

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>
Telephone:	<u>(312) 744-4190</u>	City:	<u>Chicago</u> Zip: <u>60602</u>
Mobile	<u>n/a</u>	E-mail- required	<u>TIFReports@cityofchicago.org</u>
Mobile Provider	<u>n/a</u>	Best way to contact	<input checked="" type="checkbox"/> Email <input type="checkbox"/> Phone <input type="checkbox"/> Mobile <input type="checkbox"/> Mail

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 Reporting Fiscal Year: 2016
 County: Cook Fiscal Year End: 12 /31/2016
 Unit Code: 016/620/30

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
 County: Cook
 Unit Code: 016/620/30

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
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year:
 Fiscal Year End:

2016
 12 /31/2016

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.]

Primary Use of Redevelopment Project Area*: Combination/Mixed

Name of Redevelopment Project Area: Ogden/Pulaski Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combination/Mixed
If "Combination/Mixed" List Component Types: Commercial/Industrial/Residential/Public Facilities
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
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)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	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)] If yes, please enclose the Analysis labeled Attachment J	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) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	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: Ogden/Pulaski Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ 4,387,298

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	(18,447)	\$ 7,669,906	99%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	(2,540)	64,720	1%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
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 (20,987)

Cumulative Total Revenues/Cash Receipts \$ 7,734,626 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 1,002,589

Distribution of Surplus -

Total Expenditures/Disbursements 1,002,589

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS (1,023,576)

FUND BALANCE, END OF REPORTING PERIOD* \$ 3,363,722

* 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) \$ 3,363,722

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: Ogden/Pulaski 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

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
	2,589	
		\$ 2,589
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -
		\$ -

SECTION 3.2 A

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
		\$ -
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

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		
	1,000,000	
		\$ 1,000,000
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,002,589

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: Ogden/Pulaski Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 3,363,722

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

Total Amount Restricted for Obligations \$ - \$ -

2. Description of Project Costs to be Paid		
Restricted for future redevelopment project costs		\$ 3,363,722

Total Amount Restricted for Project Costs \$ 3,363,722

TOTAL AMOUNT RESTRICTED \$ 3,363,722

SURPLUS*/(DEFICIT) \$ -

* 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: Ogdan/Pulaski Redevelopment Project Area

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

X **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: Ogden/Pulaski 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 NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.

4

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken	\$ -	\$ -	\$ 29,707,015
Public Investment Undertaken	\$ 1,963,109	\$ 2,180,000	\$ 5,000,000
Ratio of Private/Public Investment	0		5 16/17

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

Small Business Improvement Fund (SBIF) **

Project is Ongoing ***

Private Investment Undertaken	\$ -	\$ -	\$ 2,000,000
Public Investment Undertaken	\$ -	\$ 180,000	\$ 1,000,000
Ratio of Private/Public Investment	0		2

Project 2:

Neighborhood Improvement Fund (NIF) **

Project Completed

Private Investment Undertaken	\$ -	\$ -	\$ 2,000,000
Public Investment Undertaken	\$ 963,315	\$ -	\$ 1,000,000
Ratio of Private/Public Investment	0		2

Project 3:

Vacant Building Program Rehab MF Prog- Ogden/Pulaski

**

Project is Ongoing ***

Private Investment Undertaken	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 999,794	\$ -	\$ 1,000,000
Ratio of Private/Public Investment	0		0

Project 4:

Montclare Senior Residences SLF of Lawndale, LLC

Project is Ongoing ***

Private Investment Undertaken	\$ -	\$ -	\$ 25,707,015
Public Investment Undertaken	\$ -	\$ 2,000,000	\$ 2,000,000
Ratio of Private/Public Investment	0		12 35/41

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

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

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

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

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

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

Project 12:			
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 developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

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

SECTION 6

FY 2016

TIF NAME: Ogden/Pulaski Redevelopment Project Area

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

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

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

_____ The overlapping taxing districts did not receive a surplus.

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

SECTION 7

Provide information about job creation and retention

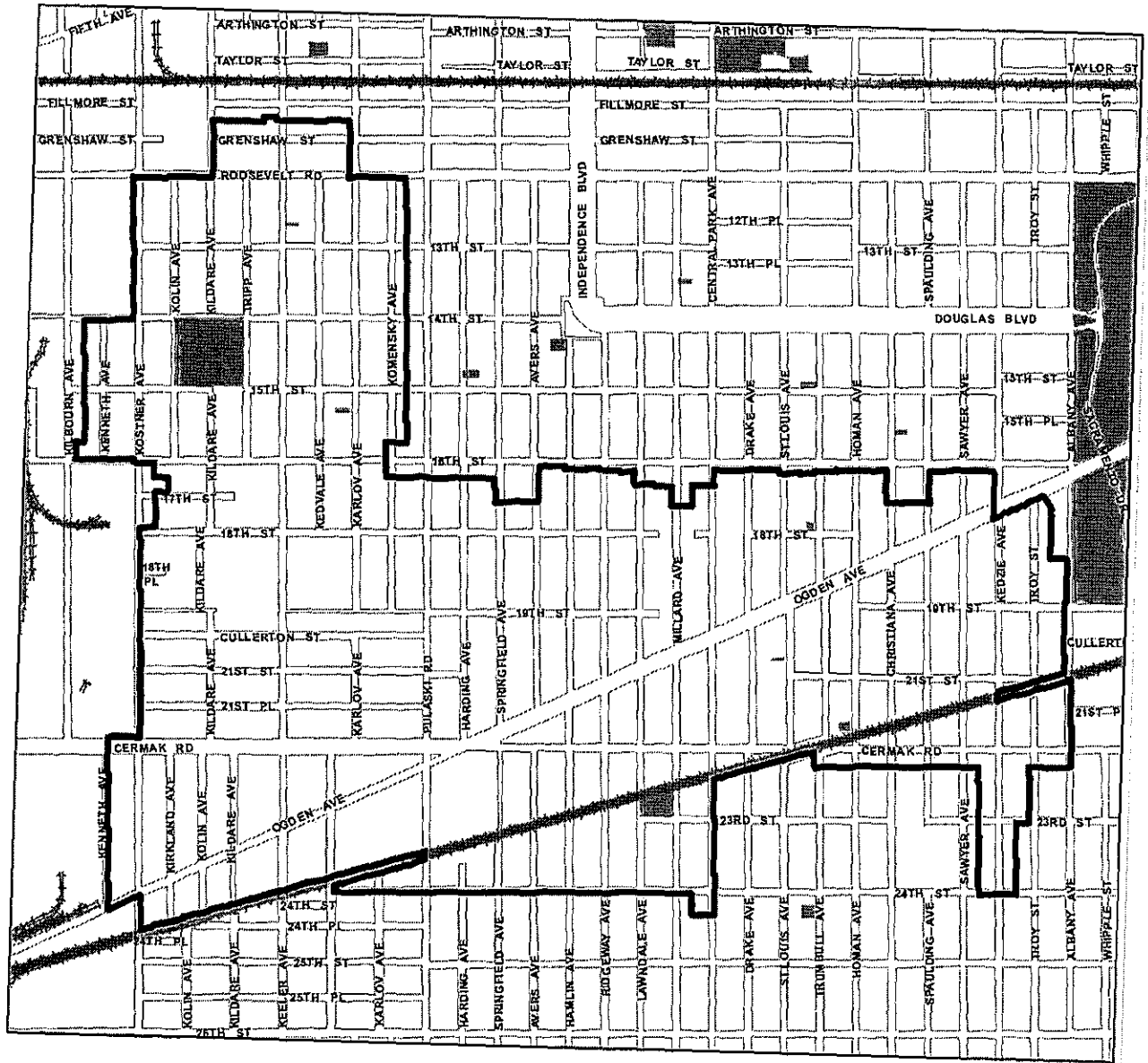
Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

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

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

Ogden/Pulaski 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 Ogden/Pulaski Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

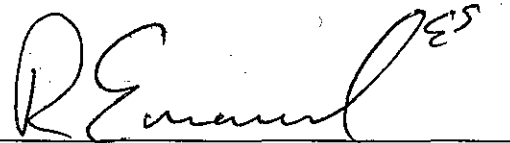
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

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
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

Re: Ogden/Pulaski
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

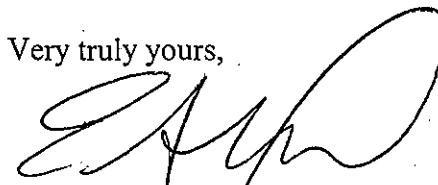
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following 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 th /Michigan	Hilliard Homes II	4 units out of 327 affordable units have rents that exceed the applicable maximum
2.	35 th /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:

<u>Name of Project</u>
Montclare Senior Residences SLF of Lawndale, LLC

16

MONTCLARE SENIOR RESIDENCES SLF OF LAWNSDALE, LLC
REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

MONTCLARE SENIOR RESIDENCES SLF OF LAWNSDALE, LLC,

AND

MONTCLARE LAWNSDALE SLF CORP.

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

TABLE OF CONTENTS

	PAGE
SECTION 1. RECITALS	2
SECTION 2. DEFINITIONS	2
SECTION 3. THE PROJECT	6
3.01 <u>The Project</u>	6
3.02 <u>Project Budget</u>	6
3.03 <u>DPD Approval</u>	6
3.04 <u>Survey Update</u>	6
3.05 <u>Signs and Public Relations</u>	6
3.06 <u>Change Orders</u>	6
3.07 <u>Progress Reports and Survey Updates</u>	7
SECTION 4. FINANCING	7
4.01 <u>Total Project Cost and Sources of Funds</u>	7
4.02 <u>Reimbursement from City Funds</u>	7
4.03 <u>Requisition Form</u>	8
4.04 <u>Prior Expenditures</u>	8
4.05 <u>City Fees</u>	8
4.06 <u>Cost Overruns</u>	8
4.07 <u>Conditional Grant</u>	9
4.08 <u>Reduction in TIF Funds</u>	9
4.09 <u>TIF Recapture</u>	9
4.10 <u>Sale of Property</u>	9
SECTION 5. CONDITIONS PRECEDENT	11
5.01 <u>Project Budget</u>	12
5.02 <u>Other Governmental Approvals</u>	12
5.03 <u>Financing</u>	12
5.04 <u>Acquisition and Title</u>	12
5.05 <u>Evidence of Clean Title</u>	12
5.06 <u>Surveys</u>	13
5.07 <u>Insurance</u>	13
5.08 <u>Opinion of the Developer's Counsel</u>	13
5.09 <u>Evidence of Prior Expenditures</u>	13
5.10 <u>Financial Statements</u>	13
5.11 <u>Documentation</u>	13
5.12 <u>Environmental</u>	13
5.13 <u>Corporate Documents; Economic Disclosure Statement</u>	13
5.14 <u>Litigation</u>	13
SECTION 6. AGREEMENTS WITH CONTRACTORS	13
SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION	14
7.01 <u>Certificate of Completion of Construction or Rehabilitation</u>	14
7.02 <u>Effect of Issuance of Certificate; Continuing Obligations</u>	14
7.03 <u>Failure to Complete</u>	15
7.04 <u>Notice of Expiration of Term of Agreement</u>	15
SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER	15
8.01 <u>General</u>	15
8.02 <u>Covenant to Redevelop</u>	18
8.03 <u>Use of City Funds</u>	18
8.04 <u>Bonds</u>	18
8.05 <u>Job Creation and Retention; Covenant to Remain in the City</u>	19

8.06	<u>Arms-Length Transactions</u>	19
8.07	<u>Conflict of Interest</u>	19
8.08	<u>Disclosure of Interest</u>	19
8.09	<u>Financial Statements</u>	19
8.10	<u>Insurance</u>	20
8.11	<u>Non-Governmental Charges</u>	20
8.12	<u>Compliance with Laws</u>	20
8.13	<u>Recording and Filing</u>	20
8.14	<u>Real Estate Provisions</u>	20
8.15	<u>Dedication of Alley Parcel</u>	20
8.16	<u>Survival of Covenants</u>	20
8.17	<u>Annual Compliance Report</u>	21
8.18	<u>Job Rediness</u>	21
8.19	<u>Inspector General</u>	21
8.20	<u>FOIA and Local Records Act Compliance</u>	21
8.21	<u>Shakman Accord</u>	21
8.22	<u>Affordable Housing Covenant</u>	22
SECTION 9. ENVIRONMENTAL MATTERS		23
SECTION 10. INDEMNIFICATION		23
SECTION 11. MAINTAINING RECORD / RIGHT TO INSPECT		23
SECTION 12. DEFAULT AND REMEDIES		23
12.01	<u>Events of Default</u>	23
12.02	<u>Remedies</u>	24
12.03	<u>Curative Period</u>	24
SECTION 13. MORTGAGING OF THE PROJECT		25
SECTION 14. NOTICE		25
SECTION 15. MISCELLANEOUS		26
15.01	<u>Amendment</u>	26
15.02	<u>Entire Agreement</u>	26
15.03	<u>Limitation of Liability</u>	26
15.04	<u>Further Assurances</u>	26
15.05	<u>Waiver</u>	26
15.06	<u>Remedies Cumulative</u>	27
15.07	<u>Disclaimer</u>	27
15.08	<u>Headings</u>	27
15.09	<u>Counterparts</u>	27
15.10	<u>Severability</u>	27
15.11	<u>Conflict</u>	27
15.12	<u>Governing Law</u>	27
15.13	<u>Form of Documents</u>	27
15.14	<u>Approval</u>	27
15.15	<u>Assignment</u>	27
15.16	<u>Binding Effect</u>	28
15.17	<u>Force Majeure</u>	28
15.18	<u>Exhibits</u>	28
15.19	<u>Business Economic Support Act</u>	28
15.20	<u>Venue and Consent to Jurisdiction</u>	28
15.21	<u>Costs and Expenses</u>	28
15.22	<u>Business Relationships</u>	29
15.23	<u>Compliance with Multi-Project Loan Agreement</u>	29

LIST OF EXHIBITS

Exhibit A-1	*Legal Description of Ogden/Pulaski Redevelopment Area
Exhibit A-2	*Legal Description of Roosevelt/Cicero Redevelopment Area
Exhibit B	Description of Project
Exhibit C-1	*Legal Description of Development Parcel
Exhibit C-2	*Legal Description of Alley Parcel
Exhibit D	Construction Requirements
Exhibit E-1	*Project Budget
Exhibit E-2	*MBE/WBE Project Budget
Exhibit F	Permitted Liens
Exhibit G	Approved Prior Expenditures
Exhibit H	Requisition Form
Exhibit I	*TIF-Funded Improvements
Exhibit J-1	Form of Subordination Agreement
Exhibit J-2	*Form of HUD Subordination Agreement
Exhibit K	Opinion of Developer's Counsel
Exhibit L	Insurance Requirements

(An asterisk(*) indicates which exhibits are to be recorded.)

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

MONTCLARE SENIOR RESIDENCES SLF OF LAWDALE, LLC
REDEVELOPMENT AGREEMENT

This Montclare Senior Residences SLF of Lawndale, LLC Redevelopment Agreement (this "Agreement") is made as of this 1st day of January, 2016, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Montclare Senior Residences SLF of Lawndale, LLC an Illinois limited liability company (the "Developer ") and Montclare Lawndale SLF Corp., an Illinois corporation ("Montclare Corp", and together with the Developer, the "Developer Parties"). 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 April 9, 2008, approving a redevelopment plan for Ogden/ Pulaski Tax Increment Financing Redevelopment Project Area (the "Ogden/Pulaski Area"), designating the Area as a "redevelopment project area" under the Act, and adopting tax increment allocation financing for the Ogden/Pulaski Area (collectively, the "Ogden/Pulaski TIF Ordinances"). The Ogden/Pulaski Area is legally described in Exhibit A-1 hereto.

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 adopted certain ordinances on February 5, 1998, approving a redevelopment plan for Roosevelt /Cicero Tax

Increment Financing Redevelopment Project Area (the "Roosevelt/Cicero Area"), designating the Area as a "redevelopment project area" under the Act, and adopting tax increment allocation financing for the Roosevelt/Cicero Area (collectively, the "Roosevelt/Cicero TIF Ordinances", together with the Ogden/Pulaski TIF Ordinances, the "TIF Ordinances"). The Roosevelt/Cicero Area is legally described in Exhibit A-2 hereto.

B. The Project: The Developer Parties intend to undertake the redevelopment project described in Exhibit B hereto (the "Project"), which includes (i) construction of a 5-story senior supportive living facility comprising a total 120 housing units within the Ogden/Pulaski Area and located on the property commonly known as 4339-4347 W. 18th Place, Chicago, Illinois 60623 and legally described on Exhibit C-1 (the "Development Parcel") and (ii) construction of a new alley within the Ogden/Pulaski Area and located at the property commonly known as 4314-4316 W. 19th Street, Chicago, Illinois 60623 (the "Alley Parcel", together with the Development Parcel, as legally described on Exhibit C-2, the "Property"). 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 Ogden/Pulaski Tax Increment Financing Redevelopment Project Area Tax Increment Financing Redevelopment Plan and the City of Chicago Roosevelt/Cicero Tax Increment Financing Redevelopment Project Tax Redevelopment Plan (the "Redevelopment Plans").

C. City Financing: The City agrees to use Available Incremental Taxes to reimburse the Developer Parties 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 a Developer Party.

"Annual Compliance Report" shall mean a signed report from the Developer to the City (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 Operating 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 from the Department of Energy that the office space has been energy star certified and (7) compliance with all other executory provisions of this Agreement.

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

"Available Incremental Taxes" shall mean an amount equal to Incremental Taxes deposited in the Area TIF Fund, as adjusted to reflect the amount of the City Fee, if any, described in Section 4.05 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" shall mean the Certificate of Completion described in Section 7.01 hereof.

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

"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 4.02 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.

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

"Employer(s)" shall have the meaning set forth in Paragraph F of Exhibit D 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 Parties (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.

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

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinances 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 Ogden/Pulaski Area TIF Fund and Roosevelt/Cicero TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Loan Agreement" shall mean that certain Housing Loan Agreement dated as of the Closing Date between Developer and the City as hereafter amended, supplemented and restated.

"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 Development Parcel.

"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 E-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 Parties, the Property or the Project.

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

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

"Prior Expenditure(s)" shall mean those prior expenditures relating to the Project set forth in Exhibit G hereto.

"Prohibited Use" shall mean a fast-food chain restaurant, a national chain business, 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 E-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 Plans or otherwise referenced in the Redevelopment Plans.

"Reimbursement Event" shall mean an act or omission by the Developer Parties 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 Parties; (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 Parties 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 Parties 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.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit H, to be delivered by the Developer Parties to DPD pursuant to Section 4.03 of this Agreement.

"Roosevelt/Cicero Area" shall have the meaning set forth in the preamble to 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).

"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(s) on which the Ogden/Pulaski Area and Roosevelt/Cicero Area are 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 Plans 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 Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer as the insured with respect to the Development Parcel and Montclare Corp. as the insured with respect to the Alley Parcel, noting the recording of this Agreement as an encumbrance against the Property and lender's consent and subordination agreement in favor of the City with respect to previously recorded liens against the Development Parcel related to Lender Financing, if any, issued by the Title Company, provided, however, that this Agreement shall be subject to and subordinate to that (a) certain loan from Love Funding Corporation in the amount of \$12,300,000 (the "HUD Loan") insured by the United States Department of Housing and Urban Development ("HUD"), and (b) the Regulatory Agreement executed by the Developer and the City in connection with the federal low-income housing tax credits allocated to the Project ("LIHTC Regulatory Agreement"). The Title Policy with respect to the Alley Parcel shall be a minimum value of \$10,000 and without any endorsements.

"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 Parties will complete the Project no later than December 31, 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 Parties' obligations under Section 5.02.

3.04 Survey Update. On the Completion Date, the Developer Parties shall provide an updated Survey of the Development Parcel 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, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the Project; (b) a change in the use of the Property; (c) a delay of more than three months in the completion of the Project; or (d) all Change Orders increasing or decreasing any line item in the Project Budget. The Developer shall not authorize or permit the performance of any work relating to any such Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this Section). The Construction Contract, and each contract between one or more of the Developer Parties and any contractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer Parties.

3.07 Progress Reports. 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).

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be **\$27,707,015** which the Developer Parties will initially fund from the following sources:

<u>Sources</u>	<u>Amount</u>
Multifamily Program Loan	\$3,005,000
TIF	\$2,000,000
Equity	\$10,210,979
Lender Financing	\$12,300,000
State of Illinois Grant	\$190,936
Bridge Loan**	\$1,200,000
GP Equity	\$100

**These noted sources will be used to either reduce other listed sources or be used to bridge other listed sources that are not available to the Project when needed to pay Project costs. These sources will not increase the cost of the Project.

4.02 Reimbursement from City Funds. City Funds may only be used to reimburse the Developer Parties for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit I sets forth the maximum amount of costs that may be reimbursed from City Funds for each line item therein, contingent upon receipt by the City of documentation satisfactory to DPD. In no event shall the City reimburse the Developer Parties in excess of \$2,000,000.

Subject to the terms and conditions of this Agreement, the City hereby agrees to provide funds solely from Available Incremental Taxes to reimburse Montclare Corp. for the cost of TIF-

Funded Improvements up to the maximum amount determined under the last sentence of the preceding paragraph (the "City Funds"). Montclare Corp. intends to cause the City Funds to be (a) loaned to Developer on terms currently expected to be as follows: (i) a term not to exceed 43 years, (ii) at an interest rate of 0% per annum, and (iii) a third lien mortgage on the Developer Parcel, or (b) capitally contributed to the Developer by way of a capital contribution to Lawndale SLF, LLC, which will in turn make a capital contribution to the Developer. City Funds derived from Available Incremental Taxes shall be available to pay such costs and allocated for such purposes only so long as:

(i) The amount of the Available Incremental Taxes is sufficient to pay for such costs;
and

(ii) The City has been paid the City Fee, if any, described in Section 4.05 below.

City Funds shall be paid or reimbursed to Montclare Corp. in two (2) payments pursuant to the following schedule of payment:

-At Fifty Percent (50%) completion of the Project, as determined by DPD (Ogden Pulaski TIF)	\$1,000.000
-Issuance of the Certificate (Roosevelt Cicero TIF)	\$1,000,000

The Developer Parties acknowledge and agree that the City's obligation to pay any City Funds to Montclare Corp. is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above, as well as the prior issuance of the Certificate and the Developer Parties' satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.05.

4.03 Requisition Form. After the date of completion of fifty percent of the Project and when the Project is near completion (or such other date as the parties may agree to) thereafter, the Developer Parties 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 Parties shall meet with DPD to discuss any Requisition Form(s).

4.04 Prior Expenditures . Exhibit G hereto sets forth the prior expenditures approved by DPD as of the date hereof.

4.05 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. Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

4.06 Cost Overruns. The Developer Parties 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.

4.07 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer Parties' compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed as provided in Section 12.02.

4.08 Reduction in TIF Funds. Intentionally Omitted.

4.09 TIF Recapture. Intentionally Omitted.

4.10 Sale of Property.

(a) The City agrees to sell the Property to the Developer Parties and the Developer Parties agree to purchase the Property for One Dollar (\$1.00) (the "**Purchase Price**"). Pursuant to the Developer Parties request, the City will convey the Development Parcel to the Developer and the Alley Parcel to Montclare Corp. The Purchase Price that shall be paid in cash in full by Developer Parties at the Property Closing. Developer Parties acknowledge and agree that the Property has a fair market value of Two Hundred Twenty Thousand Dollars and No/100 (\$220,000). The City will convey the relevant portions of the Property to Developer Parties by separate quit claim deeds (each, a "**Deed**"), subject to the terms of this Agreement and without limiting the quitclaim nature of the Deed, subject to the following:

- (i) the Ogden/Pulaski Redevelopment Plan for the Ogden/Pulaski Redevelopment Area;
- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) such other title defects as may exist, and
- (vi) any and all exceptions caused by the acts of the Developer Parties or its agents.

Developer Parties acknowledges that it has obtained title insurance commitments for the Property, showing the City in title to the Property. If necessary to clear title of exceptions for general real estate tax liens attributable to taxes due and payable prior to the Property Closing Date, the City shall submit to the County a tax abatement letter and/or file a vacation of tax sale proceeding in the Circuit Court of Cook County, seeking the exemption or waiver of such pre-closing tax liabilities, but shall owe no further duties with respect to any such taxes. The City shall use reasonable efforts to obtain the waiver or release of any delinquent real estate taxes or tax liens on the Property prior to the Property Closing Date, to the extent such taxes or tax liens can be waived or released through submission of an abatement letter to the Cook County Treasurer, a motion to vacate a tax sale or a petition for exemption. The City shall have no duty to clear any title exceptions or clear any encumbrances on title provided, however, the City shall file all necessary releases of record to release and remove those certain Receiver's liens arising out of case numbers 04M1402846,

04M1402847 and 04M1402848 in favor of City and recorded October 25, 2005 as document numbers 0529819073, 0529819074 and 0529819075 each in the amount of \$311,515.85. If the Developer Parties are unsatisfied with the condition of title, the Developer Parties' sole right shall be to do one of the following: (a) accept title to the Property subject to any and all title exceptions, which shall then become Permitted Liens; or (b) terminate this Agreement by delivery of written notice to the City at least seven (7) days prior to the Property Closing Date, in which event this Agreement shall be null and void and, except as otherwise specifically provided herein, no party shall have any further right, duty or obligation hereunder. If the Developer Parties elect not to terminate this Agreement as aforesaid, the Developer Parties agree to accept title subject to the exceptions. The Developer Parties shall be responsible for all taxes accruing after the Property Closing Date as to the respective parcels being conveyed to each, (and any taxes accruing prior to the Property Closing Date that the City is unable to clear by taking the actions described above), provided that the obligation of Montclare Corp. with respect to the Alley Parcel shall terminate upon the dedication of the Alley Parcel to the City, but such termination shall not apply to any taxes that have accrued prior to the dedication of the Alley Parcel. The Developer Parties shall be solely responsible for and shall pay all costs associated with updating title insurance commitments (including all search, continuation and later-date fees), and obtaining a Title Policy.

(b) The Property Closing. The Property Closing Date shall take place on such date and at such place as the parties may mutually agree to in writing, but in no event earlier than the RDA Closing Date and subject to the satisfaction of all conditions precedent to RDA Closing set for in Section 5.

(c) Recordation of Quitclaim Deed. Developer Parties shall promptly record the Deed for the Property in the Recorder's Office of Cook County. Developer Parties shall pay all costs for so recording the quitclaim deed.

(d) Escrow. The Property Closing shall convey the Property through an escrow with Chicago Title Insurance Company and the Developer Parties shall pay all escrow fees.

(e) "AS IS" SALE. THE DEVELOPER PARTIES ACKNOWLEDGE THAT THEY HAVE HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY. THE DEVELOPER PARTIES ACKNOWLEDGE THAT THEY ARE RELYING SOLELY UPON THEIR OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER PARTIES AGREE THAT IT IS THEIR SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE

PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

(f) Release and Indemnification. Developer and Montclare Corp. each, on behalf of itself and anyone claiming by, through or under it, hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which the Developer Parties or any of them ever had, now has, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly, for the term that the City owned the Property (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release, emission or discharge of Hazardous Materials; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "**Released Claims**"). Furthermore, the Developer Parties shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

(g) Release Runs with the Land. The covenant of release in Section 4.10(f) shall run with the Property, and shall be binding upon all successors and assigns of Developer Parties with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through Developer Parties following the date of the Deed. Developer Parties acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer Parties. It is expressly agreed and understood by and between Developer Parties and the City that, should any future obligation of the Developer Parties, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer Parties nor any of its current or former officers, directors, employees, agents, predecessors, successors or assigns, will assert that those obligations must be satisfied in whole or in part by the City because Section 4.09(f) contains a full, complete and final release of all such claims.

(h) Survival. The foregoing Sections 4.10(f) and (g) shall survive the Property Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 5. CONDITIONS PRECEDENT

The Developer Parties 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 Parties 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. Developer acknowledges and agrees that the City will not close unless and until HUD amends those covenants as set forth in its Special Warranty Deed dated January 17, 2006, and recorded on January 17, 2006 with the Office of the Recorder of Deeds of Cook County, Illinois, as document no. 0602732078, as necessary to avoid any conflict with the terms of this Agreement, provided that the City may close in the event the Developer agrees to take subject to such matters.

5.03 Financing. The Developer Parties must have furnished proof reasonably acceptable to the City that the Developer Parties have Equity and/or Lender Financing to complete the Project. Any liens against the Property in existence at the Closing Date except for the LIHTC Regulatory Agreement and those associated with the HUD Loan 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-1 to be recorded, at the expense of the Developer Parties, with the Recorder's Office of Cook County. However, the City agrees to subordinate the City's interest arising pursuant to this Agreement to the lien of the HUD Loan in the form of Exhibit J-2, to be recorded at the expense of the Developer Parties.

5.04 Title Policy. The Developer Parties must have furnished the City with a copy of Title Policies for the Property, certified by the Title Company, showing the Developer as the named insured for the Development Parcel and Montclare Corp. as the named insured for the Alley Parcel, along with copies of all Schedule B title exception documents. The Title Policies 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 Policies 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 (3.0), contiguity, location, access and survey. The Developer Parties have 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 Parties, at their own expense, must have provided the City with the searches under the following names, Montclare Senior Residences SLF of Lawndale, LLC, Lawndale SLF, LLC and Montclare Corp. 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

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

5.06 Surveys. The Developer Parties must have furnished the City with three (3) copies of the Survey.

5.07 Insurance. The Developer Parties, at their own expense, must have insured the Property in accordance with Exhibit L hereto, and delivered to DPD actual policies or Accord Form 27 certificates evidencing the required coverages.

5.08 Opinion of the Developer Parties' Counsel. On the Closing Date, the Developer Parties 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. The Developer Parties must have provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures.

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

5.11 Documentation. The Developer Parties must have provided documentation to DPD satisfactory in form and substance to DPD, with respect to the current number of employees per Section 8.05.

5.12 Environmental. The Developer Parties 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 Parties 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 Parties must also have provided the City with an Economic Disclosure Statement dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

In connection with the Project, the Developer Parties shall comply with, and shall cause the general contractor and all subcontractors to comply with, the construction requirements set forth in Exhibit D 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.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate 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 Parties a Certificate in recordable form certifying that the Developer Parties has fulfilled their 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 Certificate. DPD may require a single inspection by an inspecting architect hired at the Developer Parties' expense to confirm the completion of the Project. DPD shall respond to the Developer Parties' written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer Parties in order to obtain the Certificate. Developer Parties may resubmit a written request for a Certificate upon completion of such measures. Completion of the Project shall include the following:

- All interior space plus common areas have been built out; all mechanicals have been installed and are operating; all green improvements have been completed, including certification by the U.S. Environmental Protection Agency that the office space is energy star certified;

- the senior supportive living facility constructed on the Development Parcel has been issued a certificate of occupancy from the City's Department of Buildings or other evidence acceptable to DPD that the Developer has complied with all building permit requirements for the Project; and

- written confirmation to DPD that the Developer is in complete compliance with requirements for Prevailing Wage, Employment Opportunity, City Residency Employment and MBE/WBE Program; together with the other requirements referred to as the "City Human Rights Requirements" from the City Monitoring and Compliance Unit.

- certification by the City's Department of Transportation ("CDOT") that alley improvements have been completed according to CDOT requirements and all City approved specifications and plans.

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 a 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 Term of the Agreement, 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 Development Parcel (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 Parties or a permitted assignee under Section 15.15 of this Agreement.

7.03 Failure to Complete. If the Developer Parties fail to timely 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 Montclare Corp. 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 Parties 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 Parties, at the Developer Parties' 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 PARTIES.

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

- (a) the Developer is an Illinois limited liability company, duly organized, and in good standing in the State of Illinois and Montclare Corp. is an Illinois corporation, duly organized, and in good standing in the State of Illinois;
- (b) the Developer Parties (including each of them, respectively) have 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 Parties (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 Parties (including each of them, respectively) is now a party or by which the Developer Parties (including each of them, respectively) is now or may become bound;
- (d) the Developer Parties 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 Parties (including each of them, respectively) are 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 Parties (including each of them, respectively) which would impair its ability to perform under this Agreement;

(g) the Developer Parties (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 Parties are not in default with respect to any agreement or instrument related to the borrowing of money to which the Developer Parties (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 Parties, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer Parties since the date of the Developer Parties' most recent respective Financial Statements;

(j) the Developer Parties (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 Parties' financial condition;

(k) Developer Parties have 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 Parties 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 Parties nor any affiliate of the Developer Parties 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 Parties shall redevelop the Property 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 Parties solely to reimburse the Developer Parties for its payment for the TIF-Funded Improvements.

8.04 Bonds. The Developer Parties 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 Parties or the Project. The Developer Parties shall, at the Developer Parties' 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 Parties for any amounts remaining due under this Agreement.

8.05 Job/Occupancy Requirement and Retention; Covenant to Remain in the City. The Developer covenants that, as of the date of this Agreement, and as a condition to the issuance of the Certificate, the Developer shall develop and operate the Development Parcel primarily as a senior supportive living facility or such other uses as the City may from time to time permit. The Developer further covenants that at all time thereafter through the tenth anniversary date of the issuance of the Certificate pursuant to Section 7.01:

- (a) Developer will notify the City, in writing, in the event Developer intends to change the use of the Development Parcel in a manner that will require a change in the type or class of license necessary to lawfully use the Development Parcel; and
- (b) it will maintain its operations within the City of Chicago and operate at the Development Parcel for the same use and at substantially the same capacity as described in the Developer's TIF application and/or this Agreement, specifically maintaining the Development Parcel as senior supportive living facility, unless the covenant in clause (a) is satisfied and the Commissioner of DPD, in the Commissioner's sole discretion, consents to a change in use; and

During the Term of the Agreement, the Developer Parties shall, as part of its Annual Compliance Report, provide DPD with a notarized affidavit certifying to its compliance with this Section 8.05 for the 12 month period covered by the Annual Compliance Report. The covenants set forth in this Section 8.05 shall run with the land and be binding upon any permitted transferee, if any, for the period set forth in the first paragraph of this Section 8.05. Any year(s) in which Developer Parties is not in compliance with requirements set forth in this Section 8.05 will not count toward the ten year enforceability period described above.

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 Parties 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 Parties shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer Parties and reimbursement to the Developer Parties 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 Parties (including each of them, respectively) represent, warrant and covenant that, to the best of their 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 Parties 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 Parties' business, the Property or any other property in the Area.

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

8.09 Financial Statements. The Developer Parties shall provide DPD current financial statements for the last three years prior to Closing, and at DPD's request, shall provide such interim

statements as DPD may require.

8.10 Insurance. The Developer Parties 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 Parties agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer Parties 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 Parties 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.

8.14 Real Estate Provisions: Governmental Charges. Subject to the next paragraph, the Developer Parties will pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer Parties, the Property owned by each 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 Parties 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.

Furthermore, upon the dedication of the Alley Parcel to the City in accordance with Section 8.15, below, the Developer Parties shall be relieved of any obligation to pay Governmental Charges upon the Alley Parcel.

8.15 Dedication of Alley parcel. Upon completion of construction of the Alley Parcel, Montclare Corp. shall dedicate to the City and the City agrees to accept a dedication of the Alley Parcel to the City as a public alley subject to prior City Council passage and approval of a dedication ordinance for the Alley Parcel and the recording of a dedication plat for the Alley Parcel that has been approved by the City's Superintendent of Maps.

8.16 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer Parties contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer Parties' 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 the Term of the Agreement, the Developer shall submit to DPD the Annual Compliance Report by March 1st 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 2017, then the first Annual Compliance Report will be due no later than March 1, 2018.

8.18 Job Readiness Program. Not included.

8.19 Inspector General. It is the duty of Developer Parties 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 Parties' 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 Parties 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 Parties acknowledge 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 Parties receive a request from the City to produce records within the scope of FOIA, then the Developer Parties covenant to comply with such request within 48 hours of the date of such request. Failure by the Developer Parties 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 Parties to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer Parties mark any such documents as "proprietary, privileged or confidential." If the Developer Parties 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 Parties 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 Parties 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 Parties 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 24, 2011 "City of Chicago Hiring Plan" (the "2011 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the 2011 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

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

(d) Developer Parties 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 Parties by a City employee or City official in violation of paragraph (c) above, or advocating a violation of paragraph (d) above, Developer Parties 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 Parties will also cooperate with any inquiries by IGO Hiring Oversight related to this Agreement.

8.22 Affordable Housing Covenant. In connection with the City's reservation of low-income housing tax credits for the Project, a Low-Income Housing Tax Credits Regulatory Agreement ("LIHTC Regulatory Agreement") between the City and the Developer, dated as of the date which Developer closes on the Equity and Lender Financing, shall be recorded against the Property and shall impose certain affordability restrictions on the Project as set forth therein.

The Developer Parties agree that the provisions of the LIHTC Regulatory Agreement shall govern the terms of Developer's obligation to provide affordable housing.

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

Each of the Developer Parties agrees to severally, but not jointly, 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 Parties shall (a) comply with the requirements of Paragraph H of Exhibit D 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 Parties' 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 a Developer Party hereunder:

(a) the failure of a Developer Party to comply with any covenant or obligation, or the breach by such Developer Party 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 a Developer Party; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such

proceedings;

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

(d) the entry of any judgment or order against a Developer Party 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 a Developer Party or the death of any natural person who owns a 50% or more ownership interest in the Developer Party, unless in the case of death, the Developer establishes to DPD's satisfaction that such death shall not impair the Developer Party'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 a Developer Party or any natural person who owns 5% or more ownership interest in a Developer Party, which is not dismissed within thirty (30) days, or the indictment of a Developer Party or any natural person who owns such a material interest in a Developer Party, 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.

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 Parties unless the Event of Default involves a Reimbursement Event. This Agreement is subject to that certain Subordination Agreement dated as of January 1, 2016, between Love Funding Corporation ("Senior Lender"), the City and the Developer Parties (the "Subordination Agreement"). Notwithstanding anything to the contrary contained herein, for so long as HUD is the holder or insurer of the \$12,300,000 loan from Senior Lender to Developer (the "Senior Loan"), any payments by Developer under this Agreement for a Reimbursement Event triggered by a non-Developer act or omission shall be limited to Non-Project Sources (as defined in the Subordination Agreement), and shall be further limited to permissible distributions from Surplus Cash of the Project (as such term is defined in Exhibit J-2), but in no event greater than seventy-five percent (75%) of the total amount of Surplus Cash. Notwithstanding anything to the contrary herein, no indemnification provisions or covenants herein shall be applicable to HUD.

12.03 Curative Period. In the event a Developer Party fails to perform any covenant or obligation or breaches any representation or warranty which such Developer Party is required to perform under this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer Party 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; such Developer Party 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. In addition, no cure period shall apply to default arising from a breach of the jobs and operations covenants in Section 8.05 and the Annual Compliance Report covenant in Section 8.17 and such breaches shall be an immediate Event of Default. The City may, in its sole discretion, accept a cure of any Event of Default made or tendered by any member of the Developer or by any Lender providing Lender Financing and in such instance such cure shall be deemed to be a cure by the Developer Parties.

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 Parties 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 a Developer Party:	Montclare Senior Residences SLF of Lawndale, LLC c/o MR Properties, LLC Des Plaines, Illinois 60016 Attention: Philip I. Mappa

With Copies To: Applegate & Thorne-Thomsen, P.C.
626 W. Jackson Blvd., Suite 400
Chicago, Illinois 60661
Attn: Steven D. Friedland

and to: Great Lakes Capital Fund for Housing Limited Partnership 29
c/o GLCFH-29, its General Partner
1118 South Washington
Lansing, MI 48910

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 Parties at the Property, or increases the City Funds payable to the Developer Parties.

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 Parties 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 Parties from the City or any successor in interest or on any obligation under the terms of this Agreement.

15.04 Further Assurances. The Developer Parties 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 Parties 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 Parties 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 party's 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 Parties may not sell, assign or otherwise transfer their 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 Parties' obligations under this Agreement. The foregoing limitation shall not prevent the Developer Parties from collaterally assigning to a

lender that is also providing financing for the Project the Developer Parties' respective interests in this Agreement as security for such lender financing and Love Funding Corporation and HUD shall not require the City's consent to assume the Developer Parties interest in this Agreement. The Developer Parties consent 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 Parties, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer Parties, 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 Parties 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 Parties are required to provide notice under the WARN Act, the Developer Parties 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 Parties has locations in the State. Failure by the Developer Parties 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 agree to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

15.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer Parties 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 Parties also will pay any court costs, in addition to all

other sums provided by law.

15.22 Business Relationships. The Developer Parties acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer Parties 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 Parties 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.

15.23 Compliance with Multi-Project Labor Agreement. The Developer shall cause the General Contractor to comply with that certain Settlement Agreement dated November 3, 2011, by and among the City, Chicago Regional Council of Carpenters, the Metropolitan Pier and Exposition Authority, the Public Building Commission of the City of Chicago, and the State of Illinois, because the Project budget is in excess of \$25,000,000, and, therefore, is subject to the provisions of that certain City of Chicago Multi-Project Labor Agreement (the "MPLA") dated February 9, 2011, by and among the City and the labor organizations comprising the Chicago & Cook County Building & Construction Trades Council. The Developer shall cause the General Contractor to comply with the MPLA to the fullest extent legally permissible without violating other requirements applicable to the construction of the Project, including, without limitation, the requirements of the MBE/WBE Program as defined in the Loan Agreement, the City resident employment provisions contained in the Loan Agreement, Housing Act Section 3, Davis-Bacon Act, the Contract Work Hours and Safety Standards Act and the Labor Standards Deposit Agreement. At the direction of DPD, affidavits and other supporting documentation shall be required of the Developer, the General Contractor and the Subcontractors to verify or clarify compliance with the MPLA.

[SIGNATURE BLOCKS APPEAR ON THE FOLLOWING PAGE]

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.

**MONTCLARE SENIOR RESIDENCES SLF OF
LAWNDALE, LLC**, an Illinois limited liability company

By: Lawndale SLF, LLC, its Manager
an Illinois Limited liability company

By: Montclare Lawndale SLF Corp., its Managing Member
An Illinois corporation

By: 
Philip I. Mappa, its President

MONTCLARE LAWNDALE SLF CORP.
an Illinois corporation

By: 
Philip I. Mappa, its President

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

By: _____
David L. Reifman
Commissioner

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.

**MONTCLARE SENIOR RESIDENCES SLF OF
LAWNDALE, LLC**, an Illinois limited liability company

By: Lawndale SLF, LLC, its Manager
an Illinois Limited liability company

By: Montclare Lawndale SLF Corp., its Managing Member
An Illinois corporation

By: _____,
Philip I. Mappa, its President

MONTCLARE LAWNDALE SLF CORP.
an Illinois corporation

By: _____,
Philip I. Mappa, its President

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

By: _____
David L. Reifman
Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Joan T. Holowaty, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Philip I. Mappa, personally known to me to be the President of Montclare Lawndale SLF Corp, an Illinois corporation ("Montclare Corp"), the Managing Member of Lawndale SLF, LLC, an Illinois limited liability company, the Manager of Montclare Senior Residences SLF of Lawndale, 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 Montclare Corp. and the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 1st day of January, 2016.

Joan T. Holowaty
Notary Public

My Commission Expires 4-29-2018

(SEAL



EXHIBIT A-1

Legal Description of the Ogden/Pulaski Redevelopment Area

[To Be Attached at Closing]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

Exhibit "A".

Legal Description Of Project Boundary.

Ogden/Pulaski Tax Increment Financing.

All that part of Sections 15, 22, 23, 24, 25, 26 and 27, Township 39 North, Range 13 East of the Third Principal Meridian, being bounded and described as follows:

beginning at the point of intersection of the east line of Kostner Avenue with the north line of Cermak Road in the west half of the southeast quarter of said Section 22, and running; thence north along said east line of Kostner Avenue to the south line of 18th Street; thence east along said south line of 18th Street to the southerly extension of the east line of the 16 foot wide alley east of Kostner Avenue; thence north along said southerly extension of the east line of the 16 foot wide alley east of Kostner Avenue and the east line thereof

to the south line of 17th Street; thence east along said south line of 17th Street to the southerly extension of the east line of Lot 32 in Block 2 in Joseph B. Ford and Company's West 16th Street Subdivision of Lot 3 (except the north 33 feet thereof) in Executor's Subdivision in Section 22; thence north along said southerly extension of the east line of Lot 32 and the east line thereof to the south line of the 16 foot wide alley south of 16th Street; thence west along said south line of the 16 foot wide alley south of 16th Street to the southerly extension of the east line of Lot 20 in Block 2 in said Joseph B. Ford and Company's West 16th Street Subdivision; thence north along said southerly extension of the east line of Lot 20 and the east line thereof to the south line of 16th Street; thence west along said south line of 16th Street to the southerly extension of the west line of Lot 3 in Block 2 in Pinkert and Schulte's Subdivision of the southeast quarter of the southeast quarter of the northwest quarter of Section 22; thence north along said southerly extension of the west line of Lot 3 and the west line thereof to the south line of the 16 foot wide alley north of 16th Street; thence east along said south line of the 16 foot wide alley north of 16th Street to the southerly extension of the east line of the 16 foot wide alley west of Kenneth Avenue; thence north along said southerly extension of the east line of the 16 foot wide alley west of Kenneth Avenue and the east line thereof to the south line of 14th Street; thence east along said south line of 14th Street to the west line of Kostner Avenue; thence north along said west line of Kostner Avenue to the south line of Roosevelt Road; thence east along said south line of Roosevelt Road to the east line of Kildare Avenue; thence north along said east line of Kildare Avenue to the south line of the 16 foot wide alley north of Grenshaw Street; thence east along said south line of the 16 foot wide alley north of Grenshaw Street and the easterly extension thereof to the east line of the 16 foot wide alley east of Kildare Avenue; thence north along said east line of the 16 foot wide alley east of Kildare Avenue to the north line of the parcel of land bearing Permanent Index Number 16-15-422-038; thence east along said north line of the parcel of land bearing Permanent Index Number 16-15-422-038 to the west line of Keeler Avenue; thence south along said west line of Keeler Avenue to the westerly extension of the south line of the 16 foot wide alley north of Grenshaw Street; thence east along said south line of the 16 foot wide alley north of Grenshaw Street to the west line of Karlov Avenue; thence south along said west line of Karlov Avenue to the south line of Roosevelt Road thence east along said south line of Roosevelt Road; to the west line of the east 4.5 feet of Lot 7 in Block 1 in Wm. A. Merigold's Resubdivision of the north 50 acres of the east half of the northeast quarter of Section 22; thence south along said west line of the east 4.5 feet of Lot 7 to the north line of the 16 foot wide vacated alley south of Roosevelt Road; thence east along said north line of the 16 foot wide vacated alley south of Roosevelt Road to the west line of the 16 foot wide alley west of Pulaski Road; thence south along said west line of the 16 foot wide alley west of Pulaski Road and the southerly extension thereof to the north line of the 16 foot wide alley north of 16th Street; thence west along said north line of the 16 foot wide alley north of 16th Street and the westerly extension thereof to the west line of Komensky Avenue; thence south along said west line of Komensky Avenue to the westerly extension of the south line of the 16 foot wide alley south of 16th Street; thence east along said westerly extension of the south line of the 16 foot wide alley south of 16th Street and the south line thereof to the west line of Pulaski Road; thence continuing east along the easterly extension of the 16 foot wide alley south

of 16th Street and the south line thereof to the west line of Springfield Avenue; thence south along said west line of Springfield Avenue to the westerly extension of the south line of the parcel of land bearing Permanent Index Number 16-23-302-016; thence east along said westerly extension of the south line of the parcel of land bearing Permanent Index Number 16-23-302-016 and the south line thereof to the east line thereof; thence continuing east along the easterly extension of the south line of the parcel of land bearing Permanent Index Number 16-23-302-016 to the east line of Avers Avenue; thence north along said east line of Avers Avenue to the north line of Lot 312 in Downing's Subdivision of Lots 7 to 14, inclusive, in J. H. Kedzie's Subdivision in Section 23; thence east along said north line of Lot 312 and the easterly extension thereof to the west line of Hamlin Avenue; thence south along said west line of Hamlin Avenue to the westerly extension of the south line of Lot 150 in said Downing's Subdivision; thence east along said westerly extension of the south line of Lot 150 and the south line thereof to the west line of the 16 foot wide alley east of Hamlin Avenue; thence north along said west line of the 16 foot wide alley east of Hamlin Avenue to the westerly extension of the south line of the parcel of land bearing Permanent Index Number 16-23-304-021; thence east along said westerly extension of the south line of the parcel of land bearing Permanent Index Number 16-23-304-021 and the south line thereof to the west line of Ridgeway Avenue; thence south along said west line of Ridgeway Avenue to the westerly extension of the south line of the parcel of land bearing Permanent Index Number 16-23-305-002; thence east along said westerly extension of the south line of the parcel of land bearing Permanent Index Number 16-23-305-002 and the south line thereof to the west line of the 16 foot wide alley east of Ridgeway Avenue; thence south along said west line of the 16 foot wide alley east of Ridgeway Avenue to the westerly extension of the south line of Lot 143 in Lansingh's Addition to Chicago in Section 23; thence east along said westerly extension of the south line of Lot 143 and the south line thereof to the west line of Lawndale Avenue; thence south along said west line of Lawndale Avenue to the westerly extension of the south line of Lot 153 in Lansingh's Addition to Chicago in Section 23; thence east along said westerly extension of the south line of Lot 153 and the south line thereof to the west line of the 16 foot wide alley east of Lawndale Avenue; thence south along said west line of the 16 foot wide alley east of Lawndale Avenue to south line of Lot 6 in Block 2 in the resubdivision of Blocks 1 to 5 and vacated alleys in Lansingh's Second Addition to Chicago in Section 23; thence east along said south line of Lot 6 to the west line of Millard Avenue; thence south along said west line of Millard Avenue to the south line of Lot 11 in Block 1 in the resubdivision of Blocks 1 to 5 and vacated alleys in Lansingh's Second Addition to Chicago in Section 23; thence east along said south line of Lot 11 to the west line of the 16 foot wide alley east of Millard Avenue; thence north along said west line of the 16 foot wide alley east of Millard Avenue to the westerly extension of the north line of Lot 9 in J. T. Matthews' Subdivision of Lots 1 and 20 in J. H. Kedzie's Subdivision in Section 23; thence east along said westerly extension of the north line of Lot 9 and the north line thereof to the west line of Central Park Avenue; thence continuing east along the easterly extension of the north line of said Lot 9 to the east line of Central Park Avenue; thence north along said east line of Central Park Avenue to the south line of Lot 114 in Wood's Lawndale Subdivision in Section 23; thence east along said south line of Lot 114 and the easterly extension thereof to the east line of Drake Avenue; thence north along said east line of Drake Avenue to the south line of Lot 96 in said Wood's Lawndale Subdivision; thence east

along said south line of Lot 96 and the easterly extension thereof to the west line of St. Louis Avenue; thence south along said west line of St. Louis Avenue to the westerly extension of the south line of Lot 46 in Block 2 in Lyman Trumbull's Subdivision in Section 23; thence east along said westerly extension of the south line of Lot 46 and the south line thereof to the west line of the 16 foot wide alley east of St. Louis Avenue; thence south along said west line of the 16 foot wide alley east of St. Louis Avenue to the westerly extension of the north line of the parcel of land bearing Permanent Index Number 16-23-402-024; thence east along said westerly extension of the north line of the parcel of land bearing Permanent Index Number 16-23-402-024 and the north line thereof to the west line of Trumbull Avenue; thence north along said west line of Trumbull Avenue to the westerly extension of the north line of the parcel of land bearing Permanent Index Number 16-23-403-002; thence east along said westerly extension of the north line of the parcel of land bearing Permanent Index Number 16-23-403-002 and the north line thereof to the west line of the 16 foot wide alley east of Trumbull Avenue; thence continuing east along the easterly extension of the north line of the parcel of land bearing Permanent Index Number 16-23-403-002 to the east line of the 16 foot wide alley east of Trumbull Avenue; thence north along said east line of the 16 foot wide alley east of Trumbull Avenue to the south line of Lot 2 in Block 1 in said Lyman Trumbull's Subdivision in Section 23; thence east along said south line of Lot 2 and the easterly extension thereof to the west line of Christiana Avenue; thence south along said west line of Christiana Avenue to the westerly extension of the north line of Lot 39 in Sherman and Walter's Resubdivision of Block 11 of Circuit Court Partition in Section 23; thence east along said westerly extension of the north line of Lot 39 and the north line thereof to the east line thereof; thence continuing east along the easterly extension of the north line of said Lot 39 to the east line of Spaulding Avenue; thence north along said east line of Spaulding Avenue to the south line of Lot 40 in Block 2 in Prescott's Douglas Park Addition to Chicago in Section 23; thence east along said south line of Lot 40 and the easterly extension thereof to the west line of Kedzie Avenue; thence south along said west line of Kedzie Avenue to the southerly line of Ogden Avenue; thence northeasterly along said southerly line of Ogden Avenue to the easterly line of Lot 10 in the subdivision of Lots 1 and 2 in the resubdivision of Blocks 6, 7, 16 and 17 in Douglas Park Addition to Chicago in Section 24; thence southeasterly along said easterly line of Lot 10 and the southeasterly extension thereof to the east line of the 16 foot wide alley east of Troy Street; thence south along said east line of the 16 foot wide alley east of Troy Street to the south line of Lot 23 in Block 6 in the resubdivision of Blocks 6, 7, 16 and 17 in Douglas Park Addition to Chicago in Section 24; thence east along said south line of Lot 23 to the west line of Albany Avenue; thence south along said west line of Albany Avenue to the north line of 19th Street; thence west along said north line of 19th Street to the west line of Albany Avenue; thence south along said west line of Albany Avenue to the northerly line of the Chicago, Burlington and Quincy Railroad right-of-way; thence southwesterly along said northerly line of the Chicago, Burlington and Quincy Railroad right-of-way to the centerline of Kedzie Avenue; thence south along said centerline of Kedzie Avenue to the southerly line of the Chicago, Burlington and Quincy Railroad right-of-way; thence northeasterly along said southerly line of the Chicago, Burlington and Quincy Railroad right-of-way to the east line of Albany Avenue; thence south along said east line of Albany Avenue to the south line of the 16 foot wide alley south of Cermak Road; thence west along the westerly extension of the south line of the 16 foot wide alley south of Cermak Road to the west line of Troy Street; thence south along said west line

of Troy Street to the south line of 23rd Street; thence west along said south line of 23rd Street to the east line of the 16 foot wide alley west of Troy Street; thence south along said east line of the 16 foot wide alley west of Troy Street and the southerly extension thereof to the south line of 24th Street; thence west along said south line of 24th Street to the southerly extension of the west line of the 16 foot wide alley west of Kedzie Avenue; thence north along said southerly extension of the west line of the 16 foot wide alley west of Kedzie Avenue and the west line thereof to the south line of the 16 foot wide alley south of Cermak Road; thence west along said south line of the 16 foot wide alley south of Cermak Road and the westerly extension thereof to the west line of Trumbull Avenue; thence north along said west line of Trumbull Avenue to the southerly line of the Chicago, Burlington and Quincy Railroad right-of-way; thence southwesterly along said southerly line of the Chicago, Burlington and Quincy Railroad right-of-way to the east line of Central Park Avenue; thence south along said east line of Central Park Avenue to the easterly extension of the south line of Lot 32 in Block 4 in Millard and Decker's Subdivision of the east half of the east half of the northwest quarter of Section 26; thence west along said easterly extension of the south line of Lot 32 and the south line thereof to the east line of the 16 foot wide alley west of Central Park Avenue; thence north along said west line of the 16 foot wide alley west of Central Park Avenue to the south line of 24th Street; thence west along said south line of 24th Street to the east line of Kedvale Avenue; thence north along said east line of Kedvale Avenue to the southerly line of the Chicago, Burlington and Quincy Railroad right-of-way; thence northeasterly along said southerly line of the Chicago, Burlington and Quincy Railroad right-of-way to the centerline of Pulaski Road; thence north along said centerline of Pulaski Road to the northerly line of the Chicago, Burlington and Quincy Railroad right-of-way; thence southwesterly along said northerly line of the Chicago, Burlington and Quincy Railroad right-of-way to the east line of Kostner Avenue; thence north along said east line of Kostner Avenue to the southerly line of Ogden Avenue; thence southwesterly along said southerly line of Ogden Avenue to the southerly extension of the east line of Kenneth Avenue; thence north along said southerly extension of the east line of Kenneth Avenue and the east line thereof to the north line of Cermak Road; thence west along said north line of Cermak Road to the east line of Kostner Avenue and the point of beginning hereinbefore described, in Cook County, Illinois.

Exhibit "B".

*Street Location Of The Ogden/Pulaski Tax Increment
Financing Redevelopment Project Area.*

The project area generally is bounded by West Roosevelt Road and West 16th Street on the north, South Albany Avenue on the east, West Cermak Road and West 24th Street on the south and South Kostner Avenue on the west.

Exhibit "C".

Project Area Boundary.

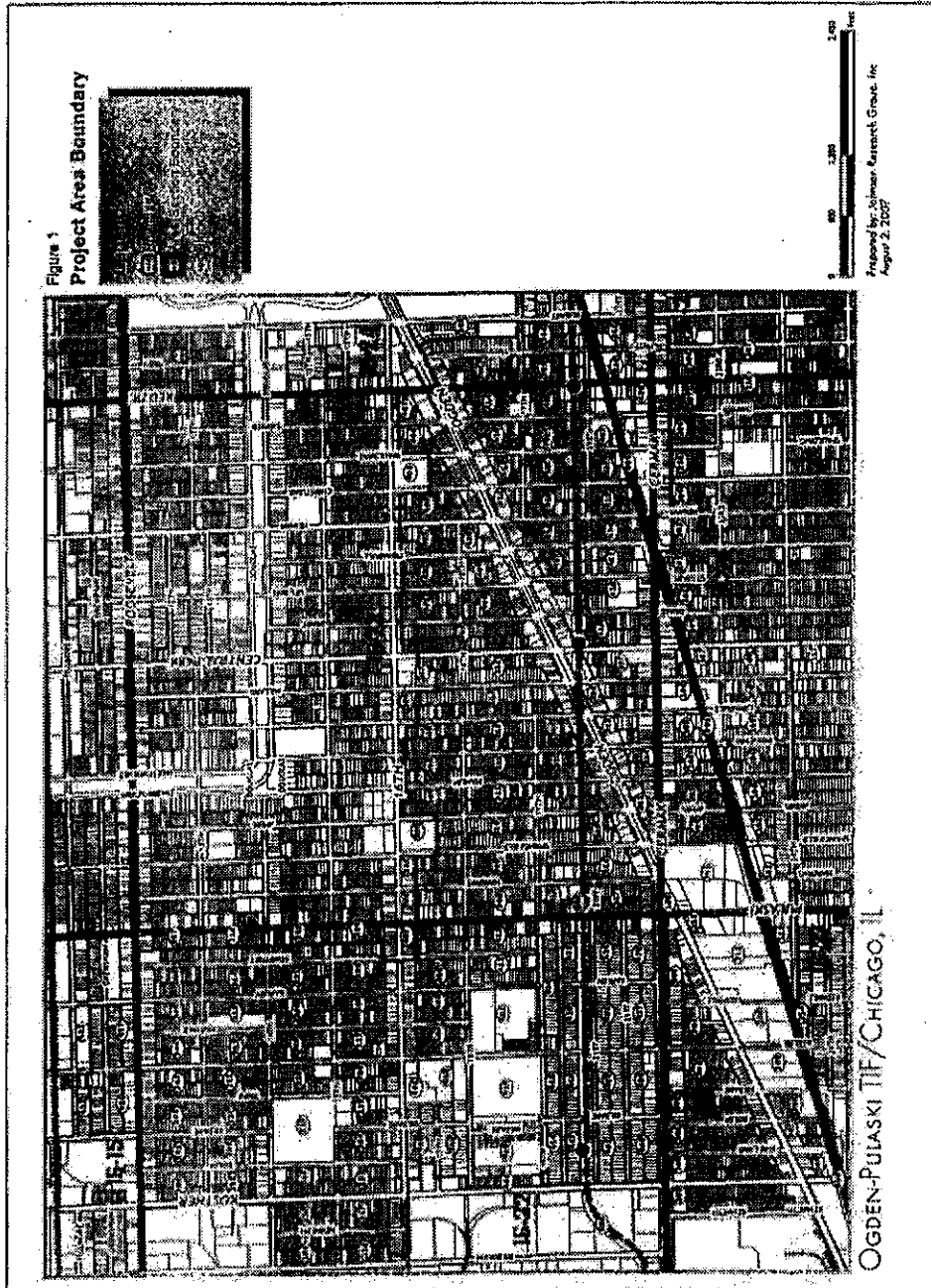


EXHIBIT A-2

Legal Description of the Roosevelt/Cicero Redevelopment Area

[To Be Attached at Closing]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

2/5/98

REPORTS OF COMMITTEES

61067

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

Exhibit "A".

Legal Description.

That part of the west half of the southwest quarter of Section 14 and south half of

Sections 15 and 16 and the east half of the southeast quarter of Section 17 and the northwest quarter and the west half of the southeast quarter and the east half of the southwest quarter of Section 22, all in Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois described as follows:

beginning at the intersection of the centerline of Menard Avenue and the centerline of Roosevelt Road; thence northerly along said centerline of Menard Avenue to the southwesterly right-of-way line of Chicago and Great Western Railroad; thence southeasterly along said southwesterly right-of-way line to the centerline of Central Avenue; thence northerly along said centerline to the southwesterly right-of-way line of vacated 5th Avenue; thence easterly along said southwesterly right-of-way line to the southerly extension of the westerly right-of-way line of vacated Long Avenue; thence northerly along said westerly right-of-way line to the northerly right-of-way line of Lexington Street; thence easterly along said northerly right-of-way line to the easterly right-of-way line of Lockwood Avenue; thence southerly along said easterly right-of-way line to the centerline of Polk Street; thence easterly along said centerline to the westerly right-of-way line of Leamington Avenue; thence northerly along said westerly right-of-way line to the westerly extension of the northerly line of Lot 189 in School Trustee's Subdivision of part of said Section 16; thence easterly along said westerly extension and northerly line to the northeast corner of said Lot 189; thence southerly along the easterly line of said lot to the northerly right-of-way line of Lexington Street; thence easterly along said northerly right-of-way line to the easterly right-of-way line of Lavergne Avenue; thence southerly along said easterly right-of-way line to the northerly right-of-way line of Arthington Street; thence easterly along said northerly right-of-way line to the easterly right-of-way line of Cicero Avenue; thence northerly along said easterly right-of-way line to the northerly right-of-way line of said Lexington Street; thence easterly along said northerly right-of-way line to the easterly right-of-way line of Kolmar Avenue; thence southerly along said easterly right-of-way line to the easterly extension of the northerly right-of-way line of Polk Street; thence westerly along said extension and northerly right-of-way line to the easterly right-of-way line of Belt Line Railway; thence southerly along said easterly right-of-way line to the northwesterly right-of-way line of 5th Avenue; thence northeasterly along said northwesterly right-of-way line to the easterly right-of-way line of Kildare Avenue; thence southerly along said easterly right-of-way line to the northerly right-of-way line of Taylor Street; thence easterly along said northerly right-of-way line to the easterly right-of-way line of Pulaski Road; thence northerly along said easterly right-of-way line to the northerly line of a 16 foot wide public alley in Block 2 of W. J. & D. F. Anderson's Subdivision; thence easterly along said northerly alley line to the westerly right-of-way line of Springfield Avenue; thence southerly along said westerly right-of-way line to the southerly line of a 16 foot wide public alley abutting Lots 1 through 24 (inclusive) of L. E. Ingall's Subdivision; thence westerly along said southerly alley line to the westerly right-of-way line of Pulaski Road; thence southerly along said westerly

right-of-way line to the southerly line of a 16 foot wide public alley in Block 8 of 12th Street Land Association Subdivision; thence westerly along said southerly alley line to the easterly right-of-way line of Karlov Avenue; thence westerly to the intersection of the westerly right-of-way line of Karlov Avenue with the southerly line of a 16 foot wide public alley in Block 7 of Butler Lowry's Crawford Avenue Addition to Chicago; thence westerly along said southerly alley line to the easterly right-of-way line of Keeler Avenue; thence westerly to the intersection of the westerly right-of-way line of Keeler Avenue with the northerly line of the south half of Lot 5 in Block 6 in Webster Batcheller's Subdivision; thence westerly along said northerly line to the easterly line of a 16 foot wide public alley; thence southerly along said easterly line to the easterly extension of the southerly line of a 16 foot wide public alley in Block 6 in said subdivision; thence westerly along said southerly alley line to the easterly right-of-way line of said Kildare Avenue; thence southerly along said easterly right-of-way line to said centerline of Roosevelt Road; thence westerly along said centerline to the westerly right-of-way line of Kostner Avenue; thence southerly along said westerly right-of-way line to the southerly right-of-way line of 14th Street; thence westerly along said southerly right-of-way line to the easterly line of a 16 foot wide public alley in Block 2 of Brenock's Addition to Chicago; thence southerly along said easterly line to the northerly right-of-way line of 15th Street; thence southerly to the intersection of the southerly right-of-way line of said 15th Street with the easterly line of a 16 foot wide public alley in Block 2 of Pinkert and Schulte's Subdivision; thence southerly along said easterly line to the southerly line of a 16 foot wide public alley in said Block 2; thence westerly along said southerly line to the northeast corner of Lot 3 in said Block 2; thence southerly along the easterly line of said Lot 3 to the southerly right-of-way line of 16th Street; thence easterly along said southerly right-of-way line to the northeast corner of Lot 20 in Block 2 of Joseph B. Ford & Co.'s West 16th Street Subdivision; thence southerly along the east line of said Lot 20 and its southerly extension to the southerly line of a 16 foot wide public alley in said Block 2; thence easterly along said southerly line to the northeast corner of Lot 32 in said Block 2; thence southerly along the easterly line of said Lot 32 to the northerly right-of-way line of 17th Street; thence westerly along said northerly right-of-way line to the northerly extension of the easterly line of a 16 foot wide public alley in Block 3 of said Joseph B. Ford & Co.'s West 16th Street Subdivision; thence southerly along said easterly line to the northerly right-of-way line of 18th Street; thence westerly along said northerly right-of-way line to the easterly right-of-way line of Kostner Avenue; thence southerly along said easterly right-of-way line to the northerly right-of-way line of Cermak Road; thence westerly along said northerly right-of-way line to the easterly right-of-way line of said Belt Line Railway; thence northerly along said easterly right-of-way line to said centerline of Roosevelt Road; thence westerly along said centerline to said point of beginning.

Exhibit "B".

Street Boundary Description Of The Area.

The street boundary description for the Roosevelt/Cicero Area is an area generally bounded by South Menard Avenue (north of West Roosevelt Road), the Belt Line Railroad, and the City corporate limits on the west; the Eisenhower Expressway on the north; South Pulaski Road on the east; and West Cermak Road on the south.

EXHIBIT B

Description of the Project

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT C-1

Legal Description of Development Parcel

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

PARCEL 1:

LOTS 13 TO 28 INCLUSIVE IN THE RESUBDIVISION OF LOTS 6 TO 12 INCLUSIVE IN W. A. JAMES SUBDIVISION OF LOT 4 (EXCEPT THE WEST 243.54 FEET) IN EXECUTOR'S SUBDIVISION OF LOT 3 IN THE PARTITION OF THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOTS 1 TO 4 INCLUSIVE AND LOTS 17 TO 20 IN BLOCK 2 IN S. HAIR'S SUBDIVISION OF THE WEST 243.54 FEET OF LOT 4 IN EXECUTOR'S SUBDIVISION OF LOT 3 IN PARTITION OF THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 3:

THE SOUTH HALF OF THAT PART OF WEST 18TH PLACE AND THE PUBLIC ALLEYS LYING ADJACENT TO SAID LOTS, VACATED BY ORDINANCE PASSED JUNE 2, 1967 AND RECORDED AUGUST 30, 1967 AS DOCUMENT NO. 20246302, ALL IN COOK COUNTY, ILLINOIS.

EXCLUDING AND EXCEPTING THEREFROM THE FOLLOWING:

THE EAST 18 FEET ALONG WITH THE NORTH 40 FEET OF THE WEST 40 FEET OF THE EAST 58 FEET OF A TRACT OF LAND DESCRIBED AS FOLLOWS:

LOTS 13 TO 28 INCLUSIVE IN THE RESUBDIVISION OF LOTS 6 TO 12 INCLUSIVE IN W. A. JAMES SUBDIVISION OF LOT 4 (EXCEPT THE WEST 243.54 FEET) IN EXECUTOR'S SUBDIVISION OF LOT 3 IN THE PARTITION OF THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALONG WITH THE SOUTH 1/2 OF THAT PART OF WEST 18TH PLACE AND THE PUBLIC ALLEY LYING ADJACENT TO SAID LOTS, VACATED BY ORDINANCE PASSED JUNE 2, 1967 AND RECORDED AUGUST 30, 1967 AS DOCUMENT NUMBER 20246302, IN COOK COUNTY, ILLINOIS.

Parcel Number: 16-22-409-036-0000 (part of)
16-22-409-037-0000

Real Estate Address: 4339 W. 18th Place, Illinois 60623

EXHIBIT C-2

Legal Description of Alley Parcel

The East 18.00 feet along with the North 40.00 feet of the West 40.00 feet of the East 58.00 feet of a tract of land described as: Lots 13 to 28 inclusive in the Resubdivision of Lots 6 to 12 inclusive in W.A. James Subdivision of Lot 4 (except the West 243.54 feet) in Executor's Subdivision of Lot 3 in the partition of the Southeast Quarter of Section 22, Township 39 North, Range-13 East of the Third Principal Meridian, along with the South Half of that part of West 18th Place and the public alley lying adjacent to said Lots, vacated by ordinance passed June 2, 1967 and recorded August 30, 1967 as Document No. 20246302, in Cook County, Illinois.

Parcel Number: 16-22-409-036-0000 (part of)

Real Estate Address: 4314-46 W. 19th Place, Chicago, Illinois 60623

EXHIBIT D

Construction Requirements

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT E-1

Project Budget

Land Acquisition	\$ 1
Hard Construction Costs (72.8% of TPC)	\$20,182,572
Soft Costs	
Architect's Fee (2.61% of hard costs)	\$ 526,500
Loan Origination Fee (2.56% of loan)	\$ 315,200
Legal Fees (0.85% of total costs)	\$ 235,000
Marketing (1.00% of total costs)	\$ 275,000
Loan Interest (1.68% of total costs)	\$ 464,836
Environmental (.22% of total costs)	\$ 62,300
Reserves (12.66% of total costs)	\$ 3,507,542
Developer Fee (3.57% of total costs)	\$ 990,000
Other Soft Costs (4.14% of total costs)	\$ 1,148,064
Total Soft Costs (27.16% of total costs)	\$ 7,524,442
Total Uses	\$27,707,015

EXHIBIT E-2

MBE/WBE Project Budget

MBE/WBE Project Budget	
Net Construction Costs	\$16,399,803
Architect Design & Supervision	\$526,500
Engineering Fees	\$114,600
Market Reports	\$35,000
TIF Consultant	\$65,000
Total	\$17,140,903
MBE Total at 24%	\$4,113,817
WBE Total at 4%	\$685,636

EXHIBIT F

Permitted Liens

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT G

Approved Prior Expenditures

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT H

Requisition Form

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT I

TIF-Funded Improvements

	Total	90% Affordable	50% TIF Eligible	Total TIF Eligible
Construction	\$17,179,297	\$15,461,367	\$7,730,684	\$7,730,684
Contingency – Hard	\$819,990	\$737,991	\$368,995	\$368,995
Site Work*	\$1,488,285			\$1,488,285
Architecture	\$421,000	\$378,900	\$189,450	\$189,450
Engineering	\$114,600	\$103,140	\$51,570	\$51,570
Total				\$9,828,948

*Site work is a 100% TIF eligible cost

The Commissioner shall have authority to consent to adjustments between the line items set forth above and consent to additional TIF-Funded Improvement redevelopment project costs within other categories authorize under the Act.

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the amount of TIF 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-1

Form of Subordination Agreement

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

Exhibit J-2
HUD Form of Subordination

**Subordination
Agreement - Financing
Section 232**

**U.S. Department of Housing
and Urban Development**
Office of Residential
Care Facilities

OMB Approval No. 2502-0605
(exp. 06/30/2017)

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Warning: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

Project Name: _____
FHA Project No.: _____

This Subordination Agreement (this "**Agreement**") is entered into this ____ day of _____, 20__ between and among (i) _____, a _____ organized and existing under the laws of _____ ("**Senior Lender**"), (ii) _____, a _____ organized and existing under the laws of _____ ("**Subordinate Lender**"), and (iii) _____, a _____ organized and existing under the laws of _____ ("**Borrower**").

RECITALS:

WHEREAS, Borrower is the owner of that certain [*skilled nursing facility/assisted living facility/board and care home*] known as _____ (the "**Project**"), located at _____. Senior Lender has made or is making the senior mortgage loan as described on Schedule A, attached hereto and incorporated herein by this reference (the "**Senior Indebtedness**"), to Borrower in the original principal amount(s) as shown on Schedule A, evidenced by the note described in Schedule A (the "**Senior Note**"), and secured by, among other things, the security instrument as described in Schedule A (collectively, the "**Senior Security Instrument**"), covering the property described in Exhibit A, attached hereto and incorporated herein by this reference, together with all improvements thereon and personal property used relative thereof, all as more particularly described in the Senior Security Instrument (the "**Mortgaged Property**").

WHEREAS, Borrower has requested Senior Lender to permit Subordinate Lender to make a subordinate loan to Borrower in the amount of \$ _____ (the "**Subordinate Loan**") and to

secure the Subordinate Loan by, among other things, placing a mortgage lien against the Mortgaged Property.

WHEREAS, Senior Lender, with the approval of the U.S. Department of Housing and Urban Development ("HUD"), has agreed to permit Subordinate Lender to make the Subordinate Loan and to place a subordinate mortgage lien against the Mortgaged Property subject to all of the conditions contained in this Agreement and in accordance with Program Obligations, as defined below.

NOW, THEREFORE, in order to induce Senior Lender to permit Subordinate Lender to make the Subordinate Loan to Borrower and to place a subordinate mortgage lien against the Mortgaged Property, and in consideration thereof, Senior Lender, Subordinate Lender and Borrower agree as follows:

1. **DEFINITIONS.** Any capitalized term or word used herein but not defined shall have the meaning given to such term in the Senior Security Instrument. The following terms, when used in this Agreement (including when used in the above recitals), shall have the following meanings, whether capitalized or not and whether singular or plural, unless, in the context, an incongruity results:

"Affiliate" is defined in 24 C.F.R. 200.215, or any successor regulation.

"Bankruptcy Proceeding" means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

"Borrower" means all entities identified as "Borrower" in the first paragraph of this Agreement, together with any successors, heirs, and assigns (jointly and severally). "Borrower" shall include any Entity taking title to the Mortgaged Property, whether or not such person or Entity assumes the Senior Note, provided that the term "Borrower" shall not include Senior Lender in the event that Senior Lender may acquire title to the Mortgaged Property. The "Borrower" is sometimes also referred to in the Senior Loan Documents as the "Obligor," the "Owner," and/or the "Mortgagor."

"Business Day" means any day other than a Saturday, a Sunday, a federal holiday or other day on which the federal government by law or executive order is closed, or a day on which banking institutions in the state in which the Mortgaged Property is located are authorized or obligated by law or executive order to remain closed.

"Casualty" is defined in Section 9.

"Covenant Event of Default" has the meaning set forth in the Senior Security Instrument.

"Entity" means an estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

"Monetary Event of Default" has the meaning set forth in the Senior Security Instrument.

"Non-Project Sources" means any funds that are not derived from Project Sources.

"Program Obligations" means (1) all applicable statutes and any regulations issued by HUD pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Agreement rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD's official website: <http://www.hud.gov/offices/adm/hudclips/index.cfm>, or a successor location to that site.

"Project Sources" means the Mortgaged Property (as defined in the Senior Security Instrument), any proceeds of the Senior loan, and any reserve or deposit made with Senior Lender or any other party as required by HUD in connection with the senior loan.

"Senior Indebtedness" means all present and future indebtedness, obligations, and liabilities of Borrower to Senior Lender under or in connection with the Senior loan or the Senior Loan Documents.

"Senior Lender" means the Entity identified as "Senior Lender" in the first paragraph of this Agreement, together with any successors, heirs, and assigns (jointly and severally).

"Senior Loan Documents" means the Senior Note, the Senior Security Instrument, and the Healthcare Regulatory Agreement – Borrower between Borrower and HUD, as such documents may be amended from time to time and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Senior Indebtedness.

"Senior Security Instrument Default" means a Monetary Event of Default or a Covenant Event of Default.

"Subordinate Indebtedness" means all present and future indebtedness, obligations, and liabilities of Borrower to Subordinate Lender under or in connection with the Subordinate Loan or the Subordinate Loan Documents.

"Subordinate Lender" means the Entity that qualifies under Program Obligations and identified as "Subordinate Lender" in the first paragraph of this Agreement.

"Subordinate Loan Documents" means the Subordinate Note, the Subordinate Mortgage, and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness.

"Subordinate Loan Enforcement Action" means the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's

sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the taking of any other enforcement action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

"Subordinate Mortgage Default" means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Lender to take a Subordinate Loan Enforcement Action.

"Surplus Cash" has the meaning set forth in the Healthcare Regulatory Agreement – Borrower between Borrower and HUD.

"Taking" is defined in Section 9.

2. PERMISSION TO PLACE A MORTGAGE LIEN AGAINST THE MORTGAGED PROPERTY. Senior Lender agrees, subject to the provisions of this Agreement, to permit Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Mortgaged Property (which are subordinate in all respects to the lien of the Senior Security Instrument) in order to secure Borrower's obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of Borrower to Subordinate Lender under and in connection with the Subordinate Loan. Such permission is subject to the condition that each of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are true and correct on the date of this Agreement and on the date on which the proceeds of the Subordinate Loan are disbursed to Borrower. If any of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are not true and correct on both of those dates, the provisions of the Senior Loan Documents applicable to unpermitted liens on the Mortgaged Property shall apply.

3. BORROWER'S AND SUBORDINATE LENDER'S REPRESENTATIONS AND WARRANTIES. Borrower and, with respect to subsections (a) through (d) below, Subordinate Lender, each make the following representations and warranties to Senior Lender:

(a) **Subordinate Loan Documents.** The Subordinate Loan is evidenced by the Subordinate Note and is secured by the Subordinate Mortgage.

(b) **Term of the Subordinate Loan.** The original principal amount of the Subordinate Note is \$_____. Interest on the Subordinate Note accrues monthly at the rate of _____ percent (____%) per annum. The Subordinate Note is due and payable in full on _____, 20____, (the "Maturity"). The principal of the Subordinate Note will [be fully amortized at Maturity][have a balloon principal payment of \$_____ due at Maturity]. The promissory note evidencing the Subordinate Note obligates Borrower to make payments as follows, subject to available Surplus Cash: _____. As long as HUD is the insurer or

holder of the Senior Note on FHA Project No. _____, any payments due from income of the Project under the Subordinate Note shall be payable only (i) from permissible distributions of {omit "permissible distributions from" if Borrower is profit-motivated} Surplus Cash of the Project; but, in no event greater than seventy-five percent (75%) of the total amount of Surplus Cash; or (ii) from monies received from Non-Project Sources. No prepayment of the Subordinate Note shall be made until after final endorsement by HUD of the Senior Note, unless such prepayment is made from Non-Project Sources and is approved in writing by HUD. The restriction on payment imposed by this Section shall not excuse any default caused by the failure of Borrower to pay the indebtedness evidenced by the Subordinate Note.

(c) **Relationship of Borrower to Subordinate Lender.** Subordinate Lender is not an Affiliate of Borrower.

(d) **Term.** The term of the Subordinate Note does not end before the term of the Senior Note.

(e) **Subordinate Loan Documents.** The executed Subordinate Loan Documents are substantially in the same form as those submitted to, and approved by, HUD prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

(f) **Senior Loan Documents.** The executed Senior Loan Documents are the same forms as approved by HUD prior to the date of this Agreement. Upon execution and delivery of the Senior Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the Senior Loan Documents, certified to be true, correct and complete.

4. Deliveries. Borrower shall submit the following items to Senior Lender and HUD not later than ten (10) Business Days after the date of the initial disbursement of proceeds of the Subordinate Loan:

(a) **Title Policy Endorsement.** An endorsement to the policy of title insurance insuring the lien of the Senior Security Instrument which insures that (i) the lien of the Subordinate Mortgage is subordinate to the lien of the Senior Mortgage, and (ii) this Agreement has been recorded among the applicable land records.

(b) **Certification.** A certification from Borrower and Subordinate Lender to HUD that the Subordinate Loan Documents do not contain any changes from the Subordinate Loan Documents submitted to, and approved by, HUD, before the date of this Agreement.

(c) **Subordinate Loan Documents.** A complete set of the Subordinate Loan Documents.

5. TERMS OF SUBORDINATION.

(a) **Agreement to Subordinate.** Senior Lender and Subordinate Lender agree that: (i) the Subordinate Indebtedness is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment in full of the Senior Indebtedness, and (ii) the Subordinate Mortgage and the Subordinate Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Security Instrument and the Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Security Instrument and the Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Security Instrument, curing defaults by Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Security Instrument, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property). Subordinate Lender agrees to extinguish and release its lien on any and all of the Mortgaged Property in the event Senior Lender, HUD, or a designee of either acquires the Mortgaged Property pursuant to a deed in lieu of foreclosure.

(b) **Subordination of Subrogation Rights.** Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Mortgaged Property which (but for this subsection) would be senior to the lien of the Senior Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Senior Security Instrument.

(c) **Payments Before Senior Security Instrument Default.** Until Subordinate Lender receives a default notice of a Senior Security Instrument Default from Senior Lender, Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents provided that such payments are otherwise permitted under the terms of this Agreement.

(d) **Payments After Senior Security Instrument Default.** Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a Senior Security Instrument Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Subordinate Mortgage) without Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives a default notice from Senior Lender with written instructions directing Subordinate Lender not to accept payments from Project Sources on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Subordinate Mortgage) unless either (i) such payment is being made solely from Non-Project Sources or (ii) such payment is made with Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the Senior Security Instrument Default which gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Senior Lender, the restrictions on payment to Subordinate Lender in this Section 5 shall terminate, and Senior Lender shall have no right to any subsequent payments made to Subordinate Lender by Borrower prior to Subordinate Lender's receipt of a new default notice from Senior Lender in accordance with the provisions of this Section 5(d).

(e) **Remitting the Subordinate Loan Payments to Senior Lender.** If, after Subordinate Lender receives a default notice from Senior Lender in accordance with subsection (d) above, Subordinate Lender receives any payments under the Subordinate Loan Documents (other than payments permitted under subsection (d) above), Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender and unless Senior Lender otherwise notifies Subordinate Lender in writing, will be promptly remitted, in kind to Senior Lender, properly endorsed to Senior Lender, to be applied to the principal of, interest on and other amounts due under the Senior Loan Documents in accordance with the provisions of the Senior Loan Documents. By executing this Agreement, Borrower specifically authorizes Subordinate Lender to endorse and remit any such payments to Senior Lender, and specifically waives any and all rights to have such payments returned to Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by Subordinate Lender, and remitted to Senior Lender under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to Senior Lender waive any Subordinate Mortgage Default which may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) **Agreement Not to Commence Bankruptcy Proceeding.** Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any Bankruptcy Proceeding with respect to Borrower, without Senior Lender's prior written consent.

6. DEFAULT UNDER THE SUBORDINATE LOAN DOCUMENTS.

(a) **Notice of Default and Cure Rights.** Subordinate Lender shall deliver to Senior Lender a default notice within five (5) Business Days in each case where Subordinate Lender has given a default notice to Borrower. Failure of Subordinate Lender to send a default notice to

Senior Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. Senior Lender shall have the opportunity, but not the obligation, to cure any Subordinate Mortgage Default within sixty (60) days following the date of such notice; provided, however that Subordinate Lender shall be entitled, during such sixty (60) day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents, subject to the limitations set forth in Section 6(b) below.

(b) **Subordinate Lender's Exercise of Remedies After Notice to Senior Lender.** If a Subordinate Mortgage Default occurs and is continuing, Subordinate Lender agrees that it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents with respect to the Mortgaged Property, including, but not limited to accelerating the Subordinate Loan, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder without Senior Lender's prior written consent. However, the preceding sentence shall not (i) limit Subordinate Lender's right to bring an action seeking recovery solely from Non-Project Sources or (ii) preclude Subordinate Lender from exercising or enforcing all the rights available to Subordinate Lender under the Subordinate Loan Documents and/or under applicable law to enforce covenants and agreements of Borrower relating to income, rent or affordability restrictions.

7. DEFAULT UNDER THE SENIOR LOAN DOCUMENTS.

(a) **Notice of Default and Cure Rights.** Senior Lender shall deliver to Subordinate Lender a default notice within five (5) Business Days in each case where Senior Lender has given a default notice to Borrower (provided that Senior Lender shall have no liability to Borrower, Subordinate Lender or to any other Entity for failure to timely give such notice). Failure of Senior Lender to send a default notice to Subordinate Lender shall not prevent the exercise of Senior Lender's right and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. Borrower agrees that Subordinate Lender shall have the opportunity, but not the obligation, to cure either a Monetary Event of Default or a Covenant Event of Default within thirty (30) days following the date of such notice, or any time prior to an assignment of the Senior Security Instrument from Senior Lender to HUD, whichever date is later. Subordinate Lender acknowledges that Senior Lender shall be entitled during such period described above to continue to pursue its remedies under the Senior Loan Documents. Subordinate Lender shall have the opportunity to cure a Covenant Event of Default during such period described above so long as there is no Monetary Event of Default under the Senior Loan Documents. All amounts paid by Subordinate Lender to Senior Lender to cure any default under the Senior Loan Documents shall be deemed to have been advanced by Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(b) **Cross Default.** Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a Senior Security Instrument Default shall not constitute a default under the Subordinate Loan Documents if no other default occurred under the Subordinate Loan Documents.

8. CONFLICT. Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the

relative priority of the security interests of Senior Lender and Subordinate Lender in the Mortgaged Property; and (b) solely as between Senior Lender and Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which Senior Lender and Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be; give Borrower the right to notice of any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents, as applicable; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

9. RIGHTS AND OBLIGATIONS OF SUBORDINATE LENDER UNDER THE SUBORDINATE LOAN DOCUMENTS AND OF SENIOR LENDER UNDER THE SENIOR LOAN DOCUMENTS. Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) **Protection of Security Interest.** Subordinate Lender shall not, without the prior written consent of Senior Lender in each instance, take any action which has the effect of increasing the Subordinate Indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that Subordinate Lender shall have the right to advance funds to cure a Senior Security Instrument Default pursuant to Section 7(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Mortgaged Property and curing other defaults by Borrower under the Subordinate Loan Documents.

(b) **Condemnation or Casualty.** In the event of a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Mortgaged Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Mortgaged Property (collectively, a "Casualty"), at any time or times when the Senior Security Instrument remains a lien on the Mortgaged Property the following provisions shall apply:

- (1) Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by or with the written consent of Senior Lender; and
- (2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (to payment of the costs and expenses of repair and restoration and/or to payment of the Senior Security Instrument)

in the manner determined by Senior Lender in its sole discretion; provided, however, that if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Security Instrument, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Security Instrument shall be paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents. Any proceeds then remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Subordinate Loan Documents shall be paid by Subordinate Lender to Borrower.

(c) No Modification of the Subordinate Loan Documents. Borrower and Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender in each instance, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan terms in a manner that creates an adverse effect upon Senior Lender under the Senior Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents without Senior Lender's consent shall be void ab initio and of no effect whatsoever.

10. MODIFICATION OF THE SENIOR LOAN DOCUMENTS; REFINANCING OF THE SENIOR INDEBTEDNESS. Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money. Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Security Indebtedness in accordance with Program Obligations (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Indebtedness, the Senior Note, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the indebtedness related to the refinance loan, the refinance note, the security instrument securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

11. DEFAULT BY SUBORDINATE LENDER OR SENIOR LENDER. If Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting Lender shall have the right to all available legal and equitable relief.

12. NOTICES. Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which Senior Lender or Subordinate Lender is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating next Business Day delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the U.S. Postal Service (any notice so sent shall be deemed to have been received two (2) Business Days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER:

With a copy to:

U.S. Department of Housing and Urban Development
Director – Office of Residential Care Facilities
451 Seventh Street, S.W., Room 2247
Washington, DC 20410

SUBORDINATE LENDER:

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

13. GENERAL.

(a) **Assignment/Successors.** This Agreement shall be binding upon Borrower, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of Senior Lender and Subordinate Lender.

(b) **No Partnership or Joint Venture.** Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute Senior Lender as a joint venturer or partner of Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of any other party hereto.

(c) **Senior Lender's and Subordinate Lender's Consent.** Wherever Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever Subordinate Lender's consent or approval is

required by any provision of this Agreement, such consent or approval may be granted or denied by Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) **Further Assurances; UCC Financing Statements.** Subordinate Lender, Senior Lender and Borrower each agree, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Loan Documents are subordinate to the lien, covenants and conditions of the Senior Loan Documents, or to further evidence the intent of this Agreement. Senior Lender is hereby authorized to file any and all UCC financing statement amendments required to reflect the priority of the Senior Indebtedness.

(e) **Amendment.** This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) **Governing Law.** This Agreement shall be governed by the laws of the state in which the Mortgaged Property is located, except as, so long as the Senior loan is insured or held by HUD, and solely as to rights and remedies of HUD, federal jurisdiction may be appropriate pursuant to any federal requirements. The state courts, and with respect to HUD's rights and remedies, federal courts, and governmental authorities in the state in which the Mortgaged Property is located, shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Subordinate Loan Documents. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

(g) **Severable Provisions.** If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 5 hereof; (iii) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a foreclosure; or (iv) the acquisition by Subordinate Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement. Notwithstanding the foregoing, in the event that the Senior Indebtedness is refinanced, the term of this Agreement shall continue and the Subordinate Indebtedness and the Subordinate Loan Documents shall be subordinate to any such indebtedness related to the refinance loan as provided in Section 10 above.

(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

14. The following Exhibit is attached to this Agreement:

Exhibit A Legal Description of the Land

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SENIOR LENDER:

By: _____
Name: _____

Title: _____

SUBORDINATE LENDER:

By: _____
Name: _____

Title: _____

BORROWER:

By: _____
Name: _____

Title: _____

[JURATS TO BE ADDED]

EXHIBIT A

[LEGAL DESCRIPTION OF THE LAND]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT K

Opinion of Developer=s Counsel

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT L

Insurance Requirements

Intentionally Omitted

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

HUD RIDER TO RESTRICTIVE COVENANTS

This RIDER TO RESTRICTIVE COVENANTS ("Rider") is made as of January 1, 2016, by MONTCLARE SENIOR RESIDENCES SLF OF LAWNSDALE, LLC, an Illinois limited liability company ("Borrower"), MONTCLARE LAWNSDALE SLF CORP., an Illinois corporation ("Corporation") and the CITY OF CHICAGO, ILLINOIS, an Illinois municipal corporation ("Agency").

WHEREAS, Borrower has obtained financing from Love Funding Corporation, a Virginia corporation (the "Lender") for the benefit of the project known as Montclare Senior Residences SLF of Lawndale, Chicago, Illinois, HUD Project No. 071-43273, legally described as set forth in Exhibit A attached hereto (the "Project"), which loan is secured by a Healthcare Mortgage, Assignment of Leases, Rents and Revenue and Security Agreement ("Security Instrument") dated effective as of January 1, 2016, to be recorded in the Office of the Recorder of Cook County, Illinois (the "Records") and will be insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Agency is transferring to Borrower the land on which the Project will be located and the Corporation is receiving a grant of tax increment funds from the Agency, and the Agency is requiring that certain restrictions be recorded against the Project; and

WHEREAS, this Rider to Restrictive Covenants is attached to and made a part of that certain Montclare Senior Residences SLF of Lawndale, LLC Redevelopment Agreement entered into between the Borrower, Corporation and the Agency ("Restrictive Covenants") with respect to the Project, dated as of even date herewith and to be recorded in the Records; and

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, Agency has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan (as defined below) in accordance with the terms of this Rider.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider, the provision contained in this Rider shall govern and be controlling in all respects to the fullest extent permissible under Applicable Law.

(b) The following terms shall have the following definitions:

"Applicable Law" means all federal, state and local law applicable to the Project.

“Associated Person” means the any entity related to Borrower or those with whom the Borrower has or had a familial or business relationship.

“Code” means the Internal Revenue Code of 1986, as amended.

“HUD” means the United States Department of Housing and Urban Development.

“HUD Regulatory Agreement” means collectively, the Healthcare Regulatory Agreement-Borrower between Borrower and HUD with respect to the Project, and the Healthcare Regulatory Agreement – Operator between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“Lender” means Love Funding Corporation, its successors and assigns.

“Mortgage Loan” means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

“Mortgage Loan Documents” means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

“National Housing Act” means the National Housing Act of 1934, as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

“Security Instrument” means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified, as set forth above.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement-Borrower between Borrower and HUD.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation the Security Instrument and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, the provisions of the HUD Requirements shall control and supersede the enforcement of the Restrictive Covenants to the fullest extent permissible under Applicable Law.

The Borrower and Corporation each represents and warrants that, to the best of its respective knowledge, the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure of the Security Instrument, the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate, unless otherwise approved by HUD.

(e) Borrower, Corporation and the Agency acknowledge that Borrower's or Corporation's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the terms of the HUD Requirements, provided that, nothing herein limits the Agency's ability to enforce the terms of the Restrictive Covenants to the extent not in conflict with the HUD Requirements.

(f) Except for the Agency's reporting requirement, in enforcing the Restrictive Covenants the Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available Surplus Cash, if the Borrower is a for-profit entity;
- ii. Available distributions of Surplus Cash and Residual Receipts authorized for release by HUD, if the Borrower is a limited distribution entity;
- iii. Available Residual Receipts authorized by HUD, if the Borrower is a non-profit entity; or
- iv. A HUD-approved collateral assignment of any HAP contract (should Borrower enter into a HAP contract with HUD relating to the Project).

(g) For so long as the Mortgage Loan is outstanding, Borrower, Corporation and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, Agency may require the Borrower and Corporation to indemnify and hold Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold Agency harmless shall be limited to available Surplus Cash and/or Residual Receipts of the Borrower.

(i) Notwithstanding anything in the Document to the contrary, the Borrower may make application to HUD for approval of a Transfer of Physical Assets in accordance with HUD regulations, directives and policies. A duplicate copy of such application shall be served simultaneously on the Agency. Within 90 days after such service, the Agency shall serve written notice of its approval of such transfer, or of its requirements for approval of such transfer, to HUD and the Borrower. No such transfer shall occur or be effective until the Agency's requirements shall have been satisfied. In the event the Agency fails to serve such notice on HUD and the Borrower within said time, then any consent by HUD to such transfer shall be conclusively deemed to be the Agency's prior written consent to such transfer and consummation of such transfer shall not be a default under the any of the Agency's loan documents..

(j) This Rider may be executed in several counterparts, which shall be treated as originals for all purposes, and all so executed shall constitute one agreement, binding on all of the parties.

[The remainder of this page is intentionally left blank
Signatures follow]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

BORROWER:

MONTCLARE SENIOR RESIDENCES SLF OF LAWNSDALE, LLC,
an Illinois limited liability company

By: LAWNSDALE SLF, LLC,
an Illinois limited liability company,
its manager

By: Montclare Lawnsdale SLF Corp.,
an Illinois corporation,
its managing member

By: *[Signature]*
Philip I. Mappa, President

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Before me, a Notary Public in and for said County and State, personally appeared Philip I. Mappa, President of Montclare Lawnsdale SLF Corp., an Illinois corporation, the managing member of Lawnsdale SLF, LLC, an Illinois limited liability company, the manager of Montclare Senior Residences SLF of Lawnsdale, LLC, an Illinois limited liability company, who, after having been duly sworn, acknowledged the execution of the foregoing HUD Rider to Restrictive Covenants for and on behalf of Montclare Senior Residences SLF of Lawnsdale, LLC.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and official seal in said County, State of Illinois, as of this 1st day of January, 2016.

My Commission Expires:
4.29.2018

Joan T. Holowaty
Notary Signature


County of Residence:
Cook

Joan T. Holowaty
Notary Printed



CORPORATION:

MONTCLARE LAWNSDALE SLF CORP.,
an Illinois corporation

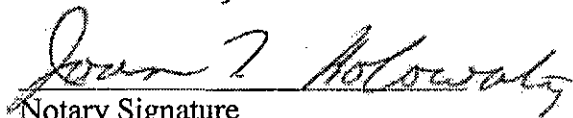
By: 
Philip I. Mappa, President

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Before me, a Notary Public in and for said County and State, personally appeared Philip I. Mappa, President of Montclare Lawnsdale SLF Corp., an Illinois corporation, , who, after having been duly sworn, acknowledged the execution of the foregoing HUD Rider to Restrictive Covenants for and on behalf of Montclare Lawnsdale SLF Corp.

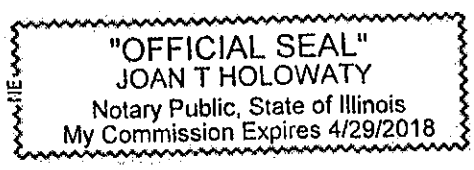
IN TESTIMONY WHEREOF, I have hereunto subscribed my name and official seal in said County, State of Illinois, as of this 1st day of January, 2016.

My Commission Expires:
4-29-2018


Notary Signature


County of Residence:
Cook

Joan T. Holowaty
Notary Printed



AGENCY:

CITY OF CHICAGO, an Illinois municipal corporation

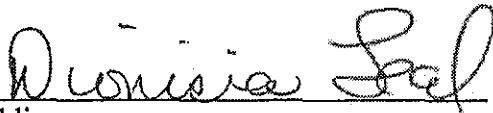
By: 
Name: David L. Reifman
Title: Commissioner,
Department of Planning and Development

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this 19 day of January, 2016, David L. Reifman, the Commissioner of the Department of Planning and Development of the City of Chicago, personally known to me to be the same person whose name is subscribed to the foregoing HUD Rider to Restrictive Covenants, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of for the purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(seal)


Notary Public

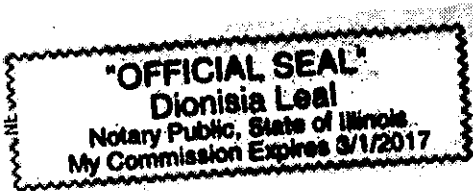


EXHIBIT A

1. Legal Description:

PARCEL 1:

LOTS 13 TO 28 INCLUSIVE IN THE RESUBDIVISION OF LOTS 6 TO 12 INCLUSIVE IN W. A. JAMES SUBDIVISION OF LOT 4 (EXCEPT THE WEST 243.54 FEET) IN EXECUTOR'S SUBDIVISION OF LOT 3 IN THE PARTITION OF THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOTS 1 TO 4 INCLUSIVE AND LOTS 17 TO 20 IN BLOCK 2 IN S. HAIR'S SUBDIVISION OF THE WEST 243.54 FEET OF LOT 4 IN EXECUTOR'S SUBDIVISION OF LOT 3 IN PARTITION OF THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 3:

THE SOUTH HALF OF THAT PART OF WEST 18TH PLACE AND THE PUBLIC ALLEYS LYING ADJACENT TO SAID LOTS, VACATED BY ORDINANCE PASSED JUNE 2, 1967 AND RECORDED AUGUST 30, 1967 AS DOCUMENT NO. 20246302, ALL IN COOK COUNTY, ILLINOIS.

EXCLUDING AND EXCEPTING THEREFROM THE FOLLOWING:

THE EAST 18 FEET ALONG WITH THE NORTH 40 FEET OF THE WEST 40 FEET OF THE EAST 58 FEET OF A TRACT OF LAND DESCRIBED AS FOLLOWS:

LOTS 13 TO 28 INCLUSIVE IN THE RESUBDIVISION OF LOTS 6 TO 12 INCLUSIVE IN W. A. JAMES SUBDIVISION OF LOT 4 (EXCEPT THE WEST 243.54 FEET) IN EXECUTOR'S SUBDIVISION OF LOT 3 IN THE PARTITION OF THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALONG WITH THE SOUTH 1/2 OF THAT PART OF WEST 18TH PLACE AND THE PUBLIC ALLEY LYING ADJACENT TO SAID LOTS, VACATED BY ORDINANCE PASSED JUNE 2, 1967 AND RECORDED AUGUST 30, 1967 AS DOCUMENT NUMBER 20246302, IN COOK COUNTY, ILLINOIS.

2. Address Commonly Known As: 4339 W. 18th Place, Chicago, Illinois 60623
3. Permanent Index Number: 16-22-409-036-0000 (part of) and 16-22-409-037-0000

ATTACHMENT E

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

Parties to Agreement with City	Project Description	Address
N/A	Construction of Mixed Use Property	1811 S. Lawndale Ave.
N/A	Construction of Mixed Use Property	3526 W. Cermak Rd.
N/A	Construction of Mixed Use Property	2108-2112 S. Albany Ave.

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2016

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT

C O N T E N T S

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Ogden/Pulaski 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 Ogden/Pulaski 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 Ogden/Pulaski 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.

Beneley and Kiener, L.L.P.
Certified Public Accountants

June 26, 2017

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Ogden/Pulaski 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
OGDEN/PULASKI REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

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

Other Supplementary Information

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

Condensed Comparative Financial Statements

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

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$(18,651) for the year. This was an increase of 77 percent over the prior year. The change in net position produced a decrease in net position of \$1,023,780. The Project's net position decreased by 23 percent from the prior year making available \$3,371,599 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI 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	\$ 4,533,699	\$ 4,540,795	\$ (7,096)	-%
Total liabilities	<u>1,162,100</u>	<u>145,416</u>	<u>1,016,684</u>	699%
Total net position	<u>\$ 3,371,599</u>	<u>\$ 4,395,379</u>	<u>\$(1,023,780)</u>	-23%
Total revenues	\$ (21,191)	\$ (67,990)	\$ 46,799	69%
Total expenses	<u>1,002,589</u>	<u>89,303</u>	<u>913,286</u>	1,023%
Changes in net position	<u>(1,023,780)</u>	<u>(157,293)</u>	<u>(866,487)</u>	-551%
Ending net position	<u>\$ 3,371,599</u>	<u>\$ 4,395,379</u>	<u>\$(1,023,780)</u>	-23%

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT

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

<u>ASSETS</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 4,456,095	\$ -	\$ 4,456,095
Accrued interest receivable	<u>77,604</u>	<u>-</u>	<u>77,604</u>
Total assets	<u>\$ 4,533,699</u>	<u>\$ -</u>	<u>\$ 4,533,699</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 1,000,000	\$ -	\$ 1,000,000
Other accrued liability	<u>162,100</u>	<u>-</u>	<u>162,100</u>
Total liabilities	<u>1,162,100</u>	<u>-</u>	<u>1,162,100</u>
Deferred Inflows	<u>7,877</u>	<u>(7,877)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>3,363,722</u>	<u>(3,363,722)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 4,533,699</u>		
Net position:			
Restricted for future redevelopment project costs		<u>3,371,599</u>	<u>3,371,599</u>
Total net position		<u>\$ 3,371,599</u>	<u>\$ 3,371,599</u>

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

Total fund balance - governmental fund	\$ 3,363,722
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>7,877</u>
Total net position - governmental activities	<u>\$ 3,371,599</u>

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

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT

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

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ (18,447)	\$ (204)	\$ (18,651)
Interest income (loss)	(2,540)	-	(2,540)
	<hr/>	<hr/>	<hr/>
Total revenues	(20,987)	(204)	(21,191)
Expenditures/expenses:			
Economic development projects	1,002,589	-	1,002,589
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(1,023,576)	1,023,576	-
Change in net position	-	(1,023,780)	(1,023,780)
Fund balance/net position:			
Beginning of year	4,387,298	8,081	4,395,379
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 3,363,722</u>	<u>\$ 7,877</u>	<u>\$ 3,371,599</u>

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

Net change in fund balance - governmental fund	\$(1,023,576)
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> (204)
Change in net position - governmental activities	<u><u>\$(1,023,780)</u></u>

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

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In April 2008, the City of Chicago (City) established the Ogden/Pulaski Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

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

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
OGDEN/PULASKI 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 fund financial statements.

Capital Assets

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

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI 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.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI 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

\$ 2,589

Costs of construction of new housing units for low income and very low income households

1,000,000

\$ 1,002,589



O'HARE PLAZA
8745 WEST HIGGINS ROAD
SUITE 200
CHICAGO, ILLINOIS 60631

TEL: (312) 263-2700
FAX: (312) 263-6935
WWW.BK-CPA.COM

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 Ogden/Pulaski Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2016, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 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 Ogden/Pulaski 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