

FY 2016  
ANNUAL TAX INCREMENT FINANCE  
REPORT



STATE OF ILLINOIS  
COMPTROLLER  
SUSANA A. MENDOZA

Name of Municipality: City of Chicago Reporting Fiscal Year: 2016  
County: Cook Fiscal Year End: 12/31/2016  
Unit Code: 016/620/30

TIF Administrator Contact Information			
First Name:	<u>David L.</u>	Last Name:	<u>Reifman</u>
Address:	<u>City Hall, 121 N. La Salle</u>	Title:	<u>Administrator</u>
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Mobile	<u>n/a</u>	required	
Mobile	<u>n/a</u>	Best way to	<u>X</u> Email <u>        </u> Phone <u>        </u>
Provider	<u>n/a</u>	contact	<u>        </u> Mobile <u>        </u> Mail <u>        </u>

I attest to the best of my knowledge, this report of the redevelopment project areas in: City of Chicago  
is complete and accurate at the end of this reporting Fiscal year under 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.]

[Signature] 08/25/2017  
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
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
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 Street/St. Lawrence Avenue	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
60th and 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
69th/Ashland	11/3/2004	12/31/2016
71st and Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029

\*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.]

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

Reporting Fiscal Year:  
 Fiscal Year End:

**2016**  
 12 /31/2016

79th Street Corridor	7/8/1998	7/8/2021
79th Street/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 and Western	7/13/1995	12/31/2019
105th/Vincennes	10/3/2001	12/31/2025
107th Halsted	4/2/2014	12/31/2038
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
Addison Corridor North	6/4/1997	12/31/2016
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 Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2016
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
Chicago Lakeside Development - Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
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 (Lathrop Homes)	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	12/31/2026

Name of Municipality: Chicago  
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Reporting Fiscal Year:  
 Fiscal Year End:

**2016**  
 12 /31/2016

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
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 Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (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 Business District	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

Name of Municipality: Chicago Reporting Fiscal Year: **2016**  
 County: Cook Fiscal Year End: **12 /31/2016**  
 Unit Code: 016/620/30

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 Corridor	6/9/1999	12/31/2023
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2027
Red Purple Modernization Phase 1 (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	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 Drainage 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 Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/8/2008	12/31/2032
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 Rock Island	2/8/2006	12/31/2030
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
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 2016**

<b>Name of Redevelopment Project Area:</b> Portage Park Redevelopment Project Area
<b>Primary Use of Redevelopment Project Area*:</b> Combination/Mixed
<b>If "Combination/Mixed" List Component Types:</b> Industrial/Commercial/Residential
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b> Tax Increment Allocation Redevelopment Act <u> X </u> Industrial Jobs Recovery Law _____

	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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	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)] <b>Please enclose the CEO Certification labeled Attachment B</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)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	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)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	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)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	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)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	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)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	X	
Was 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)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	X	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		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)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>		X

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

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
**Provide an analysis of the special tax allocation fund.**

**FY 2016**

**TIF NAME:** Portage Park Redevelopment Project Area

Fund Balance at Beginning of Reporting Period

\$ 13,828,383

<b>Revenue/Cash Receipts Deposited in Fund During Reporting FY:</b>	<b>Reporting Year</b>	<b>Cumulative*</b>	<b>% of Total</b>
Property Tax Increment	1,847,698	\$ 32,710,440	94%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	(7,232)	492,789	1%
Land/Building Sale Proceeds			0%
Note Proceeds		1,415,000	4%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period**

1,840,466

**Cumulative Total Revenues/Cash Receipts**

\$ 34,618,229 100%

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

2,386,437

**Distribution of Surplus**

395,000

**Total Expenditures/Disbursements**

2,781,437

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS**

(940,971)

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 12,887,412

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

**Total Amount Restricted (Carried forward from Section 3.3)**

\$ 12,773,412

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

**SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**

FY 2016

TIF NAME: Portage Park Redevelopment Project Area

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND  
(by category of permissible redevelopment cost, amounts expended during reporting period)**

**FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED**

<b>Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]</b>	<b>Amounts</b>	<b>Reporting Fiscal Year</b>
<b>1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)</b>		
	38,425	
		\$ 38,425
<b>2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)</b>		
		\$ -
<b>3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)</b>		
		\$ -
<b>4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)</b>		
	71,680	
		\$ 71,680
<b>5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)</b>		
	2,276,332	
		\$ 2,276,332
<b>6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY</b>		
		\$ -





**SECTION 3.2 A**

**PAGE 3**

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 2,386,437</b>



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

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

**FY 2016**

**TIF NAME:** Portage Park Redevelopment Project Area

**FUND BALANCE, END OF REPORTING PERIOD** \$ 12,887,412

	Amount of Original Issuance	Amount Restricted
<b>1. Description of Debt Obligations</b>		
Restricted for debt service	\$ -	\$ -

**Total Amount Restricted for Obligations** \$ -

<b>2. Description of Project Costs to be Paid</b>		
Restricted for future redevelopment project costs		\$ 12,773,412

**Total Amount Restricted for Project Costs** \$ 12,773,412

**TOTAL AMOUNT RESTRICTED** \$ 12,773,412

**SURPLUS\*/(DEFICIT)** \$ 114,000

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (see instructions and statutes).

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

FY 2016

TIF NAME: Portage Park Redevelopment Project Area

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

No property was acquired by the Municipality Within the 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 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)  
PAGE 1

FY 2016

TIF NAME: Portage Park Redevelopment Project Area

\*Page 1 is to be included with TIF Report. Pages 2-3 are to be included **ONLY** if projects are listed.

**Box below must be filled in with either a check or number of projects, not both**

Check if <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area:	_____
<b>ENTER</b> total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.	<u>3</u>

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
<b>TOTAL:</b>			
Private Investment Undertaken	\$ -	\$ -	\$ 18,426,174
Public Investment Undertaken	\$ 400,476	\$ 725,000	\$ 5,737,389
Ratio of Private/Public Investment	0		3 11/52

**Project 1: \*IF PROJECTS ARE LISTED NUMBER MUST BE LISTED ABOVE**

<b>Small Business Improvement Fund (SBIF) **</b>	Project is Ongoing ***		
Private Investment Undertaken	\$ -	\$ -	\$ 6,320,000
Public Investment Undertaken	\$ -	\$ 325,000	\$ 3,160,000
Ratio of Private/Public Investment	0		2

**Project 2:**

<b>TIFWorks - Portage Park **</b>	Project is Ongoing ***		
Private Investment Undertaken	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 400,476	\$ -	\$ 577,389
Ratio of Private/Public Investment	0		0

**Project 3:**

<b>Irving Park Property Holdings, LLC.</b>	Project is Ongoing ***		
Private Investment Undertaken	\$ -	\$ -	\$ 12,106,174
Public Investment Undertaken	\$ -	\$ 400,000	\$ 2,000,000
Ratio of Private/Public Investment	0		6 1/19

**Project 4:**

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

**Project 5:**

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

**Project 6:**

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

<b>Project 7:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 8:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 9:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 10:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 11:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 12:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

\*\* 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.

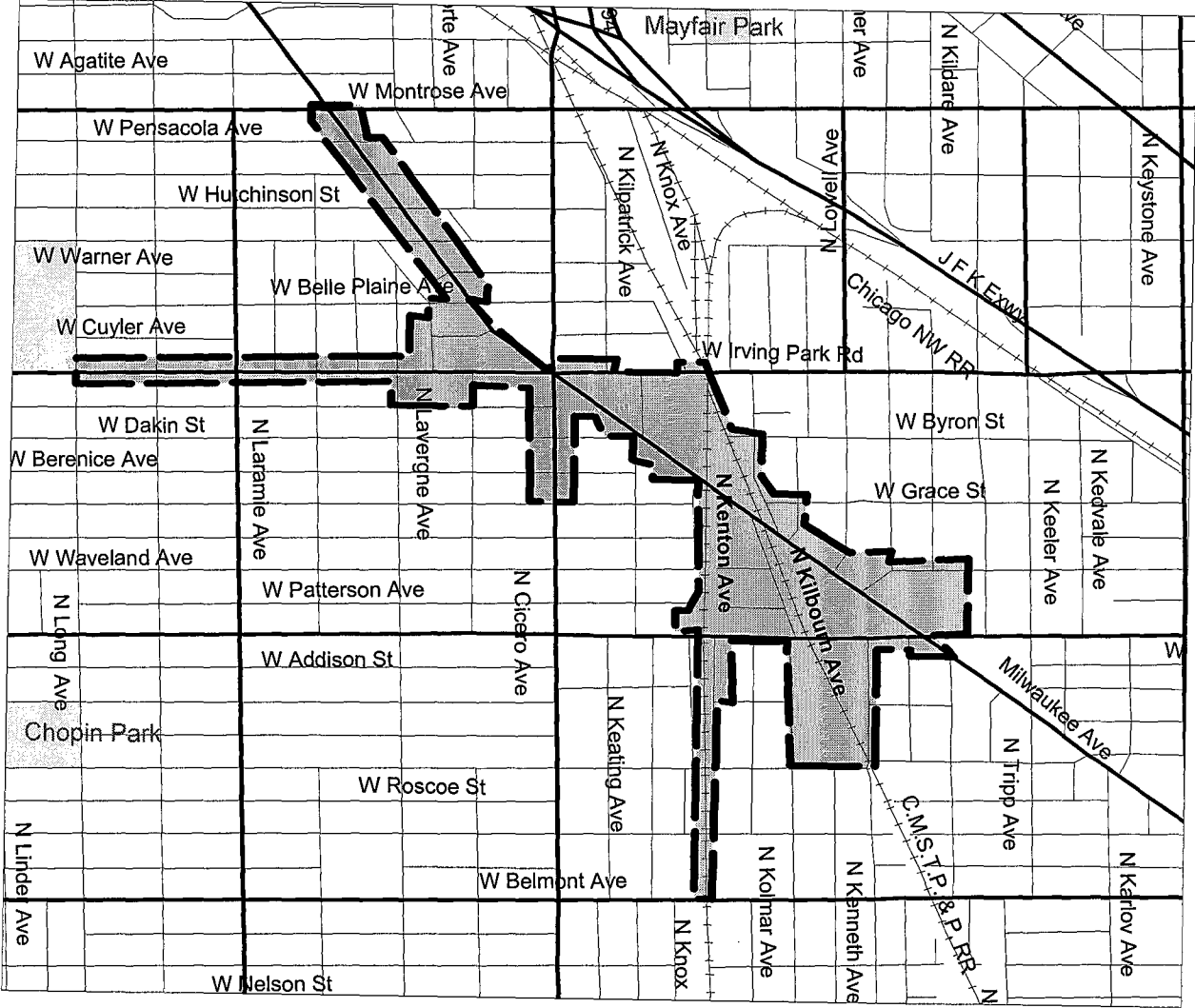
**General Notes**

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

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is to 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 developers 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.



# Portage Park Redevelopment Project Area 2016 Annual Report





STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK        )

**Attachment B**

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

Forrest Claypool  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

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

Michael Jasso  
Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

Douglas Wright  
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, Rahm Emanuel, 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 Portage Park Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

**Attachment B**

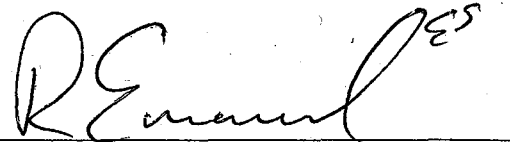
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2016, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 25th day of August, 2017.

A handwritten signature in black ink, appearing to read "R Emanuel", written over a horizontal line. The signature is stylized and includes a small "ES" at the end.

Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW

August 25, 2017 CITY OF CHICAGO

**Attachment C**

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

Forrest Claypool  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
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James R. Dempsey  
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Chicago, IL 60602

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

Re: Portage Park  
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.

August 25, 2017

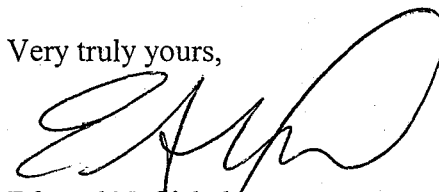
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following 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 Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the factual certification of the Commissioner of the Department of Planning and Development attached hereto as Schedule 1, along with the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 2.

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 his required certification in connection with the Report, and not by any other party.

Very truly yours,



Edward N. Siskel  
Corporation Counsel

## SCHEDULE 1

August 25, 2017

### CERTIFICATION

Commissioner  
Department of Planning and Development  
City of Chicago

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

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

1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City’s Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under my supervision and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.
3. I have reviewed, or caused to be reviewed by DPD personnel to my reasonable satisfaction, each certified audit report, to the extent such an audit report is required to be obtained by Section 11-74.4-5(d)(9) of the Act or by Section 11-74.6-22(d)(9) of the Law and submitted as part of the Report, which is required to review compliance with the Act or the Law in certain respects, to determine if such audit report contains information that might affect this Certification.
4. I have also reviewed, or caused to be reviewed by DPD personnel to my reasonable satisfaction, such other documents and records as I have deemed reasonably necessary to enable me to provide this Certification.

- 5. Nothing has come to my attention that would result in my need to qualify this Certification, except for the current, ongoing compliance issues within certain of the Redevelopment Project Areas, which issues are set forth and briefly explained in the Exception Schedule attached hereto as Exhibit A. With respect to these compliance issues, DPD staff continues to monitor and work with the owners and property managers of the projects noted on Exhibit A to correct the issues and bring these projects into full compliance with the Act and the Law.

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,



David L. Reifman  
Commissioner  
Department of Planning and Development

**EXHIBIT A TO SCHEDULE 1  
Exception Schedule**

TIF Area		Project Name	Ongoing Compliance Issues as of the Date of this Certification, with Brief Explanation
1.	24 <sup>th</sup> /Michigan	Hilliard Homes II	4 units out of 327 affordable units have rents that exceed the applicable maximum
2.	35 <sup>th</sup> /State	Stateway Gardens Ph. I	5 out of 25 affordable for-sale units were not completed
3.	Archer Courts	Archer Courts Ph. II	*
4.	Bronzeville	Pershing Courts	5 units out of 80 affordable units have rents that exceed the applicable maximum
5.	Central West	Horner Homes Ph. IIA1 Low-rise	*
		Horner Homes Ph. IIA2 Mid-rise	*
6.	Chicago/Central Park	Rosa Parks Apartments	5 units out of 94 affordable units have rents that exceed the applicable maximum
7.	Division Homan	La Estancia	5 units out of 57 affordable units have rents that exceed the applicable maximum
8.	Drexel Boulevard	Jazz on the Boulevard	3 units out of 39 affordable units have rents that exceed the applicable maximum
9.	Fullerton/Milwaukee	Zapata Apartments	*
10.	Hollywood/Sheridan	Hollywood House Apartments	37 units out of 177 affordable units have rents that exceed the applicable maximum
11.	Lakefront	Lake Park Crescent – Ph. I For-Sale	*
12.	Madden Wells	Madden Wells 1A For-Sale	8 units out of 27 not completed
		Madden Wells 1A Rental	6 units out of 163 affordable units have rents that exceed the applicable maximum

		Madden Wells 1B Rental	9 units out of 162 affordable units have rents that exceed the applicable maximum
		Madden Wells 2A Rental	39 units out of 142 affordable units have rents that exceed the applicable maximum
13.	Midwest	Rockwell West End – Ph. IIA Rental – East Lake Apts.	3 units out of 98 affordable units have rents that exceed the applicable maximum
		Renaissance Place Apts.	11 units out of 54 affordable units have rents that exceed the applicable maximum
14.	Pershing/King	Paul G. Stewart Tower 1 & 2 Rehab	*
		Paul G. Stewart Tower 5 Rehab	*

\* Owner has not supplied incomes of affordable units' purchasers to allow the City to verify that TIF funds were used for the 50% cost of construction of affordable units, which cost is allowed by the Act and was required by the respective redevelopment agreements. DPD continues to work with the owners and property managers to obtain the required information and to ensure compliance with the Act.



**SCHEDULE 2**

(Exception Schedule)

No Exceptions

Note the following Exceptions:

ATTACHMENT D

**Activities Statement**

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

<b><u>Name of Project</u></b>
Irving Park Property Holdings, LLC.



1618019053

Doc#: 1618019053 Fee: \$162.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 06/28/2016 12:00 PM Pg: 1 of 63

**IRVING PARK PROPERTY HOLDINGS, LLC**  
**REDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF CHICAGO

AND

IRVING PARK PROPERTY HOLDINGS, LLC

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

PH

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

**IRVING PARK PROPERTY HOLDINGS,LLC**  
**REDEVELOPMENT AGREEMENT**

This Irving Park Property Holdings, LLC Redevelopment Agreement (this "Agreement") is made as of this 28th day of June, 2016, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Irving Park Property Holdings, LLC an Illinois limited liability company (the "Developer"). Capitalized terms not otherwise defined herein shall have the meaning given in Section 2.

**RECITALS**

A. City Council Authority: To induce redevelopment pursuant to provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act") the City Council of the City (the "City Council") adopted certain ordinances on September 9, 1998, approving a redevelopment plan for the Portage Park Tax Increment Financing Redevelopment Project Area (the "Area"), designating the Area as a "redevelopment project area" under the Act, and adopting tax increment allocation financing for the Area (collectively, the "TIF Ordinances"). The Area is legally described in Exhibit A hereto.

B. The Project: The Developer intends to undertake the redevelopment project described in Exhibit B hereto (the "Project"), which includes (i) redevelopment of a 2-story vacant bank building into approximately 61,212 square feet of leased commercial space, (ii) redevelopment of an adjacent building into an approximately 5,123 square foot facility to be initially leased as a restaurant, and (iii) demolition of existing one-story building and construction of a new 3,900 square foot commercial building to be leased as a restaurant facility along with a parking lot behind the bank building that will provide approximately 173 parking spaces. The Project will consist of improvements on property to be owned by the Developer, including a vacant bank building (with the common address of 4901 W. Irving Park Road,) the adjacent building (with the common address of 4925 W. Irving Park Road), the new construction site (with common address 4939 W, Irving Park Road) along with the parking lot, all in Chicago, Illinois and legally described on Exhibit C (the "Property"). Developer has purchased the Property from Irving Park Properties, LLC and Irving Park Properties II, LLC. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. The Project will be carried out in accordance with this Agreement and the City of Chicago Portage Park Tax Increment Financing Redevelopment Project Area Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan").

C. City Financing: The City agrees to use Available Incremental Taxes to reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

## SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this Agreement by reference.

## 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:

"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 an annual signed report from the Developer due to the City on or before March 1 of each year during the Compliance and Monitoring Period (a) itemizing each of the Developer's obligations under the Agreement during the preceding calendar year, (b) certifying the 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 the Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Occupancy and Operations/ Jobs Covenant (Section 8.05); (2) compliance with the Jobs Covenant (Section 8.05); (3) delivery of Financial Statements and audited financial statements (Section 8.09); (4) delivery of updated insurance certificates, if applicable (Section 8.10); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.11); (6) delivery of evidence that the Sustainability Requirement has been satisfied (Section 8.22); and (7) compliance with all other executory provisions of this Agreement.

"Area" shall have the meaning set forth in the preamble to this Agreement.

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

"Arts Space" shall have the meaning as set forth in Exhibit B.

"Available Incremental Taxes" shall mean an amount equal to ninety five percent (95%) of the Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Property, as adjusted to reflect the amount of the City Fee described in Section 4.07 hereof.

"Business Relationship" shall have the meaning set forth for such term in Section 2-156-080 of the Municipal Code of Chicago.

"Capital Event" shall have the meaning as set forth in Section 4.09 hereof.

"Certificate(s)" shall mean the Initial Certificate of Completion or the Final Certificate of Completion as described in Section 7.01 hereof.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications, or the Project Budget as described in Section 3.06.

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

"City Fee" shall mean the fee described in Section 4.05 hereof.

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

"Closing Date" shall mean the date of execution and delivery of this Agreement, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Completion Date" shall mean the date the City issues its Certificate of Completion.

"Compliance and Monitoring Period" shall mean that period beginning on the date of the issuance of the Initial Certificate until the tenth anniversary of such date.

"Corporation Counsel" shall mean the City's Office of Corporation Counsel.

"Employer(s)" shall have the meaning set forth in Paragraph F of Section 6.01 hereto.

"Employment Plan" shall have the meaning set forth in Section 5.11 hereto.

"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.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) in an amount not less than that set forth in Section 4.01 hereof.

"Event of Default" shall have the meaning set forth in Section 12 hereof.

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

"Full-Time Equivalent Employee" or "FTE" shall mean a permanent full-time position that require work hours totaling at least 35 hours per week, and that is based at the Property during the applicable month. FTE shall not include persons employed by Irving Park Property Holdings, LLC or third parties in positions ancillary to operations at the Property, including, without limitation, security guards, cleaning personnel, or similar persons.

"General Contractor" shall mean the general contractor(s) hired by the Developer for the Project.

"Initial Certificate" shall mean the Initial Certificate of Completion as described in Section 7.01 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 Portage Park Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders, if any, and used to pay for Costs of the Project otherwise secured by the Property.

"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 D-2.

"Municipal Code" shall mean the Municipal Code of the City of Chicago.

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

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

"Prohibited Use" shall mean a branch bank, an employment agency, a currency exchange, a payday loan store, a pawn shop, a psychic or astrological or palm-reading business, an adult bookstore, a massage parlor, a hotel or motel, an off-track betting facility, a trailer-storage yard, a scrap yard, or any use similar to the preceding uses or otherwise identified in writing by DPD. The Commissioner of DPD shall have the sole discretion to consent to a waiver of any of the foregoing prohibited uses.

"Project Budget" shall mean the budget attached hereto as Exhibit D-1, showing the total cost of the Project by line item, as the same may be amended from time to time with the consent of DPD.

"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.

"Reimbursement Event" shall mean an act or omission by the Developer or its Affiliate resulting in an Event of Default relating to: (i) a material misrepresentation to the City related to the Project that the City relied upon (as reasonably determined by the City) in its decision to provide City Funds for the Project or to pay any such City Funds to the Developer; (ii) a fraudulent act or omission related to the Project; (iii) a misappropriation of funds from the uses set forth in the Project Budget resulting in the receipt by the Developer or its Affiliates of additional fees, commissions or compensation not disclosed in such Project Budget or otherwise approved in writing by DPD; (iv) any intentional or material waste to the Project improvements or any portion thereof; (v) any unapproved use of City Funds for payment or reimbursement of amounts other than costs of the TIF-Funded Improvements; (vi) a breach of the transfer and assignment restrictions contained in this Agreement; (vii) any material breach of the representations, warranties or covenants regarding

environmental matters contained in this Agreement, as applicable; (viii) the occurrence of any material uninsured casualty event to any portion of the Project improvements unless the portion of the improvements damaged by such event is restored within a reasonable period of time; (ix) material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer or its Affiliates; (xi) any receipt of City Funds after the occurrence of an Event of Default, or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of such City Funds under this Agreement, and (xii) failure to comply with the occupancy and operations and covenants as described in Section 8.05 (A) herein.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit H, to be delivered by the Developer to DPD pursuant to Section 4.05 of this Agreement.

"Survey" shall mean a survey of the Property prepared in accordance with Minimum Standard Detail Requirements adopted for ALTA/ACSM Land Title Surveys (2011 Revision), including such Table A requirements as the City may reasonably require, dated within 45 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 resulting from the Project, if any).

"Sustainability Requirement" shall have the meaning as described in Section 8.22 herein.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the earlier to occur of: (a) the date on which the Area is no longer in effect, and (b) the date on which the final payment of City Funds is made under this Agreement.

"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, as set forth on Exhibit I, as the same may be amended with DPD's consent.

"Title Company" shall mean Prairie Title Services, Inc.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Irving Park Property Holdings, LLC as the insured, noting (i) the recording of this Agreement as an encumbrance against the Property, and (ii) lender's consent and subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

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

"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 will complete the Project no later than September 30, 2017, or such later date as to which DPD may consent.

3.02 Project Budget. The Developer has furnished to DPD, and DPD has approved, the Project Budget. The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity shall be sufficient to complete the Project, and (b) the Project Budget is true, correct and complete in all material respects.

3.03 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 or otherwise lessen the Developer's obligations under Section 5.02.

3.04 Survey Update. On the Completion Date, the Developer shall provide an updated Survey if the Project added new improvements to the Property.

3.05 Signs and Public Relations. The Developer shall erect a sign in accordance with a template provided by DPD, and subject to final approval by DPD, in a conspicuous location on the Property during the Project indicating that financing has been provided by the City.

3.06 Change Orders. Except as provided below in this Section 3.06, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) changes in the Project scope that reduces the gross or net square footage of Project by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Project to a use other than as described in Recital B to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement).

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.06). In addition, Developer shall provide DPD with monthly reports regarding MBE/WBE utilization and compliance with prevailing wage and the City's residency requirements. Any shortfall in compliance with the requirements listed in this Section 3.07 shall be included in the monthly reports to DPD.

**SECTION 4. FINANCING**

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$14,106,174 which the Developer will initially fund from the following sources:

<u>Sources</u>	<u>Amount</u>
Equity	\$5,287,161
Lender Financing	\$9,819,013
<b>ESTIMATED TOTAL</b>	<b>\$14,106,174</b>
<b>Amount of City Funds(as defined below)</b>	<b>\$2,000,000</b>

Such sources of funds shall be used to pay all Project costs because no City Funds will be paid until the City's issuance of a Certificate, and then only on a "pay-as-you-go" basis. Except for the City Funds, no other City financial assistance or incentives have been or will be provided for the Project.

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 and costs of TIF-Funded Improvements in connection with the Project.

4.03 City Funds. (a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit I sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.04), 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 (a) \$2,000,000 or (b) Fourteen and two tenths percent (14.2%) of the total Project costs, as set out in the final Project Budget.

(b) Payment of City Funds. The Project shall be completed prior to any payment of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.04 and Section 5 hereof, the City hereby agrees to provide City funds (the "City Funds") from Available Incremental Taxes to pay for or reimburse the Developer for the actual Project costs of the TIF-Funded Improvements upon the completion of the Project, in an amount not to exceed the Maximum Annual Payment amount, as stated below.

(i) The City Funds shall be paid to the Developer in installments pursuant to the time frames set forth herein and in accordance with the terms and conditions of this Agreement, as follows:

<u>Annual Payment</u>	<u>Timing</u>	<u>Maximum Annual Payment</u>
Annual Payment #1	Issuance of Initial Certificate	\$400,000
Annual Payment #2	1st anniversary of issuance of the Initial Certificate	\$400,000

Annual Payment #3	2nd anniversary of issuance of the Initial Certificate	\$400,000
Annual Payment #4	Issuance of the Final Certificate	\$400,000
Annual Payment #5	1st anniversary of issuance of Final Certificate	\$400,000
<b>TOTAL CITY FUNDS:</b>		<b>\$2,000,000</b>

(ii) The actual amount may vary depending on the final Total Project Cost and the amount of TIF-Funded Improvements incurred.

(iii) The City's financial commitment to provide Available Incremental Taxes for such purposes is subject to the availability of sufficient Available Incremental Taxes.

(iv) City Funds derived from Available Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement.

The Developer acknowledges and agrees that the City's obligation to pay installments of City Funds in an amount not to exceed the applicable Maximum Annual Payment Amount is contingent upon the fulfillment of the conditions set forth in (i) through (iv) above, as well as the prior issuance of a Initial Certificate or Final Certificate, and the Developer's satisfaction of all other applicable terms and conditions of this Agreement. In the event that such condition is not fulfilled, the amount of Equity and/or Lender Financing to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) Reduction of City Funds. Upon the occurrence of the following, without limitation, City Funds may be reduced:

(i) if the final Total Project Cost falls below \$14,106,174, the City Funds will be reduced by \$1.00 for every \$1.00. Such reduction shall be made from the Annual Payment #1 and, if necessary, successive annual payments;

(ii) by ten percent (10%) if the Sustainability Requirement is not achieved for the Project;

(iii) pursuant to Section 7.03 (Failure to Complete) or if there is a default under Section 8.05 (Occupancy and Operations Covenant / Jobs Covenant);

(iv) if the Developer fails to meet the City Construction Compliance Requirements (MBE/WBE, prevailing wage and city residency) as defined in Section 6.01.

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 applicable Certificates.

(b) The Developer shall have a lease and shall cause to be operating an approximately 24,481 square foot Binny's, approximately 3,900 square foot Culvers, shall operate a minimum

of 11,764 square feet of Arts Space as described in this Agreement.

(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 until the earlier of (i) the end of 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.

4.05 Requisition Form. On the Completion Date and sixty days prior to the payment date (or such other date as the parties may agree to) thereafter and continuing throughout the Term of the 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 year (or as otherwise permitted by DPD). Upon DPD's request, the Developer shall meet with DPD to discuss any Requisition Form(s).

4.06 Prior Expenditures. Intentionally Omitted.

4.07 City Fee. As allowable per state law, these are costs incurred by the City related to the implementation and administration of TIF redevelopment plans, including but not limited to staff costs.

4.08 Cost Overruns. The Developer shall be solely responsible for any Project costs in excess of those set forth in the Project Budget and shall hold the City harmless from any and all such costs.

4.09 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed as provided in Section 12.

## SECTION 5. CONDITIONS PRECEDENT

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

5.01 Project Budget. DPD must have approved the Project Budget.

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

5.03 Financing. The Developer must have furnished proof reasonably acceptable to the City that it has Equity and/or Lender Financing to complete the Project. Any liens against the Property in existence at the Closing Date must have been subordinated to the covenants running with the land contained in this Agreement pursuant to a Subordination Agreement in the form of Exhibit J to be recorded, at the expense of the Developer, with the Recorder's Office of Cook County.

5.04 Title Policy. The Developer must have 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, along with copies of all Schedule B title exception documents. The Title Policy must be dated as of the Closing Date and contain only those title exceptions listed on Exhibit F hereto and evidence the recording of this Agreement. The Title Policy must contain such endorsements as may 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, 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.

5.05 Evidence of Clean Title. The Developer, at its own expense, must have provided the City with the searches under the following name, Irving Park Property Holdings, LLC. as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer, the Property, or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.06 Intentionally omitted.

5.07 Insurance. The Developer, at its own expense, must have insured the Property in accordance with Exhibit L hereto, and delivered to DPD actual policies

5.08 Opinion of the Developer's Counsel. On the Closing Date, the Developer must have furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit K, with such changes as may be acceptable to Corporation Counsel.

5.09 Evidence of Prior Expenditures. Intentionally omitted.

5.10 Financial Statements. The Developer must have provided DPD with such financial statements as DPD may reasonably require.

5.11 Documentation; Employment Plan. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 3.07. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of DPD to review employment opportunities with the Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to DPD, and DPD has approved, the Employment Plan for the Project (the "Employment Plan"). The Employment Plan includes, without limitation, the Developer's estimates of

future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project.

5.12 Environmental. The Developer must have provided DPD with copies of any existing phase I environmental audits completed with respect to the Property and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.13 Corporate Documents; Economic Disclosure Statement. The Developer must have provided a copy of its Articles of Organization or Incorporation containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of incorporation and the State of Illinois; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement, by-laws and such other corporate documentation as the City has requested. The Developer must also have provided the City with an Economic Disclosure Statement dated as of the Closing Date.

5.14 Litigation. The Developer must have provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer and the Property.

## SECTION 6. AGREEMENTS WITH CONTRACTORS

In connection with the Project, the Developer shall comply with, and shall cause the general contractor and all subcontractors to comply with, the construction requirements set forth below that are applicable to such parties. Such requirements are specific City requirements that must be satisfied and include, without limitation, wage, MBE/WBE utilization and City resident hiring requirements.

### 6.01 Construction Requirements

A. Construction Contract. Upon DPD's request, the Developer must provide DPD with a certified copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon DPD's request, a copy of any subcontracts.

B. Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer must require the General Contractor to be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

C. Employment Profile. Upon DPD's request, the Developer, the General Contractor and all subcontractors must submit to DPD statements of their respective employment profiles.

D. Prevailing Wage. The Developer, the General Contractor and all subcontractors must pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. 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 Paragraph D.

E. Employment Opportunity. The Developer shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the 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:

(1) 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.

(2) 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 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 Area.

(3) 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.

(4) Each Employer, in order to demonstrate compliance with the terms of this Paragraph, 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.

(5) Each Employer shall include the foregoing provisions of subparagraphs (1) through (4) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(6) Failure to comply with the employment obligations described in this Paragraph E shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

F. City Resident Construction Worker Employment Requirement. The 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 of Chicago (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, the 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.

The 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 of Chicago 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.

The 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.

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The 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 the 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 the 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 Paragraph 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 the Developer has failed to ensure the fulfillment of the requirement of this Paragraph 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 Paragraph. 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 the 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 the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

G. The Developer's MBE/WBE Commitment.

The 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:

(1) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Paragraph G, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as Exhibit D-2 (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 24 percent by MBEs.
- ii. At least 4 percent by WBEs.

2. For purposes of this Paragraph G only, the Developer (and any party to whom a contract is let by the Developer in connection with 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" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(3) Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the 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 the Developer utilizing a MBE or a WBE as a 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 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 the Developer's MBE/WBE commitment as described in this Paragraph G. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

(4) Prior to the City's issuance of a Certificate, the Developer shall provide to DPD a final report describing its efforts to achieve compliance with this MBE/WBE commitment. Such report shall include inter alia the name and business address of each MBE and WBE solicited by the 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 DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with the Redevelopment Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(5) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the 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 Section 2-92-540, Municipal Code of Chicago.

(6) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Paragraph G shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(7) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Paragraph G. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Paragraph G, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

H. Books and Records. The Developer, the general contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, general contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

I. Incorporation in Other Contracts. The general contract and each subcontract shall include a rider incorporating Paragraphs C, D, E(5) and H of this Section 6.01 and the insurance requirements in Exhibit L. The general contract shall also incorporate in such rider Paragraphs F and G of this Section 6.01.

## SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

### 7.01 Certificate(s) of Completion of Construction or Rehabilitation.

Upon completion of the Project in accordance with the terms of this Agreement and upon the Developer's written request, DPD shall either issue to the Developer an Initial Certificate or Final Certificate, respectively, in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement or a written statement detailing the measures which must be taken in order to obtain the Initial Certificate or Final Certificate. DPD may require a single inspection by an inspecting architect hired at the Developer's expense to confirm the completion of the Project. DPD shall respond to Developer's written request for an Initial Certificate or Final Certificate within forty-five (45) days by issuing either an Initial Certificate or Final Certificate, respectively, or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain either Certificate. Developer may resubmit a written request for a Initial Certificate or Final Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the **Initial Certificate** and pay out City Funds in connection with the Project, until the following conditions have been met:

- Completion of the Project;
- Evidence acceptable to DPD that the Total Project Cost is equal to, or in excess of, \$14,106,174. As described in Section 4.03(c), the City Funds will be reduced on a dollar for dollar basis if the Total Project Cost is less than \$14,106,174;
- Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the developer has complied with building permit requirements for Project;

- The Developer shall have initially signed leases for 65% of the Property and this shall not include the square footage of the Common Area, the not for profit art center, and movie theater, as described herein;
- Evidence acceptable to DPD that the Project met or exceeded MBE/WBE, Prevailing Wage, and City Residency requirements; Developer has received 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 herein;
- Evidence that the Developer has incurred TIF-eligible costs in an equal amount to, or greater than, the total maximum amount of City Funds for the Project (up to \$2,000,000); and
- The Developer shall provide evidence acceptable to the City that the Developer has met the Sustainability Requirement for the Project. The Sustainability Requirement shall mean the construction of a 75% green roof and exceeding the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1-2004 standards by 25%.

Furthermore, the Developer acknowledges and understands that the City will not issue the Final Certificate and pay out City Funds in connection with the Project, until the following conditions have been met:

- Issuance of the Initial Certificate; and
- The Developer shall lease or make best efforts to lease 11,764 square feet of Arts Space solely to arts and complementary uses businesses for twenty-four (24) months after the issuance of the Initial Certificate at no more than \$1 per square foot for the theater space and \$3 per square foot for the art center and has provided evidence satisfactory to the City that the Developer made best efforts to lease the Arts Space accordingly.

**7.02 Effect of Issuance of Certificate; Continuing Obligations.** The Certificate relates only to the performance of the work associated with the Project improvements. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in effect throughout the Compliance and Monitoring Period, or such shorter period as may be explicitly provided for herein, as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.01 (l) 8.02, 8.05 and 8.14 as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 15.15 of this Agreement.

**7.03 Failure to Complete.** If the Developer fails to complete the Project in accordance with the terms of this Agreement, no Certificate will ever be issued, and the City will have the right to terminate this Agreement. If this occurs, no City Funds will ever be paid to the Developer. In

addition, if the Project's TIF-Funded Improvements include any public improvements, the City will have the right (but not the obligation) to complete such public improvements and the Developer must immediately reimburse the City for all reasonable costs and expenses incurred in completing such public improvements.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the 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 THE 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 as defined for the purposes of this Agreement, is Irving Park Property Holdings LLC., and is duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

(d) the Developer will continue to own good, indefeasible and merchantable title to the Property (and all improvements thereon), free and clear of all liens except for the Permitted Liens and such other matters as DPD may consent to in writing;

(e) the Developer (including each of them, respectively) 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 (including each of them, respectively) which would impair its ability to perform under this Agreement;

(g) the Developer (including each of them, respectively) has and shall maintain all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Project;

(h) the Developer is not in default with respect to any agreement or instrument related to the borrowing of money to which the Developer (or either of them) is bound or for which the Property serves as collateral;

(i) any financial statements provided to the City are and will be, at the time of submittal, true, complete and 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) the Developer (including each of them, respectively) shall not, directly or indirectly do any of the following without the prior written consent of DPD, which consent shall be in DPD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (other than expressly permitted herein) or otherwise dispose of all or substantially all of its assets or any portion of the Property; or (3) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

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

(l) the Property shall not be used for any Prohibited Use;

(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 (including each of them, respectively) 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 during (i) the bid or other solicitation process for this Agreement or Other Contract (as defined below), including while this Agreement or any Other Contract is executory, (ii) the term of this Agreement or any Other Contract between Developer and the City, and/or (iii) any period while an extension of this Agreement or any Other Contract with the City is being sought or negotiated.

Developer represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from 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. 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 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 are 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 of Chicago; (ii) entered into for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/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 of Chicago, 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, as defined under Illinois law; 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 of Chicago, as amended.

8.02 Covenant to Redevelop. The Developer shall redevelop the Space in accordance with this Agreement and all Exhibits attached hereto, the Redevelopment Plan, the TIF Ordinances, the Project Budget and all amendments thereto, and all applicable federal, state and local laws, ordinances, rules, regulations, executive orders and codes. The covenants set forth in this Section shall run with the land but shall be deemed satisfied and shall terminate when the City issues its Certificate for recording in the Recorder's Office of Cook County.

8.03 Use of City Funds. City Funds shall be used by the Developer solely to reimburse the Developer for its payment for the TIF-Funded Improvements.

8.04 Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. If any such bonds are issued, the City may use the proceeds thereof to reimburse the Developer for any amounts remaining due under this Agreement.

#### 8.05 Occupancy and Operations Covenant / Jobs Covenant.

(a) The Developer shall continuously lease and cause to be operated a minimum of 24,481 square foot Binny's, an approximately 3,900 square foot Culvers, an approximately 6,000 square foot area that is intended to be a film theater, and an approximately 5,764 square foot area

intended to be an art center, the combined space for arts and complementary uses will be 11,764 square feet, hereinafter the "Arts Space". The Developer shall lease or make best efforts to lease the Arts Space solely to arts and complementary uses businesses for twenty-four (24) months after the issuance of the Initial Certificate at no more than \$1 per square foot for the theater space and \$3 per square foot for the art center. Thereafter, upon the City being satisfied that the Developer made best efforts to lease the Arts Space accordingly, the Arts Space will be maintained as space leased at no more than \$1 per square foot for the space currently designated for the theater and \$3 per square foot for the space currently designated to be the art center. The Developer shall have signed leases for 65% of the Property and this requirement shall not include the square footage of the common area and the Arts Space, as described in this Agreement. If the Developer fails to satisfy these requirements, the City shall have the right to halt payment or seek reimbursement of City Funds made to the Developer and to terminate this Agreement. The Occupancy and Operations Covenant shall apply throughout the Compliance & Monitoring Period. Developer will be allowed one, one year cure period for a default under this Section 8.05.

(b) Developer shall make a best effort to create and maintain a minimum of 130 FTE jobs throughout the Compliance & Monitoring Period and a minimum of 101 temporary construction jobs during the construction phase of the Project.

8.06 Arms-Length Transactions. Unless disclosed in the approved Project Budget or unless DPD has given its prior written consent with respect thereto, no Affiliate of the 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.

8.07 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer (including each of them, respectively) 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 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 Area.

8.08 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.

8.09 Financial Statements. The Developer shall provide DPD current financial statements prior to Closing, and at DPD's request, shall provide such interim statements as DPD may require.

8.10 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit L.

8.11 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-

Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

8.12 Compliance with Laws. The Property and the Project are and shall be operated in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes.

8.13 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 in the Recorder's Office of Cook County. If the Permitted Liens include any existing mortgages, such mortgagee must execute a subordination agreement in the form of Exhibit J.

8.14 Real Estate Provisions: Governmental Charges. Subject to the next paragraph, the Developer will pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Space 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, including, but not limited to, general real estate taxes.

The Developer has the right, before any delinquency occurs, to contest any Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as described in Exhibit M.

8.15 Lease. Developer shall submit to the City all leases for the Project for approval prior to closing.

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

8.17 Annual Compliance Report. Beginning with the calendar year in which the Certificate is issued and continuing throughout Compliance and Monitoring Period, the Developer shall submit to DPD the Annual Compliance Report by March 1<sup>st</sup> of the year following the end of the calendar year to which the Annual Compliance Report relates. For example, if the Certificate is issued in 2016, then the first Annual Compliance Report will be due no later than March 1, 2017.

8.18 Job Readiness Program. The Developer and the General Contractor shall undertake a job readiness program, to work with the City, through the Workforce Solutions (DPD Workforce Division), to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of the Developer's business on the Property. Developer and General

Contractor shall meet with DPD prior to the Closing Date to discuss the Project.

8.19 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (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.

#### 8.20. 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 8.17, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

#### 8.21 Shakman Accord

(a) The Developer shall perform under this Agreement as an independent contractor to the City and not as a representative, employee, agent or partner of the City.

(b) The City is subject to the June 16, 2014 the "City of Chicago Hiring Plan" (the "2014 City Hiring Plan") entered in Shakman v. Democratic Organization of Cook County, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(c) Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with Developer, either as an employee or as a subcontractor, and from directing Developer to hire an individual as an employee or as a subcontractor. Accordingly, Developer must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Developer under this Agreement are employees or subcontractors of 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 Developer.

(d) Developer will not condition, base, or knowingly prejudice or affect any term or aspect of 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.

(e) In the event of any communication to Developer by a City employee or City official in violation of paragraph (c) above, or advocating a violation of paragraph (d) above, 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 Department. Developer will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to this Agreement.

8.22 Sustainability Requirement. Prior to the issuance of a Certificate, the Developer shall provide evidence acceptable to the City that the Developer has met the Sustainability Requirement for the Project. The Sustainability Requirement shall mean the construction of a 75% green roof and exceeding the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1-2004 standards by 25%.

8.23 Recapture of TIF Assistance.

(a) If the sale, transfer or refinance of the Project (each happening being a "Capital Event") occurs on or before the fifth year anniversary of the issuance of the Initial Certificate, the Developer agrees to pay and remit to the City on the closing date of such sale or transfer an amount equal to the greater of ten (10%) of the sales proceeds, as calculated as the total sales price minus \$14,106,174 based on the final executed settlement statement prepared in connection with such sale or other transfer, or the total amount of City funds paid to Developer as of the closing date of such transaction.

(b) If a Capital Event occurs after the fifth year anniversary of the issuance of the Initial Certificate and prior to the tenth anniversary of the issuance of said Certificate, the Developer agrees to pay and remit to the City on the closing date of such Capital Event, an amount equal to fifty percent (50%) of the sum of the Sales Price less \$14,106,174, less \$2,115,926 as calculated using final executed settlement statement prepared in connection with such sale or other transfer.

(c) 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.

(d) Any TIF Recapture Amount due and owing to the City pursuant to Section 8.23(a) or Section 8.23(b) due to the occurrence of a Capital Event shall be paid by the Developer on the closing date of such Capital Event.

(e) This Section 8.23 shall be in effect until a Capital Event in which Developer is no longer in control of the entire Project. With respect to Capital Event of less than the entire Project, such successor shall not have any obligations or liabilities under this Section 8.23 provided the Developer shall continue to have obligations under this Section 8.23 with respect to the portion of the Project that was not subject to the Capital Event.

(f) This section shall not apply to any refinancing of the Project that includes conversion of construction financing to permanent financing, provided that no funds are disbursed to the Developer.

## **SECTION 9. ENVIRONMENTAL MATTERS**

The Developer hereby represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.

## **SECTION 10. INDEMNIFICATION**

The 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 Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner directly or indirectly relating or arising out of this Agreement or the Project. The provisions of the undertakings and indemnification set out in this Section 10 shall survive the termination of this Agreement.

## **SECTION 11. MAINTAINING RECORDS / RIGHT TO INSPECT**

The Developer shall (a) comply with the requirements of Paragraph H of Section 6.01 during the Term of the Agreement and cause the other applicable parties to comply with such requirements, and (b) upon three (3) business days' notice, permit any authorized representative of

the City to have access to all portions of the Project and the Property during normal business hours to confirm the Developer's compliance with its obligations under this Agreement.

## SECTION 12. DEFAULT AND REMEDIES

12.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 12.03, shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;

(b) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, or the commencement of any analogous statutory or non-statutory proceedings involving the 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;

(c) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the 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;

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

(e) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement;

(f) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns 5% or more ownership interest in the Developer, which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns such a material interest in the Developer, for any crime (other than a misdemeanor).

(g) failure to timely submit the Annual Compliance Report to the City as required by this Agreement, the failure of which will constitute an event of default without notice or opportunity to cure; or

(h) failure to comply with the sustainability requirements for the Project as stated in Section 8.22 by which the City shall have the right to reduce the amount of City Funds by an amount equal to 10% of City Funds.



12.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. 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. However, the City shall not be entitled to recover any City Funds previously paid to the Developer unless the Event of Default involves a Reimbursement Event.

12.03 Curative Period. In the event the Developer fails to perform any covenant or obligation or breaches any representation or warranty which the Developer is required to perform under this Agreement, an Event of Default shall not be deemed to have occurred unless the 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, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. No such cure period, however, shall apply to Events of Default described in Section 12(b), (c), (d), (e) or (f), which defaults shall have the cure periods described therein, if any. Notwithstanding anything to the contrary in this section, a single one year cure period shall apply to default arising from a breach of the jobs and operations covenants in Section 8.05. There shall be no cure period for default arising from Developer's failure to comply with the Annual Compliance Report covenant in Section 8.17 and such breaches shall be an immediate Event of Default.

### SECTION 13. 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 F hereto. No mortgagee shall have the right to succeed to the Developer's rights under this Agreement unless it complies with the first sentence of Section 15.15 hereof.

### SECTION 14. 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) overnight courier, or (c) registered or certified mail, return receipt requested.

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602

If to the Developer: Irving Park Property Holdings, LLC  
5519 N. Cumberland Avenue, Suite 1008  
Chicago, Illinois 60656  
Attention: Mr. Charles H. Cui

With Copies To: DLA Piper (US)  
203 N. LaSalle Street  
Suite 1900  
Chicago, Illinois 60601-1293  
Attn: Rich Klawter

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 clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (c) shall be deemed received two (2) business days following deposit in the mail.

#### SECTION 15. MISCELLANEOUS

15.01 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 Exhibit A hereto without the consent of any party hereto, and DPD may grant consents as explicitly provided for under certain sections of this Agreement. 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 15.01 shall be defined as any deviation from the terms of the Agreement which operates to materially reduce the scope of the Project, increases the square footage allocated to office space to an amount greater than fifty percent (50%), materially changes the Project or business operations of the Developer at the Property, or increases the City Funds payable to the Developer.

15.02 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.

15.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the 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 the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

15.04 Further Assurances. The 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.

15.05 Waiver. Waiver by the City or the 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 the 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.

15.06 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.

15.07 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.

15.08 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.

15.09 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.

15.10 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.

15.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, and any bond ordinances relating to the Area, if any, such ordinance(s) shall prevail and control.

15.12 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.

15.13 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.

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

15.15 Assignment. The 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, which consent shall be in the City's sole discretion and which, if granted, may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement. The foregoing limitation shall not prevent the Developer from collaterally assigning to a lender that is also providing financing for the Project the Developer's right to receive the payment of City Funds as security for such lender financing. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

15.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay affected by any such events described above.

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

15.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the 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 the Developer has locations in the State. Failure by the 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.

15.20 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.

15.21 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.

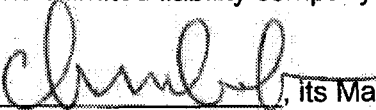
15.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any 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" (as defined in Section 2-156-080 of the Municipal Code of Chicago), 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" (as defined in Section 2-156-080 of the Municipal Code of Chicago), 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, 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.

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[SIGNATURE BLOCKS APPEAR ON THE FOLLOWING

**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.

**IRVING PARK PROPERTY HOLDINGS, LLC**  
an Illinois limited liability company

By:  its Manager  
Charles H. Cui

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

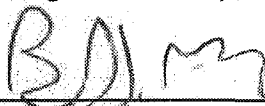
By: \_\_\_\_\_  
Brad McConnell  
Deputy Commissioner and Chief Operating Officer

**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.

**IRVING PARK PROPERTY HOLDINGS, LLC**  
an Illinois limited liability company

By: \_\_\_\_\_, its Manager  
Charles H. Cui


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

By:  \_\_\_\_\_  
Brad McConnell  
Deputy Commissioner and Chief Operating Officer

STATE OF ILLINOIS)  
  )SS  
COUNTY OF COOK)

I, Amalfi Diaz, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Charles H. Cui, personally known to me to be the Manager of Irving Park Property Holdings, 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 members of the company, as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28<sup>th</sup> day of June, 2016.

  
\_\_\_\_\_  
Notary Public

My Commission Expires 3/4/2020

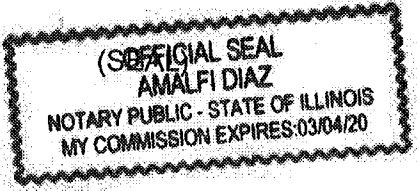






EXHIBIT A

Legal Description of the Redevelopment Area

## Legal Description of Portage Park Redevelopment Area

Beginning at the point of intersection of the centerline of North Milwaukee Avenue with the centerline of West Montrose Avenue and running; thence east along said centerline of West Montrose Avenue to the northwesterly extension of the southwesterly line of Lots 7 and 8 in Gardner's 7<sup>th</sup> Addition to Montrose, a resubdivision of Lots 1 to 10 and (except the south 33 feet) Lots 11 and 12 in Block 3 of H.L. Lewis Addition to Montrose, a subdivision in the north one-eighth of the southeast quarter of Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said southwesterly line of Lots 7 and 8 being also the northeasterly line of the alley northeasterly of North Milwaukee Avenue; thence southeast along said northwesterly extension and along said northeasterly line of the alley northeast of North Milwaukee Avenue and south along the east line of said alley to the north line of West Pensacola Avenue; thence east along said north line of West Pensacola Avenue to the northwesterly extension of the southwesterly line of Lot 9 in the resubdivision of the north 49.3 feet of Lot 38 and all of Lots 39 to 41 in Block 2 of Hield and Martin's Milwaukee Addition in the southeast quarter of Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said southwesterly line of Lot 9 being also the northeasterly line of the alley northeast of North Milwaukee Avenue; thence southeast along said northwesterly extension and along said northeasterly line of the alley northeast of North Milwaukee Avenue to the south line of said Lot 9, said south line of Lot 9 being also the north line of the alley north of West Cullom Avenue; thence east along said north line of the alley north of West Cullom Avenue to the northerly extension of the west line of Lot 19 in Block 2 in Hield and Martin's Milwaukee Avenue Subdivision of the south half of Lot 9 in School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 19 in Block 2 in Hield and Martin's Milwaukee Avenue Subdivision being also the east line of the alley east of North Milwaukee Avenue; thence south along said west line of Lot 19 in Block 2 in Hield and Martin's Milwaukee Avenue Subdivision to the north line of West Cullom Avenue; thence east along said north line of West Cullom Avenue to the northwesterly extension of the southwesterly line of Lot 17 in Block 2 in Henry Schroeder's Subdivision of the north half of Lot 10 of the School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said southwesterly line of Lot 17 being also the northeasterly line of the alley northeasterly of North Milwaukee Avenue; thence southeast along said northwesterly extension and along the northeasterly line of the alley northeasterly of North Milwaukee Avenue and along the southeasterly extension thereof to the west line of Lot 29 in said Block 2 in Henry Schroeder's Subdivision, said west line of Lot 29 being also the east line of the alley east of North Milwaukee Avenue; thence south along said east line of the alley east of North Milwaukee Avenue to the north line of West Hutchinson Avenue; thence east along said north line of West Hutchinson Avenue to the northwesterly extension of the southwesterly line of Lot 21 in the subdivision of that part east of North Milwaukee Avenue of the south half of Lot 10 and the north 33 feet east of North Milwaukee Avenue of Lot 11 in School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said southwesterly line of Lot 21 being also the northeasterly line of the alley northeast of North Milwaukee Avenue; thence southeast along said northwesterly extension and along the northeasterly line.

of the alley northeast of North Milwaukee Avenue to the south line of Lot 37 in E. C. Dickinson's Subdivision of that part east of North Milwaukee Avenue and south of West Berteau Avenue of Lot 11 in School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said south line of Lot 37 being also the north line of the alley north of West Warner Avenue; thence east along said north line of the alley north of West Warner Avenue to the northerly extension of the west line of Lot 24 in said E. C. Dickinson's Subdivision of that part east of North Milwaukee Avenue and south of West Berteau Avenue of Lot 11 in School Trustee's Subdivision; thence south along said northerly extension and the west line of said Lot 24 to the north line of West Warner Avenue; thence east along said north line of West Warner Avenue to the northwesterly extension of the southwesterly line of Lot 30 in E. C. Dickinson's Subdivision Number 2 of Lots 11 and 12 east of North Milwaukee Avenue in School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said southwesterly line of Lot 30 being also the northeasterly line of the alley northeast of North Milwaukee Avenue; thence southeast said northwesterly extension and the southwesterly line of Lot 30 and the southeasterly extension thereof to the west line of Lot 11 in the resubdivision of Lots 9 to 18 of E. C. Dickinson's Subdivision Number 2, said west line of Lot 11 being also the east line of the alley east of North Milwaukee Avenue; thence south along said east line of the alley east of North Milwaukee Avenue to the north line of West Belle Plaine Avenue; thence west along said north line of West Belle Plaine Avenue to the southwesterly line of North Milwaukee Avenue; thence southeast along said southwesterly line of North Milwaukee Avenue to the north line of West Irving Park Road; thence south along a line perpendicular to the north line of West Irving Park Road to the south line of West Irving Park Road; thence east along said south line of West Irving Park Road to the southerly extension of the west line of Marketplace at Six Corners Subdivision, a resubdivision of Lots 7 through 14 in Block 56, all of Blocks 58, 59, Lots 1 and 13 through 21 in Block 60 and Block 61 (except part of Lots 4, 5 and 6) in Lombard's Addition to Montrose and Lots 1 through 16 in Raithel's Resubdivision, together with vacated streets and alleys, in the west half of the southwest quarter of Section 15, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Marketplace at Six Corner's Subdivision being also the east line of North Cicero Avenue; thence north along said southerly extension of North Cicero Avenue to the north line of West Irving Park Road; thence east along said north line of West Irving Park Road to the west line of North Kilpatrick Avenue; thence south along the southerly extension of said west line of North Kilpatrick Avenue to the south line of West Irving Park Road; thence east along said south line of West Irving Park Road to the southerly extension of the east line of North Kilpatrick Avenue; thence north along said southerly extension of the east line of North Kilpatrick Avenue to the north line of West Irving Park Road; thence east along said north line of West Irving Park Road to the east

line of Lot 12 in Block 60 in Lombard's Addition to Montrose, a subdivision of that part of the southwest quarter of the southwest quarter of Section 15, Township 40 North, Range 13 East of the Third Principal Meridian; thence south along the southerly extension of said east line of Lot 12 in Block 60 in Lombard's Addition to Montrose to the south line of West Irving Park Road; thence east along said south line of West Irving Park Road to the southwesterly line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company; thence northwest along said southwesterly line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company to the centerline of West Irving Park Road; thence east along said centerline of West Irving Park Road to the east line of the right-of-way of the Chicago and Northwestern Railway Company; thence south along said east line of the right-of-way of the Chicago and Northwestern Railway Company to the northeasterly line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company; thence southeast along said northeasterly line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company to the north line of West Byron Street; thence east along said north line of West Byron Street to the east line of North Kilbourn Avenue; thence south along said east line of North Kilbourn Avenue to the north line of West Grace Street; thence east along said north line of West Grace Street to the east line of North Kenneth Avenue; thence south along said east line of North Kenneth Avenue to the southwesterly line of Lot 12 in Block 7 in Grayland, a subdivision in the northwest quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian, said southwesterly line of Lot 12 being also the northwesterly line of the alley northeast of North Milwaukee Avenue; thence southeast along said northeasterly line of the alley northeast of North Milwaukee Avenue and the southeasterly extension thereof to the westerly extension of the south line of Lot 20 in Gray Estate Addition to Grayland, a subdivision of that part of the southwest quarter of the northeast quarter of Section 22 lying north of North Milwaukee Avenue and west of the east 617.07 feet of the southwest quarter of the northeast quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian; thence east along said south line of Lot 20 in Gray Estate Addition to Grayland to the east line thereof, said east line being also the west line of the alley east of North Kostner Avenue; thence north along said west line of the alley east of North Kostner Avenue to the westerly extension of the south line of Lot 20 in Block 3 in said Gray Estate Addition to Grayland, said south line of Lot 20 in Block 3 being also the north line of the alley north of West Waveland Avenue; thence east along said north line of the alley north of West Waveland Avenue and the easterly extension thereof to the east line of North Lowell Avenue; thence south along said east line of North Lowell Avenue to the north line of West Waveland Avenue; thence east along said north line of West Waveland Avenue to the northerly extension of the west line of Lot 1 in Block 3 in Gray's Addition to Irving Park, a subdivision of the east 617.01 feet of the southwest quarter of

the northeast quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 1 being also the east line of the alley west of North Tripp Avenue; thence south along said east line of the alley west of North Tripp Avenue to the south line of West Addison Street; thence west along said south line of West Addison Street to the northeasterly line of North Milwaukee Avenue; thence southeast along said northeasterly line of North Milwaukee Avenue to the northerly extension of the east line of North Kildare Avenue; thence south along said northerly extension and the east line of North Kildare Avenue to the easterly extension of the north line of Lot 12 in Block 1 in Milwaukee Avenue Land Association Subdivision Number 1, a subdivision of that part of the west half of the northwest quarter of the southeast quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian, lying southwest of North Milwaukee Avenue, said north line of Lot 12 being also the south line of the alley south of North Milwaukee Avenue; thence west along said easterly extension and along said south line of the alley south of North Milwaukee Avenue and along the southwesterly line of said alley to the east line of North Lowell Avenue; thence west along a straight line to the northeast corner of Lot 47 in Block 2 in said Milwaukee Avenue Land Association Subdivision Number 1; thence west along the north line of said Lot 47 and along the north line of Lot 12 in said Block 2 in Milwaukee Avenue Land Association Subdivision Number 1 to the east line of North Kostner Avenue; thence south along said east line of North Kostner Avenue to the northeasterly line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company; thence southeast along said northeasterly line of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company to the south line of West Roscoe Street; thence west along said south line of West Roscoe Street to the west line of North Kilbourne Avenue; thence north along said west line of North Kilbourne Avenue to the north line of Lot 46 in Block 1 in Gunn's Subdivision of the north 30 acres of the west half of the east half of the southwest quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian, said north line of Lot 46 being also the south line of the alley south of West Addison Street; thence west along said south line of the alley south of West Addison Street to the east line of the vacated alley lying north of and adjoining Lot 11 in said Block 1 in Gunn's Subdivision; thence north along said east line of the vacated alley lying north of and adjoining said Lot 11 in Block 1 in Gunn's Subdivision to the centerline of said vacated alley; thence west along said centerline of the vacated alley lying north of and adjoining said Lot 11 in Block 1 in said Gunn's Subdivision to the west line of said vacated alley; thence south along said west line of the vacated alley lying north of and adjoining Lot 11 in Block 1 in Gunn's Subdivision to the easterly extension of the north line of Lot 46 in Block 2 in Gunn's Subdivision, said north line of Lot 46 being also the south line of the alley south of West Addison Street; thence west along said easterly extension and the north line of Lot 46 in Block 2 in said Gunn's Subdivision

to the west line of said Lot 46, said west line of Lot 46 being also the east line of the alley east of North Kenton Avenue; thence south along said east line of the alley east of North Kenton Avenue to the south line of West Cornelia Avenue; thence west along said south line of West Cornelia Avenue to the east line of the right-of-way of the Chicago and Northwestern Railroad; thence south along said east line of the right-of-way of the Chicago and Northwestern Railroad to the north line of West School Street; thence west 20 feet along said north line of West School Street; thence south along a line 20 feet west of and parallel with the east line of the right-of-way of the Chicago and Northwestern Railroad to the centerline of West Belmont Avenue; thence west along said centerline of West Belmont Avenue to the west line of the right-of-way of the Chicago and Northwestern Railroad; thence north along said west line of the right-of-way of the Chicago and Northwestern Railroad to the south line of West Addison Street; thence west along said south line of West Addison Street to the southerly extension of the west line of Lot 35 in Block 3 in L. E. Crandall's Grayland Subdivision of Blocks 15, 16 and 17 in Grayland, a subdivision in the northwest quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 35 in Block 3 in L. E. Crandall's Grayland Subdivision and the northerly extension thereof to the south line of Lot 6 in said Block 3 in L. E. Crandall's Grayland Subdivision, said south line of Lot 6 being also the north line of the alley north of West Addison Street; thence east along said north line of the alley north of West Addison Street to the east line of Lot 5 in said Block 3 in L. E. Crandall's Grayland Subdivision; thence north along said east line of Lot 5 in Block 3 in L. E. Crandall's Grayland Subdivision and the northerly extension thereof to the north line of West Patterson Avenue; thence east along said north line of West Patterson Avenue to a line 16 feet east of and parallel with the east line of Lot 39 in Block 2 in said L. E. Crandall's Grayland Subdivision; thence north along said line 16 feet east of and parallel with the east line of Lot 39 in Block 2 in L. E. Crandall's Grayland Subdivision and the northerly extension thereof to the south line of Lot 2 in said Block 2 in L. E. Crandall's Grayland Subdivision, said south line of Lot 2 being also the north line of the alley north of West Patterson Avenue; thence east along said north line of the alley north of West Patterson Avenue to the west line of the right-of-way of the Chicago and Northwestern Railroad; thence north along said west line of the right-of-way of the Chicago and Northwestern Railroad to the south line of West Waveland Avenue; thence west along said south line of West Waveland Avenue to the southerly extension of the west line of North Kenton Avenue; thence north along said southerly extension and the west line of North Kenton Avenue to the north line of Lot 22 in Block 10 in Gross' Milwaukee Avenue Addition, a subdivision of parts of Blocks 19 and 22 and all of Blocks 18 and 23 to 25 in Grayland in the west half of the northwest quarter, said north line of Lot 22 being also the south line of the alley north of West Grace Street; thence west along said south line of the alley north of West

Grace Street to the southerly extension of the east line of Lots 41 through 48, inclusive, in said Block 10 in Gross' Milwaukee Avenue Addition, said east line being also the west line of the alley east of North Kilpatrick Avenue; thence north along said southerly extension and the west line of the alley east of North Kilpatrick Avenue to the north line of Lot 50 in said Block 10 in Gross' Milwaukee Avenue Addition, said north line of Lot 50 being also the south line of the alley; thence west along said north line of Lot 50 and the westerly extension thereof to the west line of North Kilpatrick Avenue; thence north along said west line of North Kilpatrick Avenue to the south line of West Byron Street; thence west along said south line of West Byron Street to the southerly extension of the east line of Lot 23 in Block 1 in said Gross' Milwaukee Avenue Addition, said east line of Lot 23 being also the west line of the alley west of North Kilpatrick Avenue; thence north along said southerly extension and the east line of Lot 23 in Block 1 in said Gross' Milwaukee Avenue Addition to the northeasterly line thereof, said northeasterly line being also the southwesterly line of the alley southwesterly of North Milwaukee Avenue; thence northwest along said southwesterly line of the alley southwesterly of North Milwaukee Avenue to the north line of Lots 26 through 31, inclusive, in said Block 1 in Gross' Milwaukee Avenue Addition; said north line being also the south line of the alley north of West Byron Street; thence west along said south line of the alley north of West Byron Street to the west line of Lot 31 in said Block 1 in Gross' Milwaukee Avenue Addition, said west line of Lot 31 being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of Cicero Avenue to the south line of West Grace Street; thence west along said south line of West Grace Street to the southerly extension of the east line of Lot 760 in Grayland Park Addition to Chicago, a subdivision of the north half of the northeast quarter of Section 21, Township 40 North, Range 13 East of the Third Principal Meridian, said east line of Lot 760 being also the west line of the alley west of North Cicero Avenue; thence north along said southerly extension and along the west line of the alley west of North Cicero Avenue to the north line of Lot 190 in said Grayland Park Addition to Chicago, said north line of Lot 190 being also the south line of the alley south of West Irving Park Road; thence west along said south line of the alley south of West Irving Park Road to the east line of North Lamon Avenue; thence south along said east line of North Lamon Avenue to the south line of West Dakin Street; thence west along said south line of West Dakin Street to the west line of North Lavergne Avenue; thence north along said west line of North Lavergne Avenue to the north line of Lot 148 in said Grayland Park Addition to Chicago, said north line of Lot 148 being also the south line of the alley south of West Irving Park Road; thence west along said south line of the alley south of West Irving Park Road to the west line of North Long Avenue; thence north along said west line of North Long Avenue to the westerly extension of the south line of Lot 57 in the resubdivision of the north half of Block 9 and all of Block 10 and the vacated alley therein of Gardner's Second Addition to Montrose in the



east half of the southwest quarter of Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said south line of Lot 57 being also the north line of the alley north of West Irving Park Road; thence east along said north line of the alley north of West Irving Park Road to the east line of Lot 10 in Michael E. Benson's Resubdivision of Lots 53 to 60 in Dickinson's Park Subdivision of the west 830 feet (except the south 175 feet) of the east three quarters of Lot 12 in the School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said east line of Lot 10 being also the west line of the alley east of North Lavergne Avenue; thence north along said west line of the alley east of North Lavergne Avenue to the south line of Lot 52 in said Dickinson's Park Subdivision of the west 830 feet (except the south 175 feet) of the east three quarters of Lot 12 in the School Trustee's Subdivision, said south line of Lot 52 being also the north line of the alley south of West Belle Plaine Avenue; thence east along said north line of the alley south of West Belle Plaine Avenue to the west line of North Laporte Avenue; thence north along said west line of North Laporte Avenue to the north line of West Belle Plaine Avenue; thence east along said north line of West Belle Plaine Avenue to the northeasterly line of Lot 19 in A. W. Dickinson's Subdivision of Lot 11 west of North Milwaukee Avenue in School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said northeasterly line of Lot 19 being also the southwesterly line of the alley southwest of North Milwaukee Avenue; thence northwest along said southwesterly line of the alley southwest of North Milwaukee Avenue to the north line of Lot 12 in Gardner's 6<sup>th</sup> Addition to Montrose, a subdivision of that part west of North Milwaukee Avenue of the south half of Lot 10 in the School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said north line of Lot 12 being also the south line of the alley south of West Hutchison Avenue; thence northwest along the northwesterly extension of the northeasterly line of said Lot 12 to the east line of Lot 79 in said Gardner's 6<sup>th</sup> Addition to Montrose, said east line of Lot 79 being also the west line of the alley west of North Milwaukee Avenue; thence north along said west line of the alley west of North Milwaukee Avenue to the south line of West Hutchinson Street; thence west along said south line of West Hutchinson Street to the southeasterly extension of the northeasterly line of Lot 12 in Block 3 in Henry Schroeder's Subdivision of the north half of Lot 10 in the School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said northeasterly line of Lot 12 being also the southwesterly line of the alley southwest of North Milwaukee Avenue; thence northwest along the said southeasterly extension and the northeasterly line of Lot 12 in Block 3 in Henry Schroeder's Subdivision and the northwesterly extension thereof to the east line of Lot 37 in said Block 3 in Henry Schroeder's Subdivision, said east line of Lot 37 being also the west line of the alley west of North Milwaukee Avenue; thence north along said west line of the alley west

of North Milwaukee Avenue to the south line of West Cullom Avenue; thence west along said south line of West Cullom Avenue to the southeasterly extension of the northeasterly line of Lot 9 in Block 3 in Hield and Martin's Milwaukee Avenue Subdivision of the south half of Lot 9 in School Trustee's Subdivision in Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said northeasterly line of Lot 9 being also the southwesterly line of the alley southwest of North Milwaukee Avenue; thence northwest along said southeasterly extension and the northeasterly line of Lot 9 in Block 3 in Hield and Martin's Milwaukee Avenue Subdivision and along the northwesterly extension thereof to the east line of Lot 8 in said Block 3 in Hield and Martin's Milwaukee Avenue Subdivision; thence north along said east line of Lot 8 in Block 3 in Hield and Martin's Milwaukee Avenue Subdivision to the south line of West Pensacola Avenue; thence west along said south line of West Pensacola Avenue to the southeasterly extension of the northeasterly line of Lot 12 in Boswell's Subdivision of Block 4 of H. L. Lewis Addition to Montrose, a subdivision of the north one-eighth of the southeast quarter of Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, said northeast line of Lot 12 being also the southwesterly line of the alley southwest of North Milwaukee Avenue; thence northwest along said southeasterly extension and the northeasterly line of said Lot 12 in Boswell's Subdivision and along the northwesterly extension thereof to the east line of Lot 48 in said Boswell's Subdivision of Block 4 of H. L. Lewis' Addition to Montrose, said east line of Lot 48 being also the west line of the alley west of North Milwaukee Avenue; thence north along the said east line of Lot 48 in said Boswell's Subdivision and the northerly extension thereof to the centerline of West Montrose Avenue; thence east along said centerline of West Montrose Avenue to the point of beginning on the centerline of Milwaukee Avenue all in the City of Chicago, Cook County, Illinois.

## EXHIBIT B

### Description of the Project

The proposed redevelopment project is to renovate the vacant bank building and the adjacent building into approximately 67,430 square feet of retail, commercial and office space. The bank building will have approximately 61,212 square feet of leased space. The major tenant, Binnys, will occupy the entire first floor, a fitness user will initially occupy the entire lower level and a portion of the second floor, and a movie theater, art center, and complementary businesses are intended to occupy the second floor. The developer will build out the arts and complementary business space and deliver a plain vanilla shell suitable for such use. The second floor will also initially have other office tenants.

The Developer shall continuously lease and cause to be operated a minimum of 24,481 square foot Binny's, an approximately 3,900 square foot Culvers, an approximately 6,000 square foot area that is intended to be a film theater, and an approximately 5,764 square foot area intended to be an art center, the combined space for arts and complementary uses will be 11,764 square feet, hereinafter (the "Arts Space").

The adjacent building will be an approximately 5,123 square foot restaurant initially leased to Elly's Pancake House. An existing parking lot behind these buildings will provide approximately 173 parking spaces. The developer will demolish the one-story building at 4939 West Irving Park Road and replace it with a new approximately 3,900 square foot commercial building that will be leased to Culver's. The two renovated buildings, the parking lot, and the new commercial building together constitute the "Project".



EXHIBIT D-1

Project Budget

Acquisition	\$5,859,794
Hazardous Material Removal	\$70,000
Demolition	\$50,000
Site Prep	\$1,376,000

HARD COSTS

Concrete	\$85,020
Masonry Repair	\$170,040
Carpentry	\$255,955
Steel/metals	\$102,024
Signage	\$13,424
Hollow Metal and Finish	\$31,323
Hardware	
Drywall	\$241,636
Ceiling	\$61,751
Cabinetry and Millwork	\$8,949
Fireproofing	\$17,899
Roofing	\$429,575
New Windows	\$205,838
Storefront	\$313,232
Overhead Doors	\$13,424
Special Door Automatics	\$25,953
Floor prep and tile	\$51,907
Hard tile	\$42,063
Carpet	\$61,751
Toilet partitions and accessories	\$40,273
Painting	\$101,129
Fence	\$22,374
Elevators	\$340,080
Electric	\$402,727
Plumbing	\$259,535
HVAC	\$407,201
Sprinklers	\$259,535
Fire alarm systems	\$42,063
Caulking	\$13,424
Awnings	\$40,273
<b>TOTAL HARD COSTS:</b>	<b>\$4,060,378</b>

SOFT COSTS

Architecture & Engineering	\$97,000
Project Management	\$75,000
General Contractor	\$310,000

Developer Fee	\$770,000
Appraisal	\$15,000
Market Study	\$5,000
Legal Fees	\$150,000
Title & Closing	\$158,000
Survey	\$10,000
Building Permits	\$50,000
Insurance	\$30,000
Loan Fees & Lender Inspection	\$170,000
Leasing Commission	\$500,000
Soil Testing	\$30,000
Environmental Testing	\$10,000
Marketing	\$10,000
RE Taxes, Construction	\$300,000
<b>TOTAL SOFT COSTS:</b>	<b>\$2,690,000</b>
<b>TOTAL COST:</b>	<b>\$14,106,172</b>

EXHIBIT D-2

MBE/WBE Project Budget

Hazardous Material Removal	\$70,000
Demolition	\$50,000
Site Prep	\$1,376,000

HARD COSTS

Concrete	\$85,020
Masonry Repair	\$170,040
Carpentry	\$255,955
Steel/metals	\$102,024
Signage	\$13,424
Hollow Metal and Finish	
Hardware	\$31,323
Drywall	\$241,636
Ceiling	\$61,751
Cabinetry and Millwork	\$8,949
Fireproofing	\$17,899
Roofing	\$429,575
New Windows	\$205,838
Storefront	\$313,232
Overhead Doors	\$13,424
Special Door Automatics	\$25,953
Floor prep and tile	\$51,907
Hard tile	\$42,063
Carpet	\$61,751
Toilet partitions and accessories	\$40,273
Painting	\$101,129
Fence	\$22,374
Elevators	\$340,080
Electric	\$402,727
Plumbing	\$259,535
HVAC	\$407,201
Sprinklers	\$259,535
Fire alarm systems	\$42,063
Caulking	\$13,424
Awnings	\$40,273
<b>TOTAL HARD COSTS:</b>	<b>\$4,060,378</b>

SOFT COSTS

Architecture & Engineering		\$97,000
Project Management		\$75,000
General Contractor		\$310,000
RE Taxes, Construction		
<b>TOTAL SOFT COSTS:</b>		<u>\$482,000</u>
<b>TOTAL M/WBE BUDGET:</b>		<b>\$6,038,378</b>
MBE Requirement, 24%	Total:	\$1,449,211
WBE Requirement, 4%	Total:	\$241,535



**EXHIBIT E**

**Intentionally Omitted**

## EXHIBIT F

### Permitted Liens

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any: to secure indebtedness payable to the Developer's project lender, including, without limitation, a First Mortgage, Assignment of Rents and Leases, Fixture Filing, blanket UCC financing statements and the like.

**EXHIBIT G**

**Intentionally Omitted**

**EXHIBIT H**

**Requisition Form**

[Not attached for Recording purposes.]

EXHIBIT I

TIF-Funded Improvements

Professional & administrative	\$482,000
Property assembly & site prep	\$7,194,430
Rehabilitation, reconstruction, repair, remodel of existing public or private buildings, fixtures, leasehold improvements, including Green costs	\$2,610,378
Financing costs including interest costs during construction & for 36 months after project completion & for reasonable reserves	\$170,000
<b>*TOTAL TIF-FUNDED IMPROVEMENTS:</b>	<b>\$10,456,808</b>

\*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 \$2,000,000.

**EXHIBIT J**

**Form of Subordination Agreement**

[Not attached for Recording purposes.]

**EXHIBIT K**

**Opinion of Developer's Counsel**

[Not attached for Recording purposes.]

**EXHIBIT L**

**Insurance Requirements**

[Not attached for Recording purposes.]



**EXHIBIT M**

**Minimum Assessed Value**

<b><u>Tax Year</u></b>	<b><u>Minimum Assessed Value</u></b>
2016	\$1,414,997
2017	\$3,197,619
2018	\$3,197,619
2019	\$3,443,486
2020	\$3,443,486
2021	\$3,443,486
2022	\$3,708,258
2023	\$3,708,258
2024	\$3,708,258
2025	\$3,993,388

**ATTACHMENT K**

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2016

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK REDEVELOPMENT PROJECT

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the Portage Park Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Portage Park Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2016, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**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 Portage Park Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2016, 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.

## 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.

*Baneley and Kilner, L.L.P.*

Certified Public Accountants

June 26, 2017

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK REDEVELOPMENT PROJECT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Portage Park 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, 2016. 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  
PORTAGE PARK REDEVELOPMENT PROJECT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

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

*Other Supplementary Information*

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

*Condensed Comparative Financial Statements*

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

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$1,362,439 for the year. This was a decrease of 50 percent over the prior year. The change in net position (including other financing uses) produced a decrease in net position of \$1,426,230. The Project's net position decreased by 9 percent from the prior year making available \$14,201,184 (net of surplus distribution) of funding to be provided for purposes of future redevelopment in the Project's designated area. Revenues decreased this year due to the Project's redevelopment plan of land acquisition, removing dilapidated or deteriorating structures and accordingly decreasing the total equalized assessed value of parcels and subsequent tax increment and related collections. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK REDEVELOPMENT PROJECT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 14,377,156	\$ 15,853,117	\$ (1,475,961)	-9%
Total liabilities	<u>61,972</u>	<u>111,703</u>	<u>(49,731)</u>	-45%
Total net position	<u>\$ 14,315,184</u>	<u>\$ 15,741,414</u>	<u>\$ (1,426,230)</u>	-9%
Total revenues	\$ 1,355,207	\$ 2,774,044	\$ (1,418,837)	-51%
Total expenses	<u>2,386,437</u>	<u>577,600</u>	<u>1,808,837</u>	313%
Other financing uses	<u>395,000</u>	<u>-</u>	<u>395,000</u>	100%
Changes in net position	<u>(1,426,230)</u>	<u>2,196,444</u>	<u>(3,622,674)</u>	-165%
Ending net position	<u>\$ 14,315,184</u>	<u>\$ 15,741,414</u>	<u>\$ (1,426,230)</u>	-9%



CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2016

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 12,361,364	\$ -	\$ 12,361,364
Property taxes receivable	1,800,015	-	1,800,015
Accrued interest receivable	215,777	-	215,777
Total assets	<u>\$ 14,377,156</u>	<u>\$ -</u>	<u>\$ 14,377,156</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 26,136	\$ -	\$ 26,136
Due to other City funds	35,836	-	35,836
Total liabilities	<u>61,972</u>	<u>-</u>	<u>61,972</u>
Deferred inflows	<u>1,427,772</u>	<u>(1,427,772)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for surplus distribution (Note 2)	114,000	(114,000)	-
Restricted for future redevelopment project costs	<u>12,773,412</u>	<u>(12,773,412)</u>	<u>-</u>
Total fund balance	<u>12,887,412</u>	<u>(12,887,412)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 14,377,156</u>		
Net position:			
Restricted for surplus distribution (Note 2)		114,000	114,000
Restricted for future redevelopment project costs		<u>14,201,184</u>	<u>14,201,184</u>
Total net position		<u>\$ 14,315,184</u>	<u>\$ 14,315,184</u>

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

Total fund balance - governmental funds	\$ 12,887,412
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>1,427,772</u>
Total net position - governmental activities	<u>\$ 14,315,184</u>

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

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 1,847,698	\$ (485,259)	\$ 1,362,439
Interest income (loss)	<u>(7,232)</u>	<u>-</u>	<u>(7,232)</u>
Total revenues	1,840,466	(485,259)	1,355,207
Expenditures/expenses:			
Economic development projects	<u>2,386,437</u>	<u>-</u>	<u>2,386,437</u>
Excess of expenditures over revenues	(545,971)	(485,259)	(1,031,230)
Other financing uses:			
Surplus distribution (Note 2)	<u>(395,000)</u>	<u>-</u>	<u>(395,000)</u>
Excess of expenditures and other financing uses over revenues	(940,971)	940,971	-
Change in net position	-	(1,426,230)	(1,426,230)
Fund balance/net position:			
Beginning of year	<u>13,828,383</u>	<u>1,913,031</u>	<u>15,741,414</u>
End of year	<u>\$ 12,887,412</u>	<u>\$ 1,427,772</u>	<u>\$ 14,315,184</u>

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

Net change in fund balance - governmental funds	\$ (940,971)
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>(485,259)</u>
Change in net position - governmental activities	<u>\$ (1,426,230)</u>

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

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In September 1998, the City of Chicago (City) established the Portage Park 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 capital project and special revenue funds of the City.

(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. GASB 72 was implemented by the City beginning with its year ending December 31, 2016. 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. GASB 77 was implemented by the City beginning with its year ending December 31, 2016. In 2016, the Project made no tax abatement payments to a developer.

(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 funds 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.

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

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK 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)*

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 2016, 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 funds financial statements.

*Capital Assets*

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS  
PORTAGE PARK 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.

Note 2 – Surplus Distribution

In December 2015, the City declared a surplus within the fund balance of the Project in the amount of \$395,000. In February 2016, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

In December 2016, the City declared a surplus within the fund balance of the Project in the amount of \$114,000. In February 2017, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

Note 3 – 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  
PORTAGE PARK 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	\$ 38,425
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	71,680
Costs of the construction of public works or improvements	<u>2,276,332</u>
	<u>\$2,386,437</u>



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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, 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 Portage Park Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2016, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 26, 2017.

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 Portage Park 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.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

June 26, 2017



INTERGOVERNMENTAL AGREEMENTS  
FY 2016

A list of all intergovernmental agreements in effect in FY 2016 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 - CBE - Shurz	Improvements to school	2,100,000	