 10 feet north of the south line of Lot 3 in Washington Heights, recorded per Document 39778; thence west along said 10 foot line to the east line of the first alley west of South Hale Avenue; thence southerly along said alley to the north line of West 108th Street; then southeasterly to the south line of South 108th Street and the east line of South Hale Avenue; thence southerly along the easterly line of South Hale Avenue to the northerly line of West Prospect Avenue; thence northeasterly along the northerly line of West Prospect Avenue to the intersection of the extension of a 376 foot radius being the westerly line of Block 50 in aforesaid Washington Heights; thence southeasterly along the extended 376 foot radius to the point of curve in Lot 6 in Block 50 in aforesaid Washington Heights; thence continuing along the 376 foot radius being the westerly line of Block 50 to the point of reverse curve in Lot 15 in Block 50; thence continuing along the reverse curve with a radius of 44.8 feet to the northerly line of West Pryor Avenue; thence southeasterly along the northerly line of West Pryor Avenue to the northwesterly line of the alley in Block 49; thence northeasterly along the northwesterly line of said alley to the extension of the northeasterly line of Lot 6 in Block 49 in aforesaid Washington Heights; thence southeasterly along the northeasterly line of Lot 6 to the northwesterly line of South Hermosa Avenue; thence northeasterly along the northwesterly line of South Hermosa Avenue to the northeasterly line of West Wood Street; thence southeasterly to the southeasterly line of South Hermosa Avenue and the northeasterly line of West Chelsea Place; thence southeasterly along the northeasterly line of West Chelsea Place to the northwesterly line of South Vincennes Avenue; (the following three (3) courses are contiguous with a westerly line of the 119th and I-57 T.I.F. District); thence southwestly along the northwesterly line of South Vincennes Avenue to the north line of West 115th Street; thence west along the north line of West 115th Street to the easterly line to C. R. I. and P. Railroad; thence southerly along the easterly line of the C. R. I. and P. Railroad to the centerline of West 119th Street also being the south line of the southeast quarter of Section 19; thence west along the centerline of West 119th Street to the extension of the westerly line of the first alley east of South Hale Avenue; thence northerly along the westerly line of said alley to the south

line of West 115th Street; thence west along the south line of West 115th Street to the westerly line of South Hale Avenue north of West 115th Street, extended south; thence northerly along the westerly line of South Hale Avenue to the southeast corner of Lot 10 in subdivision of Lots 1 to 4 in Block 72 of the Blue Island Land and Building Company's Subdivision recorded per Document 13445; thence westerly along the southerly line of Lots 9 and 10 in said subdivision to the easterly line of South Longwood Drive; thence northwesterly to the northeast corner of Lot 6 in subdivision of the north 281.5 feet of Lots 2 and 3 in Block 1 in Morgan Park recorded per Document 921208; thence west along the north line of Lot 6 to a point 200 feet east of the northwest corner of Lot 6, said point also being the northeast corner of Parcel 25-19-103-001; thence southerly along the easterly line of said parcel to the southeast corner of said parcel; thence west along the south line of Parcel 25-19-103-001 to the westerly line of South Hoyne Avenue; thence northerly along the westerly line of South Hoyne Avenue to the south line of Parcel 25-19-102-020; thence west along south line of said parcel to the northwest corner of Parcel 25-19-102-021 also being a point on the east line of Parcel 25-19-102-015; thence south along the east line of said parcel and continuing along the east line of Parcel 25-19-102-016 to the southeast corner of Parcel 25-19-102-016; thence west along a line 334.5 feet south of the south line of West 111th Street to the southwest corner of Parcel 25-19-102-013; thence north along the west line of aforesaid parcel to the southeast corner of Lot 5 in Owner's Division of Lot 7 (except the south 134.5 feet thereof) in Block "T" recorded per Document 8886102; thence west along the south line of Lot 5 to the west line of South Bell Avenue; thence north along the west line of South Bell Avenue to the southeast corner of Lot 1 in Washburn's Resubdivision of Block "K" recorded per Document 131805; thence west to the southwest corner of Lot 14 in aforesaid Washburn Resubdivision; thence south to the southeast corner of Lot 49 in aforesaid Washburn Resubdivision; thence west to the southwest corner of Lot 49 in aforesaid Washburn Resubdivision; thence south to the southeast corner of Lot 55 in aforesaid Washburn Resubdivision; thence southerly to a point on the south line of West 112th Street, said point being 5 feet east of the northwest corner of Lot 9 in resubdivision of Lots 16 to 25 in the north half of Lots 14 and 15 all in Block "E" of Blue Island Land and Building Company's Resubdivision, recorded per Document 127986; thence south on line 5 feet east of the west line of Lot 9 to the south line of Lot 9; thence west along the south line of Lot 9 to the southwest corner of Lot 9 also the northwest corner of Lot 17; thence south along the west line of Lot 17 to the north line of West 112th Place; thence east along the north line of West 112th Place to the westerly line of South Oakley Avenue; thence easterly to a point on the easterly line of South Oakley Avenue, 15 feet south of the north line of Lot 10 in Buten and Hamilton's Subdivision of Lots 12 to 21 in Block "F" of the Blue Island Land and Building Company's Resubdivision recorded per Document 116496; thence southerly along the easterly line of South Oakley Avenue to the extension of the south line of West 113th Place extended east across South Oakley Avenue; thence west along the

south line of West 113th Place to the northeast corner of Lot 13 in resubdivision of the south half of Lots 14 and 15, Lots 6 to 13 and the north 57 feet of Lots 4 and 5 all in Block "E" of Blue Island Land and Building Company's Resubdivision, recorded per Document 127986; thence south along the east line of Lots 13 and 28 and the west line of Lot 34 to the southwest corner of Lot 34 in said Resubdivision; thence east along the south line of said Lot 34 and Lot 35 to the northeast corner of Lot 4 in subdivision of original Lots 1, 2 and 3, recorded per Document 1272083; thence south along the east line of Lots 4, 5, 6 and 7 and their extension to the south line of West 115th Street; thence west along the south line of West 115th Street to the northeast corner of Lot 59 in Walker's Resubdivision recorded per Document 932920; thence south to a point on the east line of Lot 55 in said subdivision, said point being the northwest corner of Parcel 25-19-308-051; thence east along the north line of said parcel to the east line of South Oakley Avenue; thence south along the east line of South Oakley Avenue to the southerly line of West 118th Street; thence westerly along the southerly line of West 118th Street to the northeast corner of Lot 47 in said Walker's Resubdivision; thence south along the east line of Lots 37 through 47 both inclusive to the centerline of West 119th Street; thence westerly to the centerline of West 119th Street and the centerline of South Western Avenue; thence westerly to the centerline of West 119th Street and the west line of the first north/south alley west of South Western Avenue, extended south; thence north along the west line of said alley to the south line of West 115th Street; thence north to a point on the north line of West 115th Street, 128.10 feet west of the east line of Lot 5 in Block 8 in O. A. Boque's Addition to Morgan Park Subdivision recorded per Document 127177 also being the east line of Parcel 24-24-225-065; thence north along a line 128.10 feet west of the east line of Lot 5 to the north line of Lot 5; thence east along the north line of Lot 5 to a line 122.34 feet west of the east line of Lot 4; thence north along said line 122.34 feet west to the north line of Lot 4; thence west along the north line of said Lot 4 to the west line of the north/south alley in Block 8; thence north along the west line of the north/south alley in Block 8 and the north/south alley in John J. Mack's Resubdivision of Lots 1 and 2 in Block 8, recorded per Document 14709534 and said alley extended to the north line of the east/west alley in John J. Mack's Resubdivision; thence east along north line of said east/west alley to the west line of Lot 6; thence north along the west line of Lots 4, 5 and 6 to the south line of West 114th Street; thence west along the south line of West 114th Street to the east line of the B. & O. Railroad; thence south along the east line of the B. & O. Railroad to the centerline of West 115th Street; thence west along the centerline of 115th Street to the west line of South Rockwell Street; thence north along the west line of South Rockwell Street to the south line of West 112th Street; thence west along the south line of West 112th Street to the west line extended to the first alley west of South Rockwell Street; thence north along the west line of said alley to the southeast corner of Lot 4 in Block 1 in Jane F. Taylor's Subdivision, recorded per Document 1170316; thence west along the south line of Lot 4 in Block 1 to the west line of South Talman Avenue;

thence north along the west line of South Talman Avenue to a line 12 feet north of the south line of Lot 45 in Block 2 in aforesaid Jane F. Taylor's Subdivision; thence west along said 12 foot north line to the east line of the alley in Block 2; thence south along the east line of said alley to the south line of Lot 4 in Block 2 extended east; thence west along the south line of Lot 4 to the west line of South Washtenaw Avenue; thence north along the west line of South Washtenaw Avenue to the south line of Lot 2 in Block 3 in Oviatt's Subdivision recorded per Document 115289; thence west along the south line of Lot 2 to the southwest corner of Lot 2 and the northeast corner of Lot 22; thence south along the east line of Lot 22 to a line 10 feet north of the south line of Lot 22; thence west along said 10 foot north line to the east line of South Fairfield Avenue; thence south along the east line of South Fairfield Avenue to a line 20 feet south of the north line of Lot 4 in Block 4 in aforesaid Oviatt's Subdivision; thence west along said 20 foot south line to the west line of Lot 4; thence south along the east line of Lots 13 to 21 to the north line of West 112th Street; thence west along the north line of West 112th Street to the extension of the west line of the north/south alley in Block 2 in James and Marshall's Subdivision, recorded per Document 2957416; thence south along the west line of said alley to the south line of West 112th Street; thence east along the south line of West 112th Street to the east line of said north/south alley in Block 2; thence south along the east line of said alley to the south line of West 113th Street; thence west along the south line of West 113th Street to the northeast corner of Lot 24 in Block 12 in Oviatt's Subdivision recorded per Document 115289; thence south to the southeast corner of Lot 13 in Block 12; thence south to the south line of West 114th Street, also being the northeast corner of Parcel 24-24-220-035; thence south along the east line of Parcel 24-24-220-035 to the southeast corner; thence east along the north line of Parcel 24-24-220-036 to the northeast corner; thence south along the east line of Parcel 24-24-220-036 to the southeast corner; thence west along the south line of said parcel to the northeast corner of Parcel 24-24-220-040; thence south to the southeast corner of Parcel 24-24-220-038, also being the southwest corner of Parcel 24-24-220-028; thence east along the south line of Parcel 24-24-220-028 to the northwest corner of Parcel 24-24-220-015; thence south along the west line of Parcel 24-24-220-015 and extended to the centerline of West 115th Street; thence west along the centerline of West 115th Street to the east line of the C. G. T. & W. Railroad; thence north along the east line of the G. T. W. Railroad to the centerline of West 113th Street extended; thence west along the centerline of West 113th Street to the west line of South Sacramento Avenue extended; thence north along the west line of South Sacramento Avenue to the south line of the first alley south of West 115th Street; (the following three (3) courses are contiguous with the 111th Street/Kedzie T.I.F. District) thence continuing north along the west line of South Sacramento Avenue to the north line of West 111th Street; thence east along the north line of West 111th Street to the west line of the C. G. T. and W. Railroad; thence north along the west line of the C. G. T. and W. Railroad to the north line of West 110th Street, also known as Patrick Court;

thence continuing north along the west line of the C. G. T. and W. Railroad to the south line of West 109th Street; thence west along the south line of West 109th Street to the west line of South Sacramento Avenue extended; thence north along the west line of South Sacramento Avenue to the south line of West 107th Street; thence west along the south line of West 107th Street to the west line of South Sacramento Avenue extended south; thence north along the west line of South Sacramento Avenue to the north line of West 103rd Street; thence east along the north line of West 103rd Street to the west line of the C. G. T. and W. Railroad; thence south along said west line of C. G. T. and W. Railroad to the centerline of West 103rd Street; thence east along the centerline of West 103rd Street to the east line of the C. G. T. and W. Railroad; thence south along said east line of the C. G. T. and W. Railroad to the centerline of West 111th Street; thence east along the centerline of West 111th Street to the west line of South California Avenue; thence north along the west line of South California Avenue to the north line of the first alley north of West 111th Street; thence east along the north line of said alley to the southwest corner Lot 9 in Block 16 in the F. F. Oviatt's Subdivision recorded per Document 115240; thence north along the west lines of Lots 3, 4, 5, 6, 7, 8 and 9 and extended to the north line of the first alley south of West 110th Street; thence east along the north line of said alley to the west line of the B. & O. Railroad; thence south along the west line of the B. & O. Railroad to the centerline of West 111th Street; thence east along the centerline of West 111th Street to the east line of the B. & O. Railroad; thence south along the east line of the B. & O. Railroad to the south line of West 111th Street; thence east along the south line of West 111th Street to the east line of South Rockwell Street extended south; thence north along the east line of South Rockwell Street to the north line of the first alley north of West 111th Street; thence east along the north line of said alley to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the northeast corner of Lot 29 in Block 5 in Premieres Addition to Morgan Park Subdivision recorded per Document 1214278; thence east along said north line of Lot 29 extended to the centerline of the first alley west of South Western Avenue; thence north along the centerline of said alley to a line 9 feet north of the south line of Lot 13 in Block 5 in Premieres Addition to Morgan Park; thence west along said line 9 feet north of the south line of Lot 13 to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the southeast corner of Lot 43 in Block 5 in Premieres Addition to Morgan Park; thence east along the south line of Lot 43 extended east to the centerline of said alley; thence north along said centerline to the south line of West 108th Street; thence west along the south line of West 108th Street to the west line of the north/south alley extended south in Block 4 in Premieres Addition to Morgan Park; thence north along the west line of said alley to the north line of West 107th Street; thence west along the north line of West 107th Street to the southwest corner of Lot 16 in Block 1 in Rueter and Companies Morgan Park Manor, recorded per Document 7662035; thence north along the west line of said Lot 16 to the north line of the first alley north of West 107th

Street; thence east along north line of said alley to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the bend point in the east line of Lot 31 in Block 1 in Arthur Dunas Beverly Hills Manor Subdivision, recorded per Document 764818; thence northwesterly along the chamfered northeast corner of Lot 31 to the south line of the first alley south of West 103rd Street; thence west along the south line of said alley to the west line of South Artesian Avenue; thence north along the west line of South Artesian Avenue to the south line of West 103rd Street as widened; thence west along south line of West 103rd Street as widened to the east line of South Campbell Avenue; thence south along the east line of South Campbell Avenue to the south line of the first alley south of West 103rd Street; thence west along the south line of said alley to the west line of South Maplewood Avenue; thence north along the west line of South Maplewood Avenue to the north line of West 101st Street extended west; thence east along the north line of West 101st Street to the east line of the first alley west of South Artesian Avenue; thence south along the east line of said alley to the north line of the first alley north of West 103rd Street; thence east along the north line of said alley to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the northeast corner of Lot 33 in Block 1 in O. Reuter & Co.'s Beverly Hills Third Edition recorded per Document 7916570; thence east along the north line of Lot 33 extended east to the centerline of the first alley west of South Western Avenue; thence north along the centerline of said alley to the centerline of West 99th Street; thence east along the centerline of West 99th Street to the centerline of South Western Avenue; thence north along the centerline of South Western Avenue to the point of beginning, all as shown on the Western Avenue/Rock Island T.I.F. Map, in Cook County Illinois.

Exhibit "D".
(To Ordinance)

Street Boundaries Of The Area.

The area is located within the Beverly and Morgan Park communities and is generally bounded on the east by the alley right-of-way of South Western Avenue, on the west by the alley right-of-way west of South Western Avenue, on the north by West 96th Street and on the south by West 119th Street extending west along West 111th Street to South Sacramento Avenue; and extending east along West 111th Street/Monterey Avenue to South Vincennes Avenue; north along the Rock Island Railroad tracks to West 95th Place and south along the Rock Island Railroad tracks to West 115th Street.

EXHIBIT B

PROPERTY

PARCEL 1:

LOTS 13 AND 14 (EXCEPT THAT PART OF LOT 14 TAKEN FOR SOUTH WESTERN AVENUE) IN BLOCK 4 IN JERNBERGS SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH 1/2 OF PROPOSED VACATED ALLEY LYING NORTH OF AND ADJOINING PARCEL 1, MORE PARTICULARLY DESCRIBED AS FOLLOWS: LOTS 13 AND 14 (EXCEPT THAT PART OF LOT 14 TAKEN FOR SOUTH WESTERN AVENUE) IN BLOCK 4 IN JERNBERGS SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 37 NORTH, RANGE

PARCEL 3:

LOT 15 (EXCEPT THE WESTERN 10 FEET THEREOF), LOT 16 (EXCEPT THE WESTERN 10 FEET THEREOF) AND LOT 17 (EXCEPT THE WESTERN 10 FEET THEREOF) IN BLOCK 4 OF JERNBERGS SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 IN SECTION 18, TOWNSHIP 37 NORTH RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Tax Index Number:

25-18-122-007-0000

25-18-122-008-0000

25-18-122-009-0000

25-18-122-019-0000

25-18-122-020-0000

EXHIBIT C

TIF-FUNDED IMPROVEMENTS*

	<u>Amount</u>
Acquisition Cost, Land, & Building	\$923,000
Total Land Acquisition	\$923,000
Hard Costs	
Demolition	\$48,200
Environmental	\$9,785
Total Hard Costs	\$57,985
Total	\$980,985

*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 \$450,000.

EXHIBIT D

[INTENTIONALLY OMITTED]

EXHIBIT E

PERMITTED LIENS

1. Liens or encumbrances against the Property on the Closing Date:

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT F-1

PROJECT BUDGET

	<u>Amount</u>
Acquisition Cost, Land, & Building	\$923,000
Total Land Acquisition	\$923,000

Hard Costs	<u>Amount</u>
Aluminum & Glass	\$3,580
Carpentry, rough	\$160,945
Carpentry, finish	\$0
Doors and Windows	\$9,300
Electrical	\$179,088
Entrances & Storefronts	\$32,194
Finishes	\$11,058
Fire protection, sprinkler & knox box	\$8,585
Footings & Foundation	\$66,299
Hardware	\$0
Insulation	\$0
Landscape	\$0
Masonry	\$123,750
Mechanical Systems	\$116,500
Plumbing	\$109,631
Roofing	\$86,737
Structural Steel	\$108,712
Tenant Improvements	\$11,610
Interior Construction	\$3,855
Construction Hard Costs	\$1,031,844

<u>Other Hard Costs</u>	
Site Work	\$818,820
Demolition	\$48,200
Environmental	\$9,785
Hard Cost Contingency	\$0
Other Hard Costs Sub-Total	\$876,805

Total Hard Costs **\$1,908,649**

Soft Costs	<u>Amount</u>
Architecture	\$45,168
Engineering	\$13,735
Appraisal	\$9,590
Developer Fees	\$37,500
Financing Fees	\$25,571
General Contractor Fee	\$75,000
Construction Management	\$25,000
Insurance	\$3,056
Interest Reserve	\$45,358
Leasing Commissions	\$37,500
Legal	\$122,017
Marketing/Office	\$5,000
Permits	\$41,826
Real Estate Taxes During Construction	\$35,686
Site Survey	\$5,100
Zoning/TIF	\$5,069
Lender's Inspecting Architect	\$0
Total Soft Costs	\$532,176

Total	\$3,363,825
--------------	--------------------

EXHIBIT F-2

MBE/WBE BUDGET

Hard Costs	\$1,127,250
Soft Costs/Fees	<u>\$ 303,510</u>
MBE/WBE Project Budget	\$1,430,760
MBE Total at 24%	\$ 343,382
WBE Total at 4%	\$ 57,230

EXHIBIT G

[INTENTIONALLY OMITTED]

EXHIBIT H

OPINION OF DEVELOPER'S COUNSEL

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

_____, _____
City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to _____, an [Illinois] _____ (the "Developer"), in connection with the construction of certain facilities at _____, Chicago, Illinois 606__ located in the _____ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

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

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

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

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

In addition to the foregoing, we have examined

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

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

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

Based on the foregoing, it is our opinion that:

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

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

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

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

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

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect

under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

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

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

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

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

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

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

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

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

Very truly yours,

By: _____
Name: _____

EXHIBIT I

FORM OF JOBS 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 Certificate
Beverly Western Partners, LLC Redevelopment Agreement

Dear Commissioner:

This Certificate is delivered pursuant to Section 8.06 of the Beverly Western Partners, LLC Redevelopment Agreement dated as of _____, 20__ (the "Agreement") and constitutes the Jobs Certificate of Beverly Western Partners, LLC (the "Developer") for the period ended _____, _____ **[add month, day and year]**. The undersigned certifies as to the information provided in the charts below and that each of the individuals listed in the charts below is a Full Time Equivalent Employee (as defined in the Agreement) at the Project.

Sincerely yours,

[DEVELOPER]

By: _____
Name: _____
Its: _____

Full Time Equivalent Employees as of _____, 20__:

Employee Identifier/ Number	Job Title	Independent contractor, third-party service provider, consultant? (Y or N)

EXHIBIT J

FORM OF SUBORDINATION AGREEMENT

This document prepared by and after recording return to:

_____, Esq.

City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the day of _____, ____ between the City of Chicago by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

WITNESSETH:

WHEREAS, [Describe Project - use language from Recitals of Redevelopment agreement - see example below] the _____ an Illinois limited liability company (the "Developer"), has purchased certain property located within the _____ Redevelopment Project Area at _____, Chicago, Illinois 606__ and legally described on the Exhibit hereto (the "Property"), in order to redevelop the building (the "Building") located on the Property through the following activities: _____ (the redevelopment of the Building and the Property as described above and the related Public Improvements are collectively referred to herein as the "Project"); and

WHEREAS, [describe financing and security documents];

WHEREAS, Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections [8.02, 8.06 and 8.19] (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with Developer as of the date hereof, subject, among other things, to (a) the execution by Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of Developer's default in connection therewith. Under no circumstances shall Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

<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>_____</p> <p>_____</p> <p>_____</p> <p>Attention: _____</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602</p>	<p>With Copies To:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Attention: _____</p>

Attention: Finance and Economic Development Division	
---	--

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By:

Its: _____

CITY OF CHICAGO

By:

Its: Commissioner,
Department of Planning
Development

ACKNOWLEDGED AND AGREED TO THIS

___ DAY OF _____, ____

[Developer], a _____

By:

Its:

Exhibit to Subordination Agreement – Legal Description

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, _____.

Notary Public
My Commission Expires

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ of [Lender], a _____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, _____.

Notary Public
My Commission Expires

(SEAL)

EXHIBIT K

[INTENTIONALLY OMITTED]

EXHIBIT L

JOB READINESS COVENANT FOR INCLUSION IN TENANT AND COMMERCIAL LEASES

Note: Defined terms will be adjusted to conform to the various leases.

Tenant acknowledges that the Development is subject to the terms of that certain Beverly Western Partners, LLC Redevelopment Agreement (the "Redevelopment Agreement") by and between the City of Chicago, an Illinois municipal corporation (the "City"), by and through its Department of Planning and Development ("DPD"), pursuant to which the City, through the DPD's Workforce Solutions Division, encourages the recruitment, hiring, and training of City residents for the jobs created by the construction and operation of the Development. Tenant shall comply with the City's requirements in furtherance of such program from time to time, including (a) meeting with representatives of the City regarding the possible training and hiring of City residents, (b) completing and submitting to the City an employee needs assessment form as requested by Workforce Solutions Division, (c) providing job descriptions and other materials as may be requested by the City, including an employment plan for Tenant, a form of which is set forth as Exhibit [] hereto, and (d) making reasonable efforts to participate in the employment plan, including considering (without the obligation to hire) the employment of candidates referred to Tenant by the City.

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

My commission expires: _____

Agreed and accepted:

Name
Title: _____
City of Chicago
Department of Planning and Development

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2018

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

C O N T E N T S

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



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Western Avenue/Rock Island Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2018, 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 Western Avenue/Rock Island Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2018, 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 Matter

As described in Note 1, the financial statements present only the activities of the Western Avenue/Rock Island Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 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.

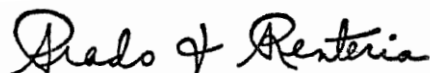
Other Matters

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 28, 2019

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Western Avenue/Rock 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, 2018. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK 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 fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

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

Condensed Comparative Financial Statements

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

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$1,435,459 for the year. This was an increase of 59 percent over the prior year. The change in net position (including other financing sources) produced an increase in net position of \$943,361. The Project's net position increased by 58 percent from the prior year making available \$2,570,463 of funding to be provided for purposes of future redevelopment in the Project's designated area. Revenues increased this year due to the Project's economic growth and accordingly increasing the total equalized assessed value of parcels and subsequent tax increment and related collections.

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 3,960,068	\$ 2,518,596	\$ 1,441,472	57%
Total liabilities	<u>1,389,605</u>	<u>891,494</u>	<u>498,111</u>	56%
Total net position	<u>\$ 2,570,463</u>	<u>\$ 1,627,102</u>	<u>\$ 943,361</u>	58%
Total revenues	\$ 1,429,776	\$ 925,681	\$ 504,095	54%
Total expenses	<u>2,317,530</u>	<u>2,486,571</u>	<u>(169,041)</u>	-7%
Other financing sources	<u>1,831,115</u>	<u>1,500,000</u>	<u>331,115</u>	22%
Changes in net position	<u>943,361</u>	<u>(60,890)</u>	<u>1,004,251</u>	1,649%
Ending net position	<u>\$ 2,570,463</u>	<u>\$ 1,627,102</u>	<u>\$ 943,361</u>	58%

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2018

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 2,878,543	\$ -	\$ 2,878,543
Property taxes receivable	1,073,143	-	1,073,143
Accrued interest receivable	<u>8,382</u>	-	<u>8,382</u>
Total assets	<u>\$ 3,960,068</u>	<u>\$ -</u>	<u>\$ 3,960,068</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 1,366,883	\$ -	\$ 1,366,883
Due to other City funds	<u>22,722</u>	-	<u>22,722</u>
Total liabilities	<u>1,389,605</u>	<u>-</u>	<u>1,389,605</u>
Deferred inflows	<u>821,509</u>	<u>(821,509)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>1,748,954</u>	(1,748,954)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 3,960,068</u>		
Net position:			
Restricted for future redevelopment project costs		<u>2,570,463</u>	<u>2,570,463</u>
Total net position		<u>\$ 2,570,463</u>	<u>\$ 2,570,463</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance - governmental fund			\$ 1,748,954
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>821,509</u>
Total net position - governmental activities			<u>\$ 2,570,463</u>

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

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 1,219,200	\$ 216,259	\$ 1,435,459
Interest income (loss)	(5,683)	-	(5,683)
	<hr/>	<hr/>	<hr/>
Total revenues	1,213,517	216,259	1,429,776
Expenditures/expenses:			
Economic development projects	2,317,530	-	2,317,530
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(1,104,013)	216,259	(887,754)
Other financing sources:			
Operating transfers in (Note 2)	1,831,115	-	1,831,115
	<hr/>	<hr/>	<hr/>
Excess of revenues and other financing sources over expenditures	727,102	(727,102)	-
Change in net position	-	943,361	943,361
Fund balance/net position:			
Beginning of year	1,021,852	605,250	1,627,102
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 1,748,954</u>	<u>\$ 821,509</u>	<u>\$ 2,570,463</u>

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

Net change in fund balance - governmental fund	\$ 727,102
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> 216,259
Change in net position - governmental activities	<hr/> <u>\$ 943,361</u>

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

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In February 2006, the City of Chicago (City) established the Western Avenue/Rock 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 special revenue funds of the City.

The financial statements present only the activities of the Western Avenue/Rock Island Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 and for the year ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

(d) *Assets, Liabilities and Net Position*

Cash and Investments

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

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

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are recognized at amortized cost. In 2018, due to fair value adjustments, investment income is showing a loss.

Deferred Inflows

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

Capital Assets

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of 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 fund as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

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

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. Refer to Note 3 for reimbursements paid to the developer.

Note 2 – Operating Transfers In

During 2018, in accordance with State statutes, the Project received \$1,500,000 from two contiguous Redevelopment Projects (95th and Western \$1,000,000 and 111th Street/Kedzie Avenue Business District \$500,00) to fund the intergovernmental agreement with the Chicago Park District for the development of the Morgan Park-Beverly Sports Center located at 2330 West 115th Street. In addition, the Project received \$331,115 from the contiguous 119th/I-57. Redevelopment Project to return the unused funds after the completion of the Blackwelder Park Project.

Note 3 – Tax Abatement Payments

Under the terms of a redevelopment agreement, the Project paid a developer \$177,500 during the year ended December 31, 2018.

Note 4 – 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.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
WESTERN AVENUE/ROCK 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	\$ 25,534
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	177,500
Costs of the construction of public works or improvements	<u>2,114,496</u>
	<u><u>\$ 2,317,530</u></u>



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 Western Avenue/Rock Island Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2018, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 28, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Western Avenue/Rock 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 28, 2019

INTERGOVERNMENTAL AGREEMENTS

FY 2018

FY 2018

TIF NAME: Western/Rock Island Redevelopment Project Area

A list of all intergovernmental agreements in effect in FY 2018 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)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
IGA - CPD - Morgan Park-Beverly Sports C	Improvements to park	\$1,500,000	
IGA - CBE Morgan Park HS	Improvements to school	\$1,500,000	