

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Wisniewski v. City of Chicago, et al.*, Number 98 C 7682, in the amount of \$400,000.00.

AUTHORIZATION FOR EXECUTION OF INTERGOVERNMENTAL
AGREEMENT WITH CHICAGO BOARD OF EDUCATION
AND ISSUANCE OF TAX INCREMENT ALLOCATION
REVENUE NOTE FOR CONSTRUCTION
OF THE TEACHERS ACADEMY
OF CHICAGO.

The Committee on Finance submitted the following report:

CHICAGO, March 27, 2002.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing an intergovernmental agreement between the City of Chicago and the Chicago Board of Education regarding The Teachers Academy of Chicago and the issuance of a note in an amount not to exceed Forty-seven Million Dollars (\$47,000,000), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Haithcock, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Frias, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Levar, Shiller, Schulter, M. Smith, Stone -- 46.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois; and

WHEREAS, The Board of Education of the City of Chicago (the "Board") is a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois; and

WHEREAS, Pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1, et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission") to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, The Commission owns in trust for the Board certain real property, which real property is generally located at 55 West Cermak Road and 2220 South Federal Street, Chicago, Illinois (and the other addresses listed on Exhibit A hereto) (the "Property") which, together with any necessary easements for ingress and egress, is legally described on Exhibit A hereto; and

WHEREAS, The Board wishes to construct an elementary school, related community center and related campus park on the Property to be known as The Teachers Academy of Chicago; and

WHEREAS, The construction of the elementary school, community center and campus park will require the Board (acting through the Commission) to construct

buildings and related improvements to house and serve the elementary school, community center and campus park (the "Facility") on the Property (all such activities referred to herein shall be known as the "Project"); and

WHEREAS, The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on July 21, 1999: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the 24th/Michigan Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the 24th/Michigan Redevelopment Project Area as a Tax Increment Financing District"; and "An ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the 24th/Michigan Redevelopment Project Area" (the aforesaid ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "24th/Michigan T.I.F. Ordinances", the redevelopment plan approved by the 24th/Michigan T.I.F. Ordinances is referred to herein as the "24th/Michigan Redevelopment Plan" and the redevelopment project area created by the 24th/Michigan T.I.F. Ordinances is referred to herein as the "24th/Michigan Redevelopment Area"); and

WHEREAS, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on September 13, 1989 (as amended by ordinances adopted on March 21, 1990 and May 12, 1999): "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Michigan/Cermak Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the Michigan/Cermak Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Michigan/Cermak Redevelopment Project Area" (the aforesaid ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Michigan/Cermak T.I.F. Ordinances", the redevelopment plan approved by the Michigan/Cermak T.I.F. Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Plan" and the redevelopment project area created by the Michigan/Cermak T.I.F. Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Area"); and

WHEREAS, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on July 13, 1997: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the River South Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the River South Redevelopment Project Area as

a Tax Increment Financing District”; and “An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the River South Redevelopment Project Area” (the aforesaid ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the “River South T.I.F. Ordinances”, the redevelopment plan approved by the River South T.I.F. Ordinances is referred to herein as the “River South Redevelopment Plan” and the redevelopment project area created by the River South T.I.F. Ordinances is referred to herein as the “River South Redevelopment Area”); and

WHEREAS, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on December 18, 1986: “An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Chinatown Basin Redevelopment Project Area”; “An Ordinance of the City of Chicago, Illinois Designating the Chinatown Basin Redevelopment Project Area as a Tax Increment Financing District”; and “An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Chinatown Basin Redevelopment Project Area” (the aforesaid ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the “Chinatown Basin T.I.F. Ordinances”, the redevelopment plan approved by the Chinatown Basin T.I.F. Ordinances is referred to herein as the “Chinatown Basin Redevelopment Plan” and the redevelopment project area created by the Chinatown Basin T.I.F. Ordinances is referred to herein as the “Chinatown Basin Redevelopment Area”); and

WHEREAS, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on November 28, 1990: “An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Plan and Redevelopment Project for the Central Station Area Redevelopment Tax Increment Financing Project”; “An Ordinance of the City of Chicago, Illinois Designating the Central Station Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act”; and “An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Central Station Area Redevelopment Project” (the aforesaid ordinances are collectively referred to herein as the “Central Station T.I.F. Ordinances”, the redevelopment plan approved by the Central Station T.I.F. Ordinances is referred to herein as the “Central Station Redevelopment Plan” and the redevelopment project area created by the Central Station T.I.F. Ordinances is referred to herein as the “Central Station Redevelopment Area”); thereafter, the City Council determined to expand the Central Station Redevelopment Area and in connection therewith, the City Council adopted the following ordinances on August 3, 1994: “An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Near South Redevelopment Project Area”; “An Ordinance of the City of Chicago, Illinois Designating the Near South Redevelopment Project Area as a Tax Increment Financing District”; and “An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Near South Redevelopment Project Area” (the aforesaid ordinances, as the same may have heretofore been or hereinafter may

be amended, are collectively referred to herein as the "Near South T.I.F. Ordinances", the redevelopment plan approved by the Near South T.I.F. Ordinances is referred to herein as the "Near South Redevelopment Plan" and the redevelopment project area created by the Near South T.I.F. Ordinances is referred to herein as the "Near South Redevelopment Area"); and

WHEREAS, The Near South T.I.F. Ordinances expanded the Central Station Redevelopment Area into, and renamed the Central Station Redevelopment Area, as expanded, as the Near South Redevelopment Area and adopted the Near South Redevelopment Plan, which incorporates and replaces the Central Station Redevelopment Plan; and

WHEREAS, All of the Property lies wholly within the boundaries of the 24th/Michigan Redevelopment Area; and

WHEREAS, Under 65 ILCS 5/11-74.4-3(q)(7), such incremental ad valorem taxes which pursuant to the Act, have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from the 24th/Michigan Redevelopment Area shall be known as the "24th/Michigan Increment"; Increment collected from the Michigan/Cermak Redevelopment Area shall be known as the "Michigan/Cermak Increment"; Increment collected from the River South Redevelopment Area shall be known as the "River South Increment"; Increment collected from the Chinatown Basin Redevelopment Area shall be known as the "Chinatown Basin Increment"; Increment collected from the Near South Redevelopment Area shall be known as the "Near South Increment"; and, collectively, the 24th/Michigan Increment, Michigan/Cermak Increment and River South Increment shall be known as "City Increment") (as provided in the Agreement (hereinafter defined), City Increment may also, in the City's sole discretion, include Chinatown Basin Increment and/or Near South Increment); and

WHEREAS, The Board is a taxing district under the Act; and

WHEREAS, Pursuant to 65 ILCS 5/11-74.4-4(q), the City can use Increment from one (1) redevelopment project area for eligible redevelopment project costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the Increment is received (the "Transfer Rights"); and

WHEREAS, The 24th/Michigan Redevelopment Area is either contiguous to, or is separated only by a public right-of-way from, the Michigan/Cermak Redevelopment Area, the River South Redevelopment Area, the Chinatown Basin Redevelopment

Area and the Near South Redevelopment Area; and

WHEREAS, The 24th/Michigan Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Project, within the boundaries of the 24th/Michigan Redevelopment Area; and

WHEREAS, The City desires to use a portion of the City Increment (the "City Increment Funds") for the Project on the Property; and

WHEREAS, The Board intends to issue certain alternate bonds pursuant to the Local Government Debt Reform Act, 30 ILCS 350/1, et seq., in a maximum principal amount to generate Forty-seven Million Dollars (\$47,000,000) in proceeds (the "Board Bonds"), as a means of financing the costs of the Project, including the costs of certain capital improvements for the Project (the "T.I.F.-Funded Improvements"); and

WHEREAS, The City, as more particularly provided in the Agreement (hereinafter defined), will agree and contract to exercise its Transfer Rights pursuant to the Act and the Michigan/Cermak Redevelopment Plan and the River South Redevelopment Plan, and, at its sole option, under either or both of the Chinatown Basin Redevelopment Plan and the Near South Redevelopment Plan, in order to pay for T.I.F.-Funded Improvements related to the Project in the 24th/Michigan Redevelopment Area, to the extent and in the manner provided in the Agreement; and

WHEREAS, The City agrees to use the City Increment Funds on deposit from time to time in a special account which the City has created or shall create within the 24th/Michigan Redevelopment Project Area Special Tax Allocation fund created by the City pursuant to the 24th/Michigan T.I.F. Ordinances, which special account is or shall be known as the Teachers Academy Account, to make payments of principal and interest on a tax increment allocation revenue note, in a principal amount not to exceed Forty-seven Million Dollars (\$47,000,000) (the "City Note"), which will be issued to the Board, to pay for or reimburse the Board for the costs of T.I.F.-Funded Improvements; and

WHEREAS, In accordance with the Act, the T.I.F.-Funded Improvements shall include such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the 24th/Michigan Redevelopment Plan, and the City has found that the T.I.F.-Funded Improvements consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03(u) of the Act; and

WHEREAS, The City and the Board wish to enter into an intergovernmental agreement whereby the City shall issue the City Note to the Board, and make payments thereunder, to pay for or reimburse the Board for a portion of the T.I.F.-

Funded Improvements; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are incorporated herein by this reference.

SECTION 2. The City hereby finds that T.I.F.-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03(u) of the Act.

SECTION 3. Subject to the approval of the Corporation Counsel of the City of Chicago as to form and legality, and to the approval of the City Comptroller, the Commissioner of the Department of Planning and Development is authorized to execute and deliver an intergovernmental agreement (the "Agreement"), in substantially the form attached as Exhibit B, and such other documents as are necessary, between the City of Chicago and the Board of Education of the City of Chicago, which Agreement may contain such other terms as are deemed necessary or appropriate by the parties executing the same on the part of the City.

SECTION 4. The City Council of the City hereby finds that the City is authorized to issue its tax increment allocation revenue obligation in an aggregate principal amount not to exceed Forty-seven Million Dollars (\$47,000,000) for the purpose of paying a portion of the eligible costs included within the Project.

SECTION 5. There shall be borrowed for and on behalf of the City a principal amount not to exceed Forty-seven Million Dollars (\$47,000,000) for the payment of a portion of the eligible costs included within the Project. A note of the City in a principal amount up to Forty-seven Million Dollars (\$47,000,000) shall be issued and shall be designated "Tax Increment Allocation Revenue Note (24th/Michigan Redevelopment Project), Series 2002A (the "Note"). The Note shall be substantially in the form attached to the Agreement as (Sub)Exhibit E and made a part hereof, with such additions or modifications as shall be determined to be necessary by the chief financial officer of the City, or if there is no such officer then holding said office, the City Comptroller (the "Chief Financial Officer"), at the time of issuance to reflect the purpose of the issue. The Note shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein. The proceeds of the Note are hereby appropriated for the purposes set forth in the Section 5.

The Note shall mature not later than July 21, 2022 and shall bear interest at a fixed interest rate not to exceed nine percent (9%) per annum from the date of the

Note until the principal amount of the Note is paid or until maturity, with the exact rate to be determined by the Chief Financial Officer, computed on the basis of a three hundred sixty (360) day year of twelve (12), thirty (30) day months.

The principal of and interest on the Note shall be paid by wire transfer of funds by the Comptroller of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the persons in whose names the Note are registered at the close of business on the payment date, in any event no later than at the close of business on the fifteenth (15th) day of the month immediately after the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City on or before the maturity date.

The seal of the City shall be affixed to or a facsimile thereof printed on the Note, and the Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the Note, and showing the date of authentication. The Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the Note shall be conclusive evidence that the Notes have been authenticated and delivered under this ordinance.

SECTION 6. The City shall cause books (the "Register") for the registration and for the transfer of the Note (to the extent such transfer is permitted under the Agreement) as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the Registrar of the City for the Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the City for use in the transfer of the Note.

Upon surrender for a transfer of the Note authorized under the Agreement at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by, the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidence by the signature of the Chief Financial Officer (or his or her designee) on the instrument of transfer, and (iv) any deliveries required under the Agreement, the City shall execute and the Registrar shall authenticate, date and

deliver in the name of any such authorized transferee or transferees a new fully registered Note of the same maturity, of authorized denomination, for a like aggregate principal amount. The execution by the City of the fully registered Note shall constitute full and due authorization of the Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note, provided, however, that the principal amount of the Note authenticated by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange the Note during the period beginning at the close of business on the fifteenth (15th) day of the month immediately prior to the maturity date of the Note nor to transfer or exchange the Note after notice calling the Note for prepayment has been made, nor during a period of five (5) days next preceding mailing of a notice of prepayment of principal of the Note. No beneficial interests in the Note shall be assigned, except in accordance with the procedures for transferring the Note described above.

The person in whose name each Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of the Note, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Note.

SECTION 7. Subject to the limitations set forth herein, the Chief Financial Officer is authorized to determine the terms of the Note and to issue the Note on such terms as the Chief Financial Officer may deem to be in the best interest of the City. The principal of the Note shall be subject to prepayment as provided in the form of Note attached to the Agreement as (Sub)Exhibit E. As directed by the Chief Financial Officer, the Registrar shall proceed with prepayment without further notice or direction from the City.

SECTION 8. The Registrar shall note on the Debt Service Schedule attached to the Note the amount of any payment of principal or interest on the Note, including the amount of any prepayment, and the amount of any reduction in principal pursuant to the Agreement.

SECTION 9. The Note hereby authorized shall be executed as in this ordinance and the Agreement provided as soon after the passage hereof as may be practicable and consistent with the terms of the Agreement, and thereupon, be deposited with the Commissioner, and be by said Commissioner delivered to the Board.

SECTION 10. The City hereby assigns, pledges and dedicates the City Increment

that is deposited from time to time after the date hereof in accordance with the Agreement in the Teachers Academy Account to the payment of the principal of and interest, if any, on the Note when due, and other amounts that may be due under the Agreement, all in accordance with the terms of the Agreement. Upon deposit, the monies on deposit in the Teachers Academy Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the Teachers Academy Account. All monies on deposit in the Teachers Academy Account shall be used to pay the principal of and interest on the Note, as applicable, at maturity or upon payment or prepayment prior to maturity, in accordance with their terms, which payments from the Teachers Academy Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under the Note in accordance with their terms, or the earlier termination of the City's obligation to make such payments under the terms of the Agreement, the assignment, pledge and dedication provided for in this Section 10 shall cease and the Board shall have no claim to any additional monies on deposit in the special tax allocation funds (or General Accounts) from which City Increment is derived.

Notwithstanding any of the foregoing, payments on the Note will be subject to the availability of City Increment in the Teachers Academy Account.

SECTION 11. The Note is a special limited obligation of the City, and is payable solely from amounts on deposit in the Teachers Academy Account and shall be a valid claim of the registered owner thereof only against said sources. The Note shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner(s) of the Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the Note. The City's obligation to fully repay the Note is further limited by the terms and conditions of Article Three of the Agreement.

SECTION 12. Monies on deposit in the special tax allocation funds (or General Accounts) or the Teachers Academy Account, as the case may be, may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago. Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on the Note.

SECTION 13. Pursuant to the Agreement, the Board shall complete the Project. The eligible costs of the Project up to the principal amount of Forty-seven Million Dollars (\$47,000,000) shall be deemed to be a disbursement of the proceeds of the Note, as applicable. Upon issuance, the Note shall have an initial principal balance equal to the Board's prior expenditures for T.I.F.-Funded Improvements (as defined

in the Agreement) relating to the Project, which principal balance may be increased thereafter in accordance with the terms of the Agreement up to a maximum amount of Forty-seven Million Dollars (\$47,000,000), all in any such instance as supported by a Certificate of Expenditure in accordance with the Note. After issuance, the principal amount outstanding under the Note shall be the initial principal balance of the Note (as the same may be increased in accordance with the terms of the Agreement), plus interest thereon, minus any principal amount and interest paid on the Note and other reductions in principal as provided in the Agreement.

SECTION 14. The Registrar shall maintain a list of the names and address of the registered owners from time to time of the Note and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 15. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the Note. All covenants relating to the Note are enforceable by the registered owners of the Note.

SECTION 16. The Mayor, the Chief Financial Officer, the City Comptroller, the City Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 17. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 18. This ordinance takes effect upon passage and approval.

Exhibits "A" and "B" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

Property.

Common Addresses:

55 West Cermak Road,
2233 South Federal Street, and
2241 -- 2259 South Federal Street, Chicago, Illinois.

Permanent Index Numbers:

17-28-206-001
17-28-206-002
17-28-206-003
17-28-206-004
17-28-206-042
17-28-206-043
17-28-206-044
17-28-206-045
17-28-206-046

Parcel 1:

Lots 1 to 9 (except that part of said lots taken for widening 22nd Street) in Block 2 in Uhlich and Muhlke's Addition to Chicago, a subdivision of the south 60 acres of the east half of the northeast quarter of Section 28, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The north half of the east/west 15 foot wide vacated alley lying south of and adjoining Parcel 1 aforesaid.

Parcel 3:

The west half of vacated South Dearborn Street lying east of and adjoining Parcels 1 and 2 aforesaid.

Parcel 4:

Lots 10 to 49 in Block 2 in Uhlich and Muhlke's Addition to Chicago, a subdivision of the north 60 acres of the east half of the northeast quarter of Section 28, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 5:

The north/south 15 foot wide vacated alley lying west of and adjoining Lots 10 to 29 both inclusive and lying east of and adjoining Lots 30 to 49 both inclusive of Parcel 4 aforesaid.

Parcel 6:

The south half of the east/west 15 foot wide attached alley north of and adjoining Parcels 4 and 5 aforesaid.

Parcel 7:

The west half of vacated South Dearborn Street lying east of and adjoining Parcels 4 and 6 aforesaid.

Parcel 8:

The north half of 23rd Street lying south of and adjoining Parcels 4, 5 and 7 aforesaid.

Common Address:

2200 -- 2260 South Federal Street
Chicago, Illinois

Permanent Index Number:

17-28-205-001

Legal Description:

That part of Lots 1 to 24, both inclusive, in Block 3 in Uhlich and Muhlke's Addition to Chicago, being a subdivision of the east half of the northeast quarter (except the south half of the south half thereof) of Section 28, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois, more particularly described as follows:

all that part of Lots 1 to 24, both inclusive, in said Block 3 lying east of the following described line: beginning at a point in the north line of 23rd Street, which is also in the south line of said Block 3, 105 feet westerly, measured along said south line from its intersection with the west line of Federal Street as now located in said City; thence northerly in a straight line parallel with the west line of Federal Street which is also the east line of said Block 3, 377.75 feet, more or less, to a point 200 feet southerly from the south line of Cermak Road as now located, measured along said last described line extended northwardly; thence northwesterly in a straight line 200 feet, more or less, to a point in the south line of Cermak Road as now located, said point being 110 feet westerly measured along said southerly line of Cermak Road from its intersection with the said west line of Federal Street, in Cook County, Illinois.

Exhibit "B".
(To Ordinance)

Intergovernmental Agreement

Between

The City Of Chicago,
By And Through Its Department Of Planning And Development

And

The Board Of Education Of The City Of Chicago

Regarding The Teachers Academy Of Chicago.

This intergovernmental agreement (this "Agreement") is made and entered into as of the ____ day of _____, 2002 by and between the City of Chicago (the "City"), the municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Planning and Development (the "Department"), and the Board of Education of the City of Chicago (the "Board"), a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois.

Recitals.

Whereas, Pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1, et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission") to facilitate the acquisition and construction of public buildings and facilities; and

Whereas, The Commission owns in trust for the Board certain real property, which real property is generally located at 55 West Cermak Road and 2220 South Federal Street, Chicago, Illinois (and the other addresses listed on (Sub)Exhibit A hereto) (the "Property"), which, together with any necessary easements for ingress and egress, is legally described on (Sub)Exhibit A attached hereto and incorporated herein; and

Whereas, The Board wishes to construct an elementary school, community center and related campus park on the Property to be known as The Teachers Academy of Chicago; and

Whereas, The construction of the elementary school, community center and campus park will require the Board (acting through the Commission) to construct buildings and related improvements to house and serve the elementary school, community center and campus park (the "Facility") on the Property (the Facility will have those general features described in (Sub)Exhibit B attached hereto and incorporated herein) (all such activities referred to herein shall be known as the "Project"); and

Whereas, The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5//11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blight conditions and conservation factors and could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

Whereas, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on July 21, 1999: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the 24th/Michigan Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the 24th/Michigan Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the 24th/Michigan Redevelopment Project Area" (the aforesaid ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "24th/Michigan T.I.F. Ordinances", the Redevelopment Plan approved by the 24th/Michigan T.I.F. Ordinances is referred to herein as the "24th/Michigan Redevelopment Plan" and the redevelopment project area created by the 24th/Michigan T.I.F. Ordinances is referred to herein as the "24th/Michigan Redevelopment Area"); and

Whereas, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on September 13, 1989 (as amended by ordinances adopted on March 21, 1990 and May 12, 1999): "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Michigan/Cermak Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the Michigan/Cermak Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Michigan/Cermak Redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Michigan/Cermak T.I.F. Ordinances", the Redevelopment Plan approved by the Michigan/Cermak T.I.F. Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Plan" and the redevelopment project area created by the Michigan/Cermak T.I.F. Ordinances is referred to herein as the "Michigan/Cermak Redevelopment Area"); and

Whereas, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on July 13, 1997: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the River South Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the River South Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the River South Redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or

hereinafter may be amended, are collectively referred to herein as the "River South T.I.F. Ordinances", the Redevelopment Plan approved by the River South T.I.F. Ordinances is referred to herein as the "River South Redevelopment Plan" and the redevelopment project area created by the River South T.I.F. Ordinances is referred to herein as the "River South Redevelopment Area"); and

Whereas, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on December 18, 1986: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Chinatown Basin Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the Chinatown Basin Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Chinatown Basin Redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Chinatown Basin T.I.F. Ordinances", the Redevelopment Plan approved by the Chinatown Basin T.I.F. Ordinances is referred to herein as the "Chinatown Basin Redevelopment Plan" and the redevelopment project area created by the Chinatown Basin T.I.F. Ordinances is referred to herein as the "Chinatown Basin Redevelopment Area"); and

Whereas, To induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on November 28, 1990: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Plan and Redevelopment Project for the Central Station Area Redevelopment Tax Increment Financing Project"; "An Ordinance of the City of Chicago, Illinois Designating the Central Station Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Central Station Area Redevelopment Project" (the aforesaid ordinances are collectively referred to herein as the "Central Station T.I.F. Ordinances", the Redevelopment Plan approved by the Central Station T.I.F. Ordinances is referred to herein as the "Central Station Redevelopment Plan" and the redevelopment project area created by the Central Station T.I.F. Ordinances is referred to herein as the "Central Station Redevelopment Area"); thereafter, the City Council determined to expand the Central Station Redevelopment Area and in connection therewith, the City Council adopted the following ordinances on August 3, 1994: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Near South Redevelopment Project Area"; "An Ordinance of the City of Chicago, Illinois Designating the Near South Redevelopment Project Area as a Tax Increment Financing District"; and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Near South Redevelopment Project Area" (the aforesaid ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Near South T.I.F. Ordinances", the Redevelopment Plan approved by the Near South T.I.F. Ordinances is referred to herein as the "Near South Redevelopment Plan" and the redevelopment

project area created by the Near South T.I.F. Ordinances is referred to herein as the "Near South Redevelopment Area"); and

Whereas, The Near South T.I.F. Ordinances expanded the Central Station Redevelopment Area into, and renamed the Central Station Redevelopment Area, as expanded, as the Near South Redevelopment Area and adopted the Near South Redevelopment Plan, which incorporates and replaces the Central Station Redevelopment Plan; and

Whereas, All of the Property lies wholly within the boundaries of the 24th/Michigan Redevelopment Area; and

Whereas, Under 65 ILCS 5/11-74.4-3(q)(7), such incremental ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from the 24th/Michigan Redevelopment Area shall be known as the "24th/Michigan Increment"; Increment collected from the Michigan/Cermak Redevelopment Area shall be known as the "Michigan/Cermak Increment"; Increment collected from the River South Redevelopment Area shall be known as the "River South Increment"; Increment collected from the Chinatown Basin Redevelopment Area shall be known as the "Chinatown Basin Increment"; Increment collected from the Near South Redevelopment Area shall be known as the "Near South Increment"; and, collectively, the 24th/Michigan Increment, Michigan/Cermak Increment, and River South Increment shall be known as "City Increment") (as provided in Article Three (1)(a) below, City Increment may also, in the City's sole discretion, include Chinatown Basin Increment and/or Near South Increment); and

Whereas, The Board is a taxing district under the Act; and

Whereas, Pursuant to 65 ILCS 5/11-74.4-4(q), the City can use Increment from one redevelopment project area for eligible redevelopment project costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the Increment is received (the "Transfer Rights"); and

Whereas, The 24th/Michigan Redevelopment Area is either contiguous to, or is separated only by a public right-of-way from, the Michigan/Cermak Redevelopment Area, the River South Redevelopment Area, the Chinatown Basin Redevelopment Area and the Near South Redevelopment Area; and

Whereas, The 24th/Michigan Redevelopment Plan, a copy of which is attached

hereto as (Sub)Exhibit C, contemplates that tax increment financing assistance would be provided for public improvements, such as the Project, within the boundaries of the 24th/Michigan Redevelopment Area; and

Whereas, The City desires to use a portion of the City Increment (the "City Increment Funds") for the Project on the Property; and

Whereas, The Board intends to issue certain alternate bonds pursuant to the Local Government Debt Reform Act, 30 ILCS 350/1, et seq.. In a maximum principal amount to generate Forty-seven Million Dollars (\$47,000,000) in proceeds (the "Board Bonds"), as a means of financing the costs of the Project, including the T.I.F.-Funded Improvement (as defined in Articles Three, Section 3 below); and

Whereas, The City, as more particularly hereinafter provided, will agree and contract to exercise its Transfer Rights pursuant to the Act and the Michigan/Cermak Redevelopment Plan and the River South Redevelopment Plan, and, it its sole option as herein provided, under either or both of the Chinatown Basin Redevelopment Plan and the Near South Redevelopment Plan, in order to pay for T.I.F.-Funded Improvements related to the Project in the 24th/Michigan Redevelopment Area, to the extent and in the manner hereinafter provided; and

Whereas, The City agrees to use the City Increment Funds on deposit from time to time in the Teachers Academy Account (as more particularly described and provided in Article Three, Section 1 of this Agreement) to make payments of principal and interest on a tax increment allocation revenue note, in a principal amount not to exceed Forty-seven Million Dollars (\$47,000,000) (the "City Note") which will be issued to the Board hereunder, to pay for or reimburse the Board for the costs of the T.I.F.-Funded Improvements; and

Whereas, In accordance with the Act, The T.I.F.-Funded Improvements shall include such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the 24th/Michigan Redevelopment Plan, and the City has found that the T.I.F.-Funded Improvements consist of the cost of the Board's Capital improvements for the Facility that are necessary and directly result from and redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03(u) of the Act; and

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:

Article One.

Incorporation Of Recitals.

The recitals set forth above are incorporated herein by reference and made a part hereof.

Article Two.

The Project.

1. The plans and specifications for the Project shall at a minimum meet the general requirements for the Facility as set forth in (Sub)Exhibit B hereof and shall be provided to the City by the Board. The Board shall provide the City with plans and specifications for the Facility prior to the disbursement of City Increment Funds relating to the Project. The Board shall comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto, including but not limited to those summarized on (Sub)Exhibit D attached hereto and incorporated herein. The Board shall include a certification of such compliance with each request for City Increment Funds hereunder and at the time the Project is completed. The City shall be entitled to rely on this certification without further inquiry. Upon the City's request, the Board shall provide evidence satisfactory to the City of such compliance.

2. In all contracts relating to the Project, the Board agrees to require the contractor to name the City as an additional insured on insurance coverages and to require the contractor to indemnify the City from all claims, damages, demands, losses, suits, actions, judgments and expenses including but not limited to attorney's fees arising out of or resulting from work on the Project by the contractor or contractor's suppliers, employees or agents.

Article Three.

Funding.

1. (a) Subject to the terms and conditions of the Agreement, including but not limited to this Article Three hereof, the City hereby agrees to issue the City Note, in substantially the form attached hereto as (Sub)Exhibit E, upon issuance of the

Board Bonds by the Board. The maximum principal amount of the City Note shall not exceed Forty-seven Million Dollars (\$47,000,000); provided, however, that the maximum principal amount of the City Note shall in no event exceed the Board's eligible redevelopment projects costs that are T.I.F.-Funded Improvements incurred in connection with the Project; and provided, however, that payments under the City Note are subject to the amount of City Increment pledged hereunder, as described in Article Three, Section 1(c) below, being sufficient for such payments. Each payment under the City Note shall be made from funds available in the Teachers Academy Account created within the 24th/Michigan Redevelopment Project Area Special Tax Allocation Fund pursuant to paragraph (c) below. The City agrees to exercise its Transfer Rights to transfer Michigan/Cermak Increment and River South Increment as set forth in the Transfer Schedule attached hereto as (Sub)Exhibit I to the Teachers Academy Account. Subject to the availability of funds, the City may, in its sole discretion and at its option, also exercise its Transfer Rights from time to time to transfer Chinatown Basin Increment and/or near South Increment to the Teachers Academy Account in lieu of or in addition to Michigan/Cermak Increment, River South Increment or 24th/Michigan Increment to pay for T.I.F.-Funded Improvements. Any such Increment transferred pursuant to such Transfer Rights is hereinafter sometimes referred to as "Transferred Increment". The principal amount of the City Note will be increased from time to time, up to its face amount, upon the execution of certificate(s) of expenditure ("Certificates of Expenditure") by the City, in the form of (Sub)Exhibit F hereto. The Board may request that a Certificate of Expenditure be processed and executed quarterly. The City shall not execute Certificates of Expenditure in the aggregate in excess of the actual costs of the Project that are T.I.F.-Funded Improvements.

Prior to each execution of a Certificate of Expenditure by the City, the Board shall submit documentation regarding the applicable expenditures to the Department. Delivery by the Board to the Department of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that:

- (i) the total amount of the request for the Certificate of Expenditure represents the actual amount payable to (or paid to) the general contractor, subcontractors, and other parties who have performed work on or otherwise provided goods or services in connection with the Project, and/or their payees;
- (ii) all amounts shown as previous payments on the current request for a Certificate of Expenditure have been paid to the parties entitled to such payment;
- (iii) the Board has approved all work and materials for the current request for a Certificate of Expenditure and such work and materials conform to the plans and specifications for the Project; and

(iv) the Board is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto, including but not limited to those summarized in (Sub)Exhibit D to this Agreement.

The City shall have the right, in its discretion, to require the Board to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct and any execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Board.

(b) Payments under the City Note shall be made at such times and in such amounts as are set forth in the City Note, including the Debt Service Schedule attached thereto. Upon the issuance of the Board Bonds, the Debt Service Schedule shall be finalized by the parties and the City shall issue the City Note. Further, after completion of the Project, the parties shall, if necessary, by mutual agreement, revise the Debt Service Schedule to take into account the actual costs and timing of completion. The Chief Financial Officer of the City, on behalf of the City, and the Chief Fiscal Officer and General Counsel of the Board, on behalf of the Board, shall have the right to revise the Debt Service Schedule from time to time as agreed by the parties.

Notwithstanding (Sub)Exhibit I hereto, the City acknowledges that if, at any time, there are insufficient funds to make a scheduled payment of principal and interest on the City Note (other than the payment on the maturity date of the City Note), then the obligation of the City to pay the deficiency will continue on a cumulative basis through the maturity date of the City Note, provided that the City will pay the deficiency on the next payment date if sufficient funds are then available out of specifically pledged City Increment. The Board will have a claim for any deficiency not paid as of the maturity date but only upon any available City Increment Funds which should have been received by the City before or as of the maturity date but are not received by the City until after the maturity date.

(c) The City hereby pledges for payment under the City Note the City Increment consisting of that Michigan/Cermak Increment and River South Increment transferred as Transferred Increment and 24th/Michigan Increment for the amount necessary to meet the Debt Service Schedule for the City Note that is deposited from time to time after the date hereof in a special account which the City has created or shall create within the 24th/Michigan Redevelopment Project Area Special Tax Allocation Fund created by the City pursuant to the 24th/Michigan T.I.F. Ordinances; such special account is or shall be known as the "Teachers Academy Account". Payments on the City Note will be subject to the availability of such City

Increment in the Teachers Academy Account, subject to all restrictions on and obligations of the City contained in all City ordinances relating to the City Increment and all agreements and other documents entered into by the City pursuant thereto. Such City Increment pledged under this paragraph (including the limitations herein) is referred to as the "Pledged Increment". The Pledged Increment shall not include Chinatown Basin Increment or Near South Increment unless and to the extent the City exercises its right to so include such Increment pursuant to Article Three (1)(a) above.

(d) (i) The City, during the Term of the Agreement, with the concurrence of the Board, may subordinate the Board's prior right to receive Pledged Increment in connection with the City Note to other obligations of the City to be paid from City Increment that would otherwise have been required to be deposited in the Teachers Academy Account (including all obligations pursuant to: that certain LaSalle Park Public Improvements Redevelopment Agreement entered into or to be entered into by the City and Clark Taylor, L.L.C., a Delaware limited liability company; and that certain Redevelopment Agreement entered into or to be entered into by the City and Hilliard Homes I Limited Partnership, an Illinois limited partnership, and Hilliard Homes II Limited Partnership, an Illinois limited partnership), based upon the City and the Board reasonably agreeing, based on historical and anticipated City Increment (not including Chinatown Basin Increment or Near South Increment), that the payment of the City Note will not be materially adversely affected by such subordination.

(ii) In addition to any mutually agreed to subordination pursuant to Article Three, subsection 1(d)(i) hereof, the City, subject to the terms of this subsection 1(d)(ii), may, until the earlier to occur of the expiration of the Term of this Agreement or payment in full of the City Note, exclude up to ninety percent (90%) of the Increment generated from the construction value of a new assisted development project and pledge that Increment to a developer on a basis superior to that of the Board. For purposes of this subsection, "a new assisted development project" shall not include any development project that is or will be exempt from the payment of ad valorem property taxes. Further, for purposes of this subsection, "Increment generated from the construction value of a new assisted development project" shall be the amount of Increment generated by the equalized assessed value ("E.A.V.") of such affected parcels over and above the E.A.V. of such affected parcels for the year immediately preceding the year in which the new assisted development project commences (the "Base Year"). Except for the foregoing and any mutually agreed to subordination pursuant to Article Three, subsection 1(d)(i) hereof, the Board shall retain its initial lien status relative to City Increment.

In the event that the City elects to avail itself of the provisions of this subsection, it shall, at least seven (7) days prior to executing a binding commitment pledging the Increment described above, certify, in a letter to the Board, the affected parcels and the E.A.V. thereof for the Base Year.

(e) Upon expiration of any call protection period associated with the Board Bonds but before the maturity date, the City shall have the right to prepay in full or in part the City Note in an amount (including any principal and premium, if any) sufficient to enable the Board to call and redeem the Board Bonds, in which event the covenants, agreements and other obligations of the City to the Board shall be discharged and satisfied. The City shall give the Board thirty (30) days advance written notice of its intent to prepay the City Note.

2. The current estimate of the cost of the Project is Forty-seven Million Dollars (\$47,000,000). The Board shall deliver to the Commissioner a detailed project budget for the Project, attached hereto and incorporated herein as (Sub)Exhibit G. The Board certifies that it has identified sources of funds (including the City Increment Funds) sufficient to complete the Project. The Board agrees that the City will only contribute the City Increment Funds to the Project and that all costs of completing the Project over the City Increment Funds shall be the sole responsibility of the Board. If the Board at any point does not have sufficient funds to complete the Project, the Board shall so notify the City in writing, and the Board may narrow the scope of the Project as agreed with the City in order to construct and rehabilitate the Facility with the available funds.

3. Attached as (Sub)Exhibit H and incorporated herein is a preliminary list of capital improvements, land assembly costs, relocation costs, financing costs to be incurred in connection with the City Note and other costs, if any, recognized by the City as being eligible redevelopment project cost under the Act with respect to the Project, to be paid for out of City Increment Funds ("T.I.F.-Funded Improvements"); and to the extent the T.I.F.-Funded Improvements are included as taxing district capital costs under the Act, the Board acknowledges that the T.I.F.-Funded Improvements are costs for capital improvements, and the City acknowledges it has determined that these T.I.F.-Funded Improvements are necessary and directly result from the 24th/Michigan Redevelopment Plan. Prior to the expenditure of City Increment Funds on the Project, the Commissioner, based upon the detailed project budget, shall make such modifications to (Sub)Exhibit H as he or she wishes in his or her discretion to account for all of the City Increment Funds to be expended under this Agreement; provided, however, that all T.I.F.-Funded Improvements shall (i) qualify as redevelopment project costs under the Act, (ii) qualify as eligible costs under the 24th/Michigan Redevelopment Plan; and (iii) be improvements that the Commissioner has agreed to pay for out of City Increment Funds, subject to the terms of this Agreement.

4. If the aggregate cost of the Project is less than the amount of the City Increment Funds contemplated by this Agreement, the Board shall have no claim to the difference between the amount of the City Increment Funds contemplated by this Agreement and the amount of the City Increment Funds actually paid by the City to the Board and expended by the Board on the Project.

To the extent that any City Increment Funds are deposited with the trustee under

an indenture securing the Board Bonds, if said trustee returns any excess City Increment Funds to the Board after making all principal and interest payments due in the bond year for which the City Increment Funds were deposited with the trustee, then the Board shall pay such excess City Increment Funds to the City within thirty (30) days of receipt thereof.

5. If requested by the City, the Board shall provide to the City quarterly reports on the progress of the Project and reasonable access to its books and records relating to the Project.

Article Four.

Term.

The Term of the Agreement shall commence on the date of its execution and shall expire on the date on which the 24th/Michigan Redevelopment Area is no longer in effect (through and including July 21, 2022).

Article Five.

Indemnity; Default.

1. The Board agrees to indemnify, defend and hold the City, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the Board's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Board's or any contractor's failure to pay general contractors, subcontractors or materialmen in connection with the Project.

2. The failure of the Board to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Board under this Agreement or any other agreement directly related to this Agreement shall constitute an "Event of Default" by the Board hereunder. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreement, directly related to this Agreement, and may suspend disbursement of the City Increment 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, including but not limited to

injunctive relief or the specific performance of the agreements contained herein.

In the event the Board shall fail to perform a covenant which the Board is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Board 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 defaults which are not capable of being cured within such thirty (30) day period, the Board 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.

Article Six.

Consent.

Whenever the consent or approval of one (1) or both parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

Article Seven.

Notice.

Notice to Board shall
be addressed to:

Chief Fiscal Officer
Board of Education of the City of Chicago
125 South Clark Street, 14th Floor
Chicago, Illinois 60603
Fax: (Omitted for printing purposes)

and

General Counsel
Board of Education of the City of Chicago
125 South Clark Street, 7th Floor
Chicago, Illinois 60603
Fax: (Omitted for printing purposes)

Notice to the City shall
be addressed to:

Commissioner
City of Chicago
Department of Planning and
Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Fax: (Omitted for printing purposes)

and

Corporation Counsel
City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division
Fax: (Omitted for printing purposes)

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

Such addresses may be changed when notice is given to the other party in the same manner as provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to subsection (d) shall be deemed received two (2) days following deposit in the mail.

Article Eight.

Assignment; Binding Effect.

This Agreement, or any portion thereof, shall not be assigned by either party without the prior written consent of the other.

This Agreement shall inure to the benefit of and shall be binding upon the City, the Board and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and such successors and permitted assigns.

Article Nine.

Modification.

This Agreement may not be altered, modified or amended except by written instrument signed by all of the parties hereto.

Article Ten.

Compliance With Laws.

The parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

Article Eleven.

Governing Law And Severability.

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one (1) or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

Article Twelve.

Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original.

Article Thirteen.

Entire Agreement.

This Agreement constitutes the entire agreement between the parties.

Article Fourteen.

Authority.

Execution of this Agreement by the City is authorized by an ordinance passed by the City Council of the City on _____, 2002. Execution of this Agreement by the Board is authorized by Board Resolution 01-0725-RS2. The parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

Article Fifteen.

Headings.

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

Article Sixteen.

Disclaimer Of Relationship.

Nothing contained in this Agreement, nor any act of the City or the Board shall be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City and the Board.

Article Seventeen.

Construction Of Words.

The use of the singular form of any word herein shall also include the plural, and vice versa. The use of the neuter form of any word herein shall also include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter.

Article Eighteen.

No Personal Liability.

No officer, member, official, employee or agent of the City or the Board shall be individually or personally liable in connection with this Agreement.

Article Nineteen.

Representatives.

Immediately upon execution of this Agreement, the following individuals will represent the parties as a primary contact in all matters under this Agreement.

For The Board:

Board of Education of
the City of Chicago
125 South Clark Street
Chicago, Illinois 60603
Attention: Chief Fiscal Officer
Phone: (Omitted for printing
purposes)
Fax: (Omitted for printing purposes)

For The City:

City of Chicago, Department of Planning
and Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: _____
Phone: _____
Fax: _____

Each party agrees to promptly notify the other party of any change in its designated representative, which notice shall include the name, address, telephone number and fax number of the representative for such party for the purpose hereof.

In Witness Whereof, Each of the parties has caused this Agreement to be executed and delivered as of the date first above written.

City of Chicago, Illinois, by and through
the Department of Planning and
Development

By: _____
Commissioner, Department of
Planning and Development

The Board of Education
of the City of Chicago

By: _____
President

Attest By: _____
Secretary

Board Resolution Number: 01-0725-RS2

Approved As To Legal Form:

General Counsel

[(Sub)Exhibits "B", "C", "D", "G" and "H" referred to in this Intergovernmental Agreement with the Chicago Board of Education unavailable at time of printing.]

[(Sub)Exhibit "A" referred to in this Intergovernmental Agreement with the Chicago Board of Education constitutes Exhibit "A" to the ordinance and is printed on pages 80854 through 80921 of this *Journal*.]

(Sub)Exhibits "E", "F" and "I" referred to in this Intergovernmental Agreement with the Chicago Board of Education read as follows:

(Sub)Exhibit "E".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Form Of Note.

Registered
Number R1

Maximum Amount
\$47,000,000
(subject to change)

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note (24th/Michigan
Redevelopment Project), Series 2002A.

Registered Owner: The Board of Education of the City of Chicago

Interest Rate: [Not to exceed nine percent (9%) per annum, with the exact rate to be determined by the Chief Financial Officer of the City of Chicago]

Maturity Date: July 21, 2022

Know All Persons By These Presents, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of Forty-seven Million Dollars (\$47,000,000) and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance, with payments of principal and interest to be made according to the debt service schedule attached hereto. Interest shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Teachers Academy Account (as defined in the hereinafter defined Agreement) is due [December 31] of each year until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth (15th) day of the month immediately preceding the applicable payment, maturity or prepayment date, and shall be paid by wire transfer of such money to such bank in the continental United States as said Registered Owner shall

request in writing to the Registrar by the close of business on the fifteenth (15th) day of the month immediately after the applicable payment, maturity or prepayment date; provided, that the final installment of principal and accrued but unpaid interest will be payable on or before the maturity date and solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to Forty-seven Million Dollars (\$47,000,000) for the purpose of reimbursing the Registered Owner for certain eligible redevelopment project costs incurred by the Registered Owner (the "Project"), which were acquired, constructed and installed in connection with the development set forth in (Sub)Exhibit B of the agreement dated as of _____, 2002 between the City and the Registered Owner (the "Agreement") within the 24th/Michigan Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) (the "T.I.F. Act"), the Local Government Debt Reform Act (30 ILCS 350/1, et seq.) and an Ordinance adopted by the City Council of the City on July 21, 1999 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the T.I.F. Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. This Note Is A Special Limited Obligation Of The City, And Is Payable Solely From Pledged Increment (As Defined In Article Three (1)(c) Of The Agreement), If Any, And Shall Be A Valid Claim Of The Registered Owner Hereof Only Against Said Sources. This Note Shall Not Be Deemed To Constitute An Indebtedness Or A Loan Against The General Taxing Powers Or Credit Of The City, Within The Meaning Of Any Constitutional Or Statutory Provision. The Registered Owner Of This Note Shall Not Have The Right To Compel Any Exercise Of The Taxing Power Of The City, The State Of Illinois Or Any Political Subdivision Thereof To Pay The Principal Or Interest Of This Note. Subject to the terms of the Agreement, this Note, from and after _____, _____, may be prepaid in full with such premium, if any, that may become due in accordance with the Agreement. Notice of any such prepayment shall be sent by registered or certified mail not less than thirty (30) days prior to the date fixed for prepayment to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth (15th) day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Agreement provide.

Pursuant to the Agreement, the Registered Owner has agreed to acquire and construct the Project and to advance funds for the payment of the costs of the construction of certain facilities related to the Project on behalf of the City. Such payment of costs in the amount of Forty-seven Million Dollars (\$47,000,000) shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Article Five, Section 2 of the Agreement, the City has reserved the right to terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

In Witness Whereof, The City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of

_____.

Mayor

[Seal]

Attest:

City Clerk

Certificate
Of
Authentication

Registrar and Paying Agent:
Comptroller of the City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (24th/Michigan Redevelopment Project), Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date: _____

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. The Board hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and the Board is in compliance with all applicable covenants contained therein.

2. No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

3. The Board is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto, including but not limited to those summarized on (Sub)Exhibit D of the Agreement.

F. Attached hereto are: (1) a cost itemization of the applicable portions of the budget attached as (Sub)Exhibit G to the Agreement; and (2) evidence of the expenditures upon T.I.F.-Funded Improvements for which the Board hereby seeks reimbursement.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

The Board of Education of the
City of Chicago, a body
corporate and politic

By: _____

Name: _____

Title: _____

Subscribed and sworn to before me
this ___ day of _____, ____.

My commission expires: _____

Agreed And Accepted:

Name: _____

Title: _____

City of Chicago, Department of
Planning and Development

(Sub)Exhibit "I".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Transfer Schedule.

Note: Michigan/Cermak Increment will be transferred to The Teachers Academy Account to fund approximately two and five-tenths percent (2.5%) of the payments under the City Note; River South Increment will be transferred to The Teachers Academy Account to fund approximately ninety-five percent (95%) of the payments under the City Note.

Year City Increment Collected	Michigan/ Cermak Increment Transferred To Teachers Academy Account	River South Increment Transferred To Teachers Academy Account	24 th /Michigan Increment Contributed To Teachers Academy Account	Total
2002				
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
TOTAL:				