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# 2010 Annual Report

## 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

*JUNE 30, 2011*

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**ANNUAL TAX INCREMENT FINANCE REPORT  
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

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

Reporting Fiscal Year: **2010**  
Fiscal Year End: 12/ 31 /**2010**

**TIF Administrator Contact Information**

First Name: Andrew J.  
Address: City Hall 121 N. LaSalle  
Telephone: (312) 744-0025  
E-Mail: TIFReports@cityofchicago.org

Last Name: Mooney  
Title: TIF Administrator  
City: Chicago, IL Zip: 60602

I attest to the best of my knowledge, this report of the redevelopment project areas in:  
**City/Village 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.]

*[Handwritten Signature]* \_\_\_\_\_ 6.24.11  
Written signature of TIF Administrator \_\_\_\_\_ Date \_\_\_\_\_

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

**FILL OUT ONE FOR EACH TIF DISTRICT**

Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
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
134th and Avenue K	3/12/2008	3/12/2032
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
40th/State	3/10/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	7/8/2021
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
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
53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019

\*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.]



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63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
72nd and Cicero	11/17/1993	11/17/2016
73rd and Kedzie	11/17/1993	11/17/2016
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	7/8/2021
79th Street Corridor	7/8/1998	12/31/2025
79th Street/Southwest Highway	10/3/2001	12/31/2029
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
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	5/16/2013
Addison Corridor North	6/4/1997	6/4/2020
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	3/10/210	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chatham-Ridge	12/18/1986	12/31/2010 (1)
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Chinatown Basin	12/18/1986	12/31/2010
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

(1) This TIF has been terminated; however, the sales tax portion continues to exist for the sole purpose of servicing outstanding obligations which may be retired early at which point the sales tax portion will also terminate.



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Devon/Western	11/3/1999	12/31/2023
Diversey/ Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Division/North Branch	3/15/1991	3/15/2014
Division-Hooker	7/10/1996	7/10/2019
Drexel Boulevard	7/10/2002	12/31/2026
Eastman/North Branch	10/7/1993	10/7/2016
Edgewater	12/18/1986	12/18/2009
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	11/29/2012
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	7/13/2017
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
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/Grand Trunk	12/15/1993	12/15/2016
Homan-Arthington	2/5/1998	2/5/2021
Howard-Paulina	10/14/1988	10/14/2011
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	3/12/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	11/5/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
Lakeside/Clarendon	7/21/2004	12/31/2028
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	11/2/2017
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031



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Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	9/13/2012
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	4/9/2032
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	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/5/2013
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	7/24/2014
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 Industrial Commercial	3/9/1989	3/9/2012
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	6/10/2021
Touhy/Western	9/13/2006	12/31/2030



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Weed/Fremont	1/8/2008	1/8/2032
West Grand	6/10/1996	6/10/2019
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Ridge-Peterson Avenue	10/27/1986	12/31/2010
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2024
Western Avenue South	1/12/2000	12/31/2030
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.]**

<b>Name of Redevelopment Project Area: 111th Street/Kedzie Avenue Business District</b>	
<b>Redevelopment Project Area</b>	
<b>Primary Use of Redevelopment Project Area*: Combination/Mixed</b>	
<b>If "Combination/Mixed" List Component Types: Commercial/Residential</b>	
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
<b>Tax Increment Allocation Redevelopment Act</b> <input checked="" type="checkbox"/>	<b>Industrial Jobs Recovery Law</b> <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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>		X

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.  
FY 2010 Section 2

**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.**

Reporting Year	Cumulative *
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Fund Balance at Beginning of Reporting Period \$ 2,347,308

**Revenue/Cash Receipts Deposited in Fund During Reporting FY:**

			% of Total
Property Tax Increment	656,446	\$ 3,755,728	88%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	1,933		0%
Land/Building Sale Proceeds			0%
Note Proceeds		500,000	12%
Transfers in from Municipal Sources (Porting in)			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** 658,379

**Cumulative Total Revenues/Cash Receipts** \$ 4,255,728 100%

**Total Expenditures/Cash Disbursements** (Carried forward from Section 3.2) 913,058

**Transfers out to Municipal Sources (Porting out)**

**Distribution of Surplus**

**Total Expenditures/Disbursements** 913,058

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** (254,679)

**FUND BALANCE, END OF REPORTING PERIOD** \$ 2,092,629

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

\* Except as set forth in the next sentence, each amount reported on the rows below, if any, is cumulative from the inception of the respective Project Area. Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either of the following: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the availability of records only from January 1, 1997 forward.



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

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)	14,620	
		\$ 14,620
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)	585,000	
		\$ 585,000
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)	313,438	
		\$ 313,438
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		
		\$ -

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)		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 913,058</b>

**Section 3.2 B**

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.\*

Name	Service	Amount
City Staff Costs <sup>1</sup>	Administration	\$11,449
Gendell Partners-Mt. Greenwood LLC	Development	\$585,000
SomerCor 504, Inc.	Rehabilitation Program	\$313,438

<sup>1</sup> Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

\* This table may include payments for Projects that were undertaken prior to 11/1/1999.

**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  
 (65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

**FUND BALANCE, END OF REPORTING PERIOD** \$ 2,092,629

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

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

<b>2. Description of Project Costs to be Paid</b>		
Designated for future redevelopment project costs		\$ 2,092,629

**Total Amount Designated for Project Costs** \$ 2,092,629

**TOTAL AMOUNT DESIGNATED** \$ 2,092,629

**SURPLUS\*/(DEFICIT)** \$ -

\*NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts.

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

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

**SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)**  
 Please include a brief description of each project.

See "General Notes" Below.

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
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<b>TOTAL:</b>			
Private Investment Undertaken	\$ -	\$ -	\$ 12,733,092
Public Investment Undertaken	\$ 1,211,241	\$ 494,074	\$ 3,250,000
Ratio of Private/Public Investment	0		3 67/73

<b>Project 1:</b>			
<b>Small Business Improvement Fund (SBIF) **</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 3,500,000
Public Investment Undertaken	\$ 626,241	\$ 363,805	\$ 1,750,000
Ratio of Private/Public Investment	0		2

<b>Project 2:</b>			
<b>Mt. Greenwood Walgreens Center</b>		Project is Ongoing ***	
Private Investment Undertaken	\$ -		\$ 9,233,092
Public Investment Undertaken	\$ 585,000	\$ 130,269	\$ 1,500,000
Ratio of Private/Public Investment	0		6 7/45

\*\* 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 as each ultimate grantee's rehabilitation 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 revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues 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.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF COOK         )

**Attachment B**

CERTIFICATION

TO:

Judy Baar Topinka  
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

Jean-Claude Brizard  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

Dolores Javier, Treasurer  
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

Herman Brewer  
Director  
Cook County Bureau of Planning & Dev.  
69 West Washington Street, Suite 2900  
Chicago, Illinois 60602

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

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

Michael P. Kelly, Interim General  
Superintendent & CEO  
Chicago Park District  
541 North Fairbanks  
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 111th Street/Kedzie Avenue Business District Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:



## Attachment B

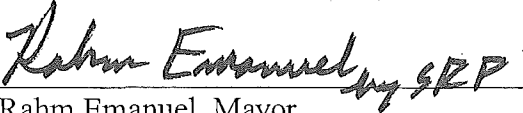
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

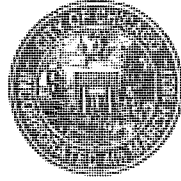
2. During the preceding fiscal year of the City, being January 1 through December 31, 2010, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

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 30th day of June, 2011.

  
Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2011

CITY OF CHICAGO

Attachment C

Judy Baar Topinka  
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

Jean-Claude Brizard  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

Dolores Javier, Treasurer  
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Chicago, Illinois 60606

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of Greater Chicago  
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69 W. Washington Street, Suite 2060  
Chicago, IL 60602

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

Re: 111th Street/Kedzie Avenue Business District  
Redevelopment Project Area (the "Redevelopment Project  
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

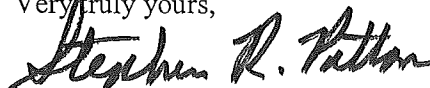
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Housing and Economic 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 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 1.

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,



Stephen R. Patton  
Corporation Counsel

**SCHEDULE 1**

(Exception Schedule)

- No Exceptions
- Note the following Exceptions:

## ATTACHMENTS D, E and F

### ATTACHMENT D

#### Activities Statement

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

<u>Name of Project</u>
Mt. Greenwood Walgreens Center

Redevelopment activities undertaken within this Project Area during the preceding fiscal year, if any, have been made pursuant to: (i) the Redevelopment Plan for the Project Area, and (ii) any Redevelopment Agreements affecting the Project Area, and are set forth in Section 3 herein by TIF-eligible expenditure category.

### ATTACHMENT E

#### Agreements

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year, if any, are attached hereto.

None

### ATTACHMENT F

#### Additional Information

The amounts shown elsewhere in this report, including those shown in Section 3 herein, have been used to pay for project cost within the Project Area and for debt service (if applicable), all in furtherance of the objectives of the Redevelopment Plan for the Project Area.

S:\Finance\111th & Kedzie-Walgreens\RDA rev draft 10--Amended Ord.wpd

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED & RESTATED REDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF CHICAGO

AND

GENDELL PARTNERS – MT. GREENWOOD, L.L.C.

AND

GP–MT. GREENWOOD CORPORATION

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

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Exhibit P	Public Benefit Program

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

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

**GENDELL PARTNERS – MT. GREENWOOD L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

This Gendell Partners – Mt. Greenwood, L.L.C. Amended and Restated Redevelopment Agreement (this “**Agreement**”) is made as of this 4<sup>th</sup> day of March, 2010, by and between the City of Chicago, an Illinois municipal corporation (the “**City**”), through its Department of Community Development (“**DCD**”), Gendell Partners – Mt. Greenwood, L.L.C., an Illinois limited liability company (“**Developer**”), and GP—Mt. Greenwood Corporation, an Illinois corporation, a member of Developer owned by the same individuals that own and control Developer (“**GP Corporation**”).

**RECITALS**

**A. Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the “**State**”), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to

enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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

**C. City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on September 29, 1999: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 111<sup>th</sup> Street & Kedzie Avenue Business District Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 111<sup>th</sup> Street & Kedzie Avenue Business District as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 111<sup>th</sup> Street & Kedzie Avenue Business District Redevelopment Project Area" (the "**TIF Adoption Ordinance**") (items(1)-(3) collectively referred to herein as the "**TIF Ordinances**"). The redevelopment project area referred to above (the "**Redevelopment Area**") is legally described in **Exhibit A** hereto.

**D. The Project:** The Developer has purchased or will purchase (the "**Acquisition**") certain properties located within the Redevelopment Area one at 3200 West 111<sup>th</sup> Street, Chicago, Illinois 60655 and legally described on **Exhibit B-1** hereto (the "**Property**") the other property being certain vacated public rights of way (the "**Rights of Way**") referenced below for which the City of Chicago Department of Transportation ("**CDOT**") must be reimbursed, and within the time frame set forth in **Section 3.01** hereof, shall complete construction of the following (the "**Facility**"): an approximately 17,500 square-foot retail center with two buildings, including an approximately 13,650 square-foot retail building structure with a fifty per-cent (50%) green roof which will house a drive-through Walgreen's; the rehabilitation of an existing building that currently contains approximately 3,857 square feet; a fully-landscaped parking lot for 71 cars; the vacation of approximately 15,445 net square feet of public rights-of-way (a section of S. Sawyer and sections of two alleys between S. Kedzie and S. Spaulding) and relocation of all of the utilities that exist in the public rights-of-way; construction of new right of way improvements (two new alleys); an approximately 3,700 square-foot corner green plaza with appropriate signage identifying the Mt. Greenwood Community and incorporating the architectural elements of the proposed commercial buildings, significant landscaping and bench seating along an internal, brick-paved path within the site to provide pedestrian access; vehicular access from 111<sup>th</sup> Street and Kedzie Avenue; compliance with the City's landscaping ordinance. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

**E. Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago 111<sup>th</sup> Street & Kedzie Avenue Business District Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "**Redevelopment Plan**") attached hereto as **Exhibit D**, as amended from time-to-time, and Business Planned Development No. 1108, approved by City Council on May 14, 2008.

F. **City Financing:** The City agrees to use, in the amounts set forth in **Section 4.03** hereof, (i) the proceeds of the City Note (defined below) and/or (ii) Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Note.

In addition, the City may, in its discretion, issue tax increment allocation bonds (“**TIF Bonds**”) secured by Incremental Taxes pursuant to a TIF bond ordinance (the “**TIF Bond Ordinance**”) at a later date, the proceeds of which (the “**TIF Bond Proceeds**”) may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes (including any such payment made pursuant to any City Note provided to GP Corporation pursuant to this Agreement), to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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:

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

**“Actual residents of the City”** shall mean persons domiciled within the City.

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

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

**“Annual Compliance Report”** shall mean a signed report from the Developer to the City (a) itemizing each of the Developer’s obligations under the RDA 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 RDA, 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 Jobs Covenant (**Section 8.06**); (2) delivery

of Financial Statements and unaudited financial statements (**Section 8.12**); (3) delivery of updated insurance certificates, if applicable (**Sections 8.13 and 12**); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.14**); (5) delivery of a substitute Letter of Credit, if applicable (**Section 4**); (6) delivery of evidence and certification that the Occupancy Covenant has been satisfied (**Section 8.20**) and (7) compliance with all other executory provisions of the RDA.

**“Approved Tenant”** shall mean during the first ten (10) years after the initial occupancy of the commercial space, any tenant that engages in Retail Approved Purposes.

**“Available Incremental Taxes”** shall mean an amount equal to ninety percent (90%) of the Incremental Taxes deposited in the 111<sup>th</sup> Street & Kedzie Avenue Business District Redevelopment Project Area TIF Fund attributable to the taxes levied on the Property commencing the year following the issuance of the Certificate, as adjusted to reflect the amount of the City Fee described in **Section 4.05(b)** hereof.

**“Average Minimum Occupancy”** shall have the meaning set forth in **Section 8.19** hereof.

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

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

**“Certificate”** shall mean the Certificate of Completion of Construction and Rehabilitation described in **Section 7.01** hereof.

**“Certificate of Expenditure”** shall mean any Certificate of Expenditure referenced in the City Note pursuant to which the principal amount of the City Note will be established.

**“Change Order”** shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in **Section 3.03**, **Section 3.04** and **Section 3.05**, respectively.

**“City Council”** shall have the meaning set forth in the Recitals hereof.

**“City Fee”** shall mean the fee described in **Section 4.05(b)** hereof.

**“City Funds”** shall mean the funds described in **Section 4.03(b)** hereof.

**“City Note”** shall mean the City of Chicago Tax Increment Allocation Revenue Obligation, 111<sup>th</sup> Street & Kedzie Avenue Business District Redevelopment Project Area (Gendell Partners – Mt. Greenwood L.L.C. Redevelopment Project) Taxable, Registered No. R-1, to be in the form attached hereto as **Exhibit M**, in the maximum principal amount of \$1,500,000, subject to reduction as set forth in **Section 4.03** herein, issued by the City to GP Corporation as provided herein. The City Note shall bear interest at the City Note Interest Rate, which shall begin to accrue as of the date of issuance of the Certificate, and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

**“City Note Interest Rate”** shall mean an annual rate equal to the median value of the 10-year U.S. Treasury constant maturity as published in the daily Federal Reserve Statistical Release for the 15 business days prior to the Closing Date plus 250 basis points, and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate, but in no event exceeding seven percent (7.00%) per annum.

**“City-Owned Property”** shall mean the real estate legally described in **Exhibit B-2** hereof.

**“Closing Date”** shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

**“Commissioner”** means the Commissioner of DCD.

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

**“Corporation Counsel”** shall mean the City's Office of Corporation Counsel.

**“Deed”** shall have the meaning set forth in **Section 4.08** hereof.

**“Employer(s)”** shall have the meaning set forth in **Section 10** hereof.

**“Environmental Laws”** shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called **“Superfund”** or **“Superlien”** law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

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

**“Escrow”** shall mean the construction escrow established pursuant to the Escrow Agreement.

**“Escrow Agreement”** shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s), substantially in the form of **Exhibit F** attached hereto.

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

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

**“Financial Statements”** shall mean complete audited financial statements of the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

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

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

**“Incremental Taxes”** shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

**“Initial City Funds”** shall mean that portion of the City Funds described in **Section 4.03(b)** hereof.

**“Lender Financing”** shall mean funds borrowed by the Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in **Section 4.01** hereof.

**“Letter of Credit”** shall mean an irrevocable letter of credit which is valid and in a form acceptable to the City naming the City as the sole beneficiary which shall be equal to the full amount of the Initial City Funds paid to, or at the direction of, the Developer and which were expended for TIF-Funded Improvements. The Letter of Credit shall be reduced in value as set forth in Section 4.10 hereof.

**“MBE/WBE Budget”** shall mean the budget attached hereto as **Exhibit H-2**, as described in **Section 10.03**.



**“Maximum Cure Period”** shall have the meaning set forth in **Section 8.19(c)** hereof.

**“Minimum Cure Period”** shall have the meaning set forth in **Section 8.19(c)** hereof.

**“Minimum Occupancy”** shall have the meaning set forth in **Section 8.19** hereof.

**“Municipal Code”** shall mean the Municipal Code of the City of Chicago.

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

**“Occupancy Default”** shall have the meaning set forth in **Section 8.19** hereof.

**“Occupancy Report”** shall have the meaning set forth in **Section 8.19** hereof.

**“Permitted Liens”** shall mean those liens and encumbrances against the Property and/or the Project set forth on **Exhibit G** hereto.

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

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

**“Prohibited Use”** shall mean the use of any portion of the Property for any of the following uses: funeral home, massage parlor, pornographic or “adult” bookstore, tattoo parlor, flea market, pawn shop, payday loan stores, hair salon, nails salon, barber-shop, “dollar-type” stores, currency exchanges, any production or manufacturing or industrial use, any use which creates a nuisance or materially increases noise or emissions of dust, odor, smoke, gases, any use which materially increases the risk of a fire, explosion or radioactive hazard, or any use involving Hazardous Materials. The Prohibited Uses shall only be allowed as a Special Use pursuant to Section 17-13-0900 of the Municipal Code of the City.

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

**“Project Budget”** shall mean the budget attached hereto as **Exhibit H**, showing the total cost of the Project by line item, furnished by the Developer to DCD, in accordance with **Section 3.03** hereof.

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

**“Purchase Price”** shall have the meaning set forth in **Section 4.08** hereof.

**“Qualified Investor”** shall mean a qualified institutional buyer (QIB) or a registered investment company.

**“Qualified Transfer”** shall mean (i) a pledge of the City Note to a lender providing financing or (ii) the sale of the City Note to a Qualified Investor or to a trust where certificates of participation are sold to Qualified Investors, or (iii) any other such sale or pledge as is reasonably acceptable to the Commissioner.

**“Real Estate Purchase Sections”** shall mean **Sections 4.08 and 4.09** hereof.

**“Redevelopment Area”** shall have the meaning set forth in the Recitals hereof.

**“Redevelopment Plan”** shall have the meaning set forth in the Recitals hereof.

**“Redevelopment Project Costs”** shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

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

**“Retail Approved Purposes”** means use of the Project for any retail, commercial or office use that is not a Prohibited Use, which use is approved by DCD, in its sole discretion.

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

**“Survey”** shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban survey of the Property 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 in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

**“Term of the Agreement”** shall mean the period of time commencing on the Closing Date and ending on September 29, 2022.

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

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

**“TIF Bonds”** shall have the meaning set forth in the Recitals hereof.

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

**“TIF-Funded Improvements”** shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan

and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. **Exhibit C** lists the TIF-Funded Improvements for the Project.

**“TIF Ordinances”** shall have the meaning set forth in the Recitals hereof.

**“Title Company”** shall mean Ticor Title Insurance Company.

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

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

**“WBE(s)”** shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

### SECTION 3. THE PROJECT

**3.01 The Project.** With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Section 18.17** hereof, complete construction and conduct business operations therein no later than June 1, 2011.

**3.02 Scope Drawings and Plans and Specifications.** The Developer has delivered the Scope Drawings and Plans and Specifications to DCD and DCD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DCD as a Change Order pursuant to **Section 3.04** hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

**3.03 Project Budget.** The Developer has furnished to DCD, and DCD has approved, a Project Budget showing total estimated costs for the Project in an amount not less than Ten Million Seven Hundred Thirty Three Thousand And Ninety-Two Dollars (\$10,733,092). The Developer hereby certifies to the City that (a) the Initial Payment, together with Lender Financing and Equity described in **Section 4.02** hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects to the

best of Developer's knowledge. The Developer shall promptly deliver to DCD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

**3.04 Change Orders.** Except as provided below, 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 DCD 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 DCD for DCD's prior written approval: (a) a reduction in the square footage of the Facility by more than 5%; (b) a change in the use of the Property to a use other than commercial, retail and/or office; (c) an increase in the Project Budget of more than 10%; or (d) a delay in the completion of the Project by more than 120 days. DCD shall make its best efforts to expeditiously review any such Change Order request and approve or disapprove (with a written explanation given of any disapproval) such proposed Change Order, within thirty (30) days of its receipt thereof. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DCD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this **Section 3.04**, Change Orders costing less than Fifty Thousand Dollars (\$50,000.00) each, to an aggregate amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), do not require DCD's prior written approval as set forth in this **Section 3.04**, but DCD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DCD the source of funding therefor.

**3.05 DCD Approval.** Any approval granted by DCD 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 DCD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

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

**3.07 Progress Reports.** The Developer shall provide DCD 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 DCD's written approval pursuant to **Section 3.04**).

**3.08 Inspecting Agent or Architect.** An independent agent or architect (other than the Developer's architect) approved by DCD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DCD, prior to requests for disbursement for costs related to the Project hereunder. At the Developer's option, the inspecting agent or architect may be the inspecting agent or architect engaged by any lender providing Lender Financing for the Project, provided that said agent or architect is an independent architect licensed to practice in the State of Illinois.

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

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

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

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

**SECTION 4. FINANCING**

**4.01 Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$10,733,092, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <b>Sections 4.03(b) and 4.06</b> )	\$2,643,092
Lender Financing	<u>\$8,090,000</u>
<b>ESTIMATED TOTAL</b>	<b>\$10,733,092</b>

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

**4.03 City Funds.**

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

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

(i) Initial City Funds. Provided that all conditions for the vacation of the Rights of Way have been approved by CDOT, the Developer shall receive or direct the receipt of the amount of City Funds required to reimburse the Developer for the costs of acquiring the Rights of Way up to Five Hundred Eighty Five Thousand Dollars (\$585,000). The amount required to reimburse the Developer for acquiring the Rights of Way may be delivered at Closing provided the Developer provides evidence of the costs incurred and that CDOT has approved all conditions for vacating the Rights of Way.

(ii) City Note. Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 5** hereof, the City hereby agrees to issue the City Note to GP Corporation on the Closing Date in an amount equal to the cost of the TIF-Funded Improvements which have been incurred by GP Corporation as of the Closing Date (minus the amount needed to reimburse the Developer for acquiring the Rights of Way). The City shall increase the principal amount of the City Note as the costs of additional TIF-Funded Improvements are incurred by GP Corporation. The principal amount of the City Note shall not exceed the amount of TIF-Funded Improvements (minus the amount needed to reimburse the Developer for acquiring the Rights of Way) which have been incurred by GP Corporation and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof; provided, however, that the sum of (A) the Initial City Funds previously given to, or at the direction of, the Developer and (B) the maximum principal amount of the City Note shall be a total amount not to exceed the lesser of \$1,500,000 or 14.3% of the actual total Project costs; and provided, however, that payments under the City Note shall initially be subject to the amount of Available Incremental Taxes deposited into the TIF Fund being sufficient for such payments; and provided further, however, that from the date of issuance of the Certificate, the City Note will be funded from Available Incremental Taxes, but if the amount of Available Incremental Taxes is not sufficient to provide for payments on the City Note then up to

fifty per cent (50%) of the any payment of principal and interest due on the City Note may be funded from Incremental Taxes. Interest on the City Note will only begin to accrue upon the issuance of the Certificate.

(iii) Reduction of City Note. Notwithstanding **Section 4.03(b)(i)**, the maximum principal amount of the City Note shall be reduced as follows: on a \$0.75-for-\$1 basis to the extent that the actual costs of the Project are less than the Project Budget. If upon issuance of the Certificate, the principal amount of the City Note exceeds the costs of TIF-Funded Improvements incurred in the Project, the principal amount of the City Note, and any accrued interest, will be reduced accordingly.

(iv) Payments on the City Note. No payment shall be made on the City Note until after the issuance of the Certificate. The first payment with respect to the City Note shall be made on the later to occur of May 1 of the following year (from Available Incremental Taxes received by the City in the prior year and, if need be, from other Incremental Taxes as set forth in paragraph (ii) above) or two months after the City's receipt of a Requisition Form in accordance with **Section 4.04**. Thereafter, annual payments shall be made on the later to occur of May 1<sup>st</sup> of each subsequent calendar year or two months after the City's receipt of a Requisition Form. If, in any year, the City does not make such scheduled annual payment, then, in the next year (and if required, any subsequent years), Available Incremental Taxes (and, if need be, other Incremental Taxes as set forth in paragraph (ii) above) shall (a) first be applied to repay any shortfall amounts, (b) next be applied to make such year's scheduled annual principal and interest payment and (c) then be applied to prepay the City Note. The City Note may be prepaid in whole or in part, without premium or penalty, at any time.

If the Developer defaults pursuant to **Section 15.01**, interest shall immediately cease to accrue on the City Note effective as of the date on which the Event of Default is deemed to have occurred pursuant to **Section 15.03**, and no payments shall be made with respect to the City Note during any cure period applicable to such default. Any Available Incremental Taxes, and other Incremental Taxes as required, that would have been used to make payments during such time period shall, however, be reserved by the City pending the possible cure of such default. If such default is cured, interest shall again begin to accrue on the City Note effective as of the actual date on which the default is cured and any reserved payments of Available Incremental Taxes, and other Incremental Taxes as required, shall be released by the City and used to pay the City Note. If such default is not cured or is not subject to a cure period, the City shall have the remedies set forth in **Section 15.02**.

(v) Transfer of City Note. After its issuance, GP Corporation may sell, assign or pledge the City Note pursuant to a Qualified Transfer, subject to City approval of the terms and conditions of such sale, assignment or pledge. Developer's pledge of the City Note to First Bank of Highland Park to secure a portion of Lender Financing is hereby approved. Notwithstanding any such permitted pledge, the City shall have no obligation

to make any payments with respect to the City Note except to GP Corporation or as otherwise directed by Developer pursuant to a written direction delivered pursuant to the Notice provisions in Section 17 hereof, and then subject to the conditions set forth in this Agreement, including but not limited to **Section 18.15**, and in the City Note.

(vi) Cessation of City Note Payments. If an Event of Default occurs (but subject to **Section 15.03**), the City shall have no further obligations to make any payments with respect to the City Note and the City shall have the remedies set forth in **Section 15**.

(vii) Other Incremental Taxes Belong To City. Any Incremental Taxes that either (a) are not Available Incremental Taxes or (b) are not required to make payments under this Agreement (whether because all currently due payments have been made, because of an Event of Default entitling the City to terminate further payments with respect to the City Note, because of the full repayment of the City Note, or otherwise) shall belong to the City and may be pledged or used for such purposes as the City deems necessary or appropriate.

**4.04 Requisition Form**. After the date of issuance of the Certificate and prior to each December 31 (or such other date as the parties may agree to) thereafter, beginning in 2010 and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DCD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar quarter (or as otherwise permitted by DCD).

#### **4.05 Treatment of Prior Expenditures and Subsequent Disbursements**.

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

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

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line and



transfers and relocations of costs and expenses from one line item to another shall be permitted, without the prior written consent of DCD, provided, that all such transfers and/or reallocated line items, qualify as Redevelopment Project Costs.

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

**4.07 Preconditions of Disbursement and Execution of Certificate of Expenditure.** Prior to each disbursement of City Funds hereunder, the Developer shall submit documentation regarding the applicable expenditures to DCD, which shall be satisfactory to DCD in its sole discretion. Delivery by the Developer to DCD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

(c) the **Developer** has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein;

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

(g) the Project is In Balance. The Project shall be deemed to be in balance ("**In Balance**") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "**Available Project Funds**" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, either procure additional Lender Financing for the Project or deposit with an

escrow agent or make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit or additional Lender Financing shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement (including, without limitation **Section 8.19**) and/or the Escrow Agreement.

**4.08 Sale of City-Owned Parcels.** (a) The City agrees to sell and the Developer agrees to purchase the lots located at 3218-24 West 111<sup>th</sup> Street (the "**City-Owned Property**"), and legally described in **Exhibit B-2**, for \$1.00 total purchase price (the "**Purchase Price**") that shall be paid in cash in full by the Developer at Closing. The Developer acknowledges and agrees that the City-Owned Property has a fair market value price of approximately [Four Hundred Eighty-Five Thousand Dollars (\$485,000)] and that the Purchase Price reflects a land write-down from such amount. Such land write-down has been made in express reliance upon the Developer's undertakings under this Agreement, including, without limitation, the title provisions in this **Section 4.08** and the environmental provisions in **Section 4.09**. The City will convey the City-Owned Property to the Developer by quit claim deed ("**Deed**"), subject to the terms of this Agreement and the following:

- (i) the Redevelopment Plan for this Redevelopment Area;
- (ii) the standard exceptions in an ALTA insurance policy;
- (iii) real estate taxes not yet due and owing;
- (iv) easements, encroachments, covenants and restrictions of record and not shown of record; and
- (v) such other title defects as may exist.

If necessary to clear title of exceptions for general real estate tax liens attributable to taxes due and payable prior to the 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 also use good faith, commercially reasonable efforts to clear such other title defects as may exist, but such good faith, commercially reasonable efforts shall in no instance obligate the City to incur any costs for releasing liens, settling disputed tax claims, paying unpaid taxes that cannot be addressed by the submission of a tax abatement letter or a tax sale proceeding, or similar matters. If the

Developer finds title to any parcel objectionable, Developer's sole option shall be to decline to accept title to any such parcel, with no adjustment offset or adjustment in the Purchase Price.

(b) The City-Owned Property Closing. The City-Owned Property closing 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 satisfaction of all conditions precedent to closing set forth in **Section 5** and the Closing Date.

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

(d) Escrow. In the event that the Developer requires conveyance through an escrow, the Developer shall pay all escrow fees.

#### **4.09 Environmental Matters Concerning the Acquired City-Owned Property**

(a) The City makes no covenant, representation or warranty as to the environmental condition of the City-Owned Property or the suitability of the City-Owned Property for any purpose whatsoever, and the Developer agrees to accept the City-Owned Property "as is".

(b) It is responsibility of the Developer, at its sole cost and expense, to obtain a phase I environmental report prior to the Closing Date. Prior to the Closing Date, the Developer, or the environmental consultant it retains to perform the phase I investigation, as the case may be, will have the right to request a right of entry for the purpose of inspecting the City-Owned Property as part of such phase I investigation. If such a request is made, the City will grant the Developer and its environmental consultant a right of entry for such purpose. The granting of the right of entry, however, will be contingent upon the Developer or the environmental consultant it retains to perform the phase I investigation, as the case may be, obtaining all the following types and amounts of insurance: (x) Commercial general liability insurance with a combined single limit of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability with the City named as an additional insured; (y) if applicable, automobile liability insurance with limits of not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage; and (z) worker's compensation and occupational disease insurance in statutory amounts covering all employees and agents who are to perform any work on the City-Owned Property. All insurance policies will be from insurance companies authorized to do business in the State of Illinois, and will remain in effect until completion of all phase I environmental inspection activity on the City-Owned Property. The Developer or the environmental consultant it retains to perform the phase I investigation, as the case may be, will deliver duplicate policies or certificates of insurance to the City prior to commencing any activity on the City-Owned Property. The Developer expressly understands and agrees that any coverage and limits furnished by the Developer or the environmental consultant it retains to perform the phase I investigation, as the case may be, will

in no way limit the Developer's liabilities and responsibilities stated in this Agreement.

(c) The Developer or the environmental consultant it retains to perform the phase I investigation, as the case may be, agrees to carefully inspect the City-Owned Property prior to the commencement of any activity on the City-Owned Property to make sure that such activity will not damage surrounding property, structures, utility lines or any subsurface lines or cables. The Developer will be solely responsible for the safety and protection of the public. The City reserves the right to inspect any work being done on the City-Owned Property. The Developer's or the environmental consultant's activities on the City-Owned Property prior to Closing will be limited to those reasonably necessary to perform the inspection work, if any, the Developer or the environmental consultant may wish to perform prior to the Closing Date, or, subject to the terms of an agreed upon right of entry, any remediation work. Upon completion of the work, the Developer agrees to restore the City-Owned Property to its original condition. The Developer will keep the City-Owned Property free from any and all liens and encumbrances arising out of any work performed, materials supplied or obligations incurred by or for the Developer, and agrees to indemnify and hold the City harmless against any such liens.

(d) The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the City-Owned Property. If prior to the Closing Date, the Developer's environmental consultant determines that contamination exists on the City-Owned Property to such extent that the parties agree that the estimated cost of remediation (such estimated cost being determined by the consultant) is too excessive for the Developer, the Developer may declare these Real Estate Purchase Sections null and void by giving written notice thereof to the City. The Developer agrees that a request to terminate the Real Estate Purchase Sections will not be made until all reports concerning the condition of the City-Owned Property have been reviewed by the City.

(e) If after the Closing Date, the soil or environmental condition of the City-Owned Property is not in all respects entirely suitable for the use to which the City-Owned Property is to be utilized, it shall be the sole responsibility and obligation of the Developer to take such action as is necessary to put the City-Owned Property in a condition suitable for such intended use. The Developer agrees to release and indemnify the City from any claims and liabilities relating to or arising from the environmental condition of the City-Owned Property (including, without limitation, claims under CERCLA) and to undertake and discharge all liabilities of the City arising from any environmental condition which existed on the City-Owned Property prior to the Closing Date.

#### **4.10 Conditional Grant; Reduction in City Funds; Reduction in Letter of Credit.**

The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. If upon issuance of the Certificate, the actual cost of the Project is less than the costs contained in the Project Budget set forth on **Exhibit H-1** attached hereto, then the amount of City TIF funds shall be reduced by seventy five cents (\$.75) for every one dollar (\$1.00) that the actual cost of the Project is less than the Project Cost set forth in the Project Budget. The City Funds are also subject to being reimbursed by the City drawing down on the Letter of Credit for an uncured default hereunder by Developer. The Letter of Credit shall remain in place with full value until

the Developer completes the following tasks: (i) relocation of all of the utilities that exist in the current public rights-of-way; (ii) construction of new right of way improvements (two new alleys); and (iii) pouring and completing the foundation for the approximately 13,650 square-foot retail building structure which will house a drive-through Walgreen's drug store at which point the value of the Letter of Credit shall be reduced by fifty percent (50%). Upon issuance of the Certificate to Developer by DCD as set forth in Section 7.01, the requirement to maintain the Letter of Credit shall be waived.

## SECTION 5. CONDITIONS PRECEDENT

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

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

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

**5.03 Other Governmental Approvals.** The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DCD.

**5.04 Financing.** The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in **Section 4.01** hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in **Section 4.01**) to complete the Project. The Developer has delivered to DCD a copy of the construction escrow agreement entered into by the Developer regarding the Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in the form attached hereto as **Exhibit N**, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

**5.05 Acquisition and Title.** On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on **Exhibit G** hereto and evidences the recording of this Agreement pursuant to the provisions of **Section 8.17** hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding

zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DCD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DCD's satisfaction, by the Title Policy and any endorsements thereto.

**5.06 Evidence of Clean Title.** The Developer, at its own expense, has provided the City with searches under the names of Developer and GP Corporation, as follows:

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

showing no liens against the Developer (unless bonded or insured over), the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

**5.07 Surveys.** The Developer has furnished the City with three (3) copies of the Survey.

**5.08 Insurance.** The Developer, at its own expense, has insured the Property in accordance with **Section 12** hereof, and has delivered certificates required pursuant to **Section 12** hereof evidencing the required coverages to DCD.

**5.09 Opinion of the Developer's Counsel.** On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as **Exhibit J**, with such changes as required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in **Exhibit J** hereto, such opinions were obtained by the Developer from its general corporate counsel.

**5.10 Evidence of Prior Expenditures.** The Developer has provided evidence satisfactory to DCD in its sole discretion of the Prior Expenditures in accordance with the provisions of **Section 4.05(a)** hereof.

**5.11 Financial Statements.** The Developer has provided Financial Statements to DCD for its most recent available fiscal year, and audited or unaudited interim financial statements.

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

**5.13 Environmental.** The Developer has provided DCD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II

environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

**5.14 Corporate Documents; Economic Disclosure Statement.** The Developer has provided a copy of its Certificate of Formation 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 organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; current operating agreement of the Developer; and such other corporate documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

**5.15 Litigation.** The Developer has provided to Corporation Counsel and DCD, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

## **SECTION 6. AGREEMENTS WITH CONTRACTORS**

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

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

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

**6.03 Performance and Payment Bonds.** Prior to the commencement of any portion of the Project which includes work **on the public way**, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as **Exhibit O** hereto. The City shall be named as obligee or co-obligee on any such bonds. For the sole purpose of the Project completed pursuant to this Agreement, (i) work in the Rights of Way after vacation is complete and (ii) landscape work on and around public sidewalks, for each of which CDOT has issued a permit pursuant to a deposit Developer has tendered CDOT will not require a payment and performance bond unless required pursuant to laws, regulations, statutes or other legal directives of the State of Illinois.

**6.04 Employment Opportunity.** The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of **Section 10** hereof.

**6.05 Other Provisions.** In addition to the requirements of this **Section 6**, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to **Section 3.04** (Change Orders), **Section 8.08** (Prevailing Wage), **Section 10.01(e)** (Employment Opportunity), **Section 10.02** (City Resident Employment Requirement), **Section 10.03** (MBE/WBE Requirements, as applicable), **Section 12** (Insurance) and **Section 14.01** (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof.

## **SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION**

**7.01 Certificate of Completion of Construction or Rehabilitation.** Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, DCD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the construction of the Project in accordance with the terms of this Agreement.

- (a) The Certificate will not be issued until:



- (i) the Developer has notified the City in writing that the Project has been completed as defined in this Agreement, including that the total Project Cost has equaled or exceeded \$10,733,092;
- (ii) the Developer has received a Certificate of Occupancy or other evidence acceptable to DCD that the Developer has complied with building permit requirements for the interior construction;
- (iii) the City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in **Section 10** (M/WBE, City Residency, Prevailing Wage) with respect to construction of the Project;
- (iv) The Developer has submitted evidence that it and/or GP Corporation, as applicable, has incurred TIF-eligible costs, to be determined solely by DCD, in an amount equal to or greater than the total amount of City assistance;
- (v) the Developer has submitted evidence satisfactory to DCD that it has provided the Public Benefits as set forth on **Exhibit P**;
- (vi) the Developer has provided evidence satisfactory to DCD that 80% of the net leasable square footage of the Project has been leased, and that 60% of the net leasable square footage of the Project has been occupied.

(b) DCD shall respond to the Developer's 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 the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures

**7.02 Effect of Issuance of Certificate; Continuing Obligations.** The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at **Sections 8.02, 8.18 and 8.19** as covenants that run with the land are the only covenants in this Agreement intended to be

binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in **Section 8.02** shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to **Section 18.15** of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

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

(c) the right to seek reimbursement of the City Funds from the **Developer**, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the TIF Bonds.

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

## **SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.**

**8.01 General.** The Developer, to the best of its knowledge, 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) (i) The Developer is an Illinois limited liability company duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required and (ii) GP Corporation is an Illinois corporation duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required ;

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary company and corporate action, and does not and will not violate (i) the Certificate of Formation or operating agreement of the Developer as amended and supplemented, (ii) the Articles of Incorporation or By-Laws of GP Corporation as amended and supplemented or (iii) any applicable provision of law; said execution, delivery and performance by the Developer of this Agreement shall also not constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for liens which have otherwise been bonded or insured over and the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to **Section 8.14** hereof);

(e) the Developer is now and until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which the Developer has no further interest in the Project shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Developer which would materially impair its ability to perform under this Agreement;

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

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound and which would materially affect the Developer's ability to complete or cause the completion of the Project;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of the Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DCD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease (except leases to Approved Tenants as contemplated by this Agreement) or otherwise dispose of all or substantially all of its assets or

any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business that would materially adversely affect the Developer's ability to complete the Project; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity that would materially adversely affect the Developer's ability to complete the Project; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and/or liens which have been bonded or insured over; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

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

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

(n) the Property shall not be used for any Prohibited Use.

**8.02 Covenant to Redevelop.** Upon DCD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The

covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

**8.03 Redevelopment Plan.** The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

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

**8.05 Other Bonds.** The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements ("**Bonds**"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

**8.06 Employment Opportunity; Progress Reports.** The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in **Section 10** hereof during the construction of the Project; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligation shall not result in a default or a termination of the Agreement or require payment of the City resident hiring shortfall amount if such Section 10 obligations are satisfied on an aggregate basis. The Developer shall deliver to the City monthly written progress reports detailing compliance with the requirements of **Sections 8.08, 10.02 and 10.03** of this Agreement. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

**8.08 Prevailing Wage.** The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and contractually obligate each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "**Department**"), to all employees working to construct the Project or otherwise

complete the TIF-Funded Improvements. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this **Section 8.08**.

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

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

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

**8.12 Financial Statements.** The *Developer* shall obtain and provide to DCD Financial Statements for the Developer's fiscal year ended 2005 and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DCD may request, upon DCD's request.

**8.13 Insurance.** The Developer, at its own expense, shall comply with all provisions of **Section 12** hereof.

**8.14 Non-Governmental Charges.** (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due or cause to be bonded or insured over any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DCD, within thirty (30) days of DCD's request, official receipts from the appropriate entity, or other proof satisfactory to DCD, evidencing payment of the Non-Governmental Charge in question.

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this **Section 8.14**); or

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

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

**8.16 Compliance with Laws**. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence reasonably satisfactory to the City of such compliance.

**8.17 Recording and Filing**. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

**8.18 Real Estate Provisions**.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create or may create a lien upon the Developer or all or any portion of the Property or the Project. "**Governmental Charge**" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.18(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DCD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DCD's sole option,

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DCD thereof in writing, at which time DCD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DCD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DCD deems advisable. All sums so paid by DCD, if any,



and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DCD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property ("**Minimum Assessed Value**") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; and (B) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

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

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

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.18(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date.

These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this **Section 8.18(c)** to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this **Section 8.18(c)**.

#### **8.19 Occupancy Covenant.**

(a) **Approved Tenants.** For a period of ten years following issuance of the Certificate, Developer shall lease space in the Facility only to Approved Tenants.

(b) **Minimum Occupancy Requirements.** Not later than June of the year following the year of issuance of the Certificate, Developer shall lease and cause to be occupied not less than 75% of the net leasable square footage of the Project (the "Minimum Occupancy"). Thereafter, and as a prerequisite for payments to be made on the City Note, Developer shall maintain an average occupancy ("Average Minimum Occupancy") over the twelve-month period preceding Developer's submission of an Occupancy Report (as defined below) equal to the Minimum Occupancy.

(c) **Occupancy Reports; Occupancy Defaults.** Contemporaneously with Developer's requisition for its annual disbursement under the City Note, Developer shall deliver to DCD an occupancy progress report ("**Occupancy Report**") detailing compliance with the Average Minimum Occupancy requirement for the 12-month period beginning January 1 of the preceding year. If Developer submits an Occupancy Report that indicates a failure to maintain the Average Minimum Occupancy (an "**Occupancy Default**"), such Occupancy Default shall not be deemed an Event of Default under this Agreement if: (i) the Developer has maintained the Minimum Occupancy in the 30 days preceding the date of the Occupancy Report and has provided the City with evidence that it has contracted for the Minimum Occupancy for the following year; (ii) the Developer has cured the Occupancy Default within one year following the date of the Occupancy Report specifying such Occupancy Default (such one-year period is referred to as the "**Minimum Cure Period**"); or (iii) the Developer has commenced to cure an Occupancy Default within the Minimum Cure Period and has cured such Occupancy Default within two years following the date of the Occupancy Report specifying the Occupancy Default (such two-year period is referred to as the "**Maximum Cure Period**"). Provided Developer has cured all Occupancy Defaults, Developer shall continue to deliver Occupancy Reports and maintain the Average Minimum Occupancy after the 10<sup>th</sup> anniversary of the issuance of the Certificate for the number of years for which Developer did not maintain the Average Minimum Occupancy.

(d) **Occupancy Default Remedies.** Upon the occurrence of an Occupancy Default, the City may suspend disbursement of payments due under the City Note until Developer has complied with the occupancy covenants in this **Section 8.19**. No interest shall accrue on the City Note: (i) during the year described in the Occupancy Report with an Occupancy Default; (ii) during the Minimum Cure Period unless Developer commences to cure the Occupancy Default within the Minimum Cure Period; or (iii) during the Maximum Cure Period. An Occupancy Default that is not cured as set forth in this **Section 8.19** shall be an Event of Default hereunder.

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

**8.21 Annual Compliance Report.** Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Developer shall submit to DCD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

## **SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY**

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

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

## **SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS**

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

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

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

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

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

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

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

**10.02 City Resident Construction Worker Employment Requirement.** The Developer agrees for itself and its successors and assigns, and shall contractually obligate its

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

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

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

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

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

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of DCD, affidavits and other supporting documentation will be required of the Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of the Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the

requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project Budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.**

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

The Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

**10.03. MBE/WBE Commitment.** The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "**contractor**" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "**contract**" or a "**construction contract**" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DCD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five Business Days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

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

## SECTION 11. ENVIRONMENTAL MATTERS

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

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



or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## SECTION 12. INSURANCE

The Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

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

(b) Construction Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$ 500,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide or cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$ 1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to

insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Community Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

### **SECTION 13. INDEMNIFICATION**

**13.01 General Indemnity.** Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "**Indemnitee**," and collectively the "**Indemnitees**") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

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

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

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

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

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this **Section 13.01** shall survive the termination of this Agreement.

#### **SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT**

**14.01 Books and Records.** During the Term of the Agreement, the Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

**14.02 Inspection Rights.** Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

#### **SECTION 15. DEFAULT AND REMEDIES**

**15.01 Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of **Section 15.03**, shall constitute an “**Event of Default**” by the Developer hereunder:

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

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

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

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

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

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

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

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period (which applicable cure period shall include the extended cure period provided to the Lender providing the Lender Financing so long as said Lender is exercising its rights and remedies under Section 16 hereof);

(i) the dissolution of the Developer;

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

(k) prior to the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of the Developer in violation of this Agreement.

For purposes of **Sections 15.01(i)** hereof, a person with a material interest in the Developer shall be one owning in excess of 10% of the Developer's issued and outstanding shares membership interests.

**15.02 Remedies.** Upon the occurrence of an Event of Default (subject to applicable cure provisions), 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, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

**15.03 Curative Period.** In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## SECTION 16. MORTGAGING OF THE PROJECT

**16.01 Mortgages, Foreclosure & Lender's Succession to Developer.** All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on **Exhibit G** hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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

(d) If a default by the Developer under this Agreement occurs and the Developer does not cure it within the applicable cure period, the City shall use reasonable efforts to give to the mortgagee under an Existing Mortgage copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Agreement. Under no circumstances



shall the Developer or any third party be entitled to rely upon this **Section 16(d)**. The failure of the City to deliver such notice shall in no instance alter its rights or remedies under this Agreement.

(e) By virtue of Developer's agreement hereby, the City agrees that it shall accept a cure by any mortgagee in fulfillment of the Developer's obligations, for the account of the Developer and with the same force and effect as if performed by the Developer. No cure or attempted cure by or on behalf of such mortgagee shall cause it to be deemed to have accepted an assignment of this Agreement.

**16.02 Right to Cure by Lenders and Investors.** In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the parties identified in Section 17 and the Lenders and the limited partner investor(s) in the Developer shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lenders of such notice from the City; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by any party entitled to cure such default within such 30-day period, such period shall be extended for such reasonable period of time as may be necessary to cure such default, provided that the party seeking such cure must continue diligently to pursue such cure and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession, and in any event such party shall have completed the cure of said default within six (6) months of the later of (i) and (ii) above.

## SECTION 17. NOTICE

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

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

With Copies To: City of Chicago  
 Department of Law  
 Finance and Economic Development Division  
 121 North LaSalle Street, Room 600  
 Chicago, IL 60602

If to the Developer  
 or GP Corporation: c/o Terraco, Inc.  
 3201 Old Glenview Road  
 Suite 300  
 Wilmette, IL 60091  
 Attention: Scott H. Gendell

With Copies To: Charity & Associates, P.C.  
 20 N. Clark Street; Suite 1150  
 Chicago, IL 60602  
 Attention: Elvin Charity

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

**SECTION 18. MISCELLANEOUS**

**18.01 Amendment.** This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement **Exhibit D** hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this **Section 18.01** shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in **Sections 10.02 and 10.03** hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

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

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

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

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

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

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

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

**18.09 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.

**18.10 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.

**18.11 Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

**18.12 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.

**18.13 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.

**18.14 Approval.** Wherever this Agreement provides for the approval or consent of the City, DCD or the Commissioner, or any matter is to be to the City's, DCD'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, DCD 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 DCD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City. In furtherance of the foregoing, the terms of this Agreement may be modified administratively by the Commissioner without the same being deemed an amendment to this Agreement provided that the Commissioner, in consultation with the Corporation Counsel of the City, has determined that such modification is appropriate and consistent with the terms and conditions of this Agreement and the purposes underlying the provisions hereof.

**18.15 Assignment.** Prior to the issuance of the Certificate, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City subject to the provisions set forth in Section 4.03(b) hereof; provided that the Developer may at any time assign, on a collateral basis, the City Note to a lender providing Lender Financing. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.18 and 8.20 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

**18.16 Binding Effect.** This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

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

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

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

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

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

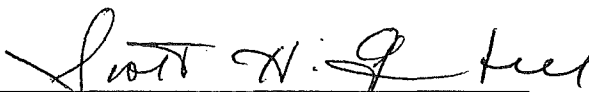
**18.22 Business Relationships.** The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any

person with whom the elected City official or employee has a "**Business Relationship**" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

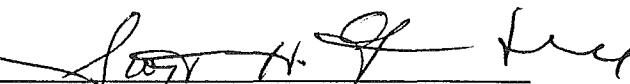
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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

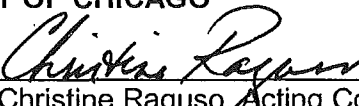
**GENDELL PARTNERS — MT. GREENWOOD, L.L.C., an Illinois limited liability company**

By:   
Scott H. Gendell, Manager

**GP—MT. GREENWOOD CORPORATION, an Illinois corporation**

By:   
Scott H. Gendell, President

**CITY OF CHICAGO**

By:   
Christine Raguso, Acting Commissioner,  
Department of Community Development

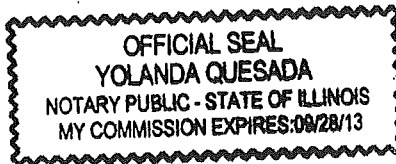
STATE OF ILLINOIS )  
  ) SS  
COUNTY OF COOK )

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

2010 GIVEN under my hand and official seal this 4th day of MARCH.

Yolanda Quesada  
Notary Public

My Commission Expires 9-28-2013





STATE OF ILLINOIS )  
  ) SS  
COUNTY OF COOK )

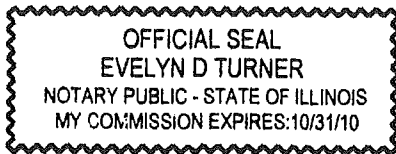
I, Evelyn D Turner, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Scott H. Gendell, personally known to me to be the Managing Member of Gendell Partners – Mt. Greenwood, L.L.C., an Illinois limited liability company (the "Developer"), and personally known 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/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

2010. GIVEN under my hand and official seal this 4<sup>th</sup> day of March.

Evelyn D Turner  
Notary Public

My Commission Expires 10/31/10

(SEAL)



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

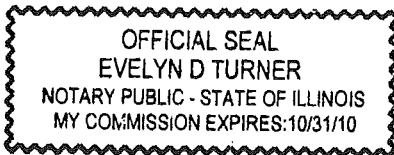
I, Evelyn D. Turner, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Scott H. Gendell, personally known to me to be the President of GP—Mt. Greenwood Corporation, an Illinois corporation ("GP Corporation"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the GP Corporation, as his/her free and voluntary act and as the free and voluntary act of GP Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 4<sup>th</sup> day of March, 2010.

[Signature]  
Notary Public

My Commission Expires 10/31/10

(SEAL)



**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT A**

**Redevelopment Area Legal Description**

See attached.

*Exhibit A**111th Street/Kedzie Avenue Business District  
Redevelopment Project Area.**Legal Description.*

All that part of the south half of Sections 13 and 14 and the north half of Sections 23 and 24 in Township 37 North, Range 13 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the south line of West 111<sup>th</sup> Street with the west line of South St. Louis Avenue; thence west along said south line of West 111<sup>th</sup> Street to the east line of South Drake Avenue; thence south along said east line of South Drake Avenue to the easterly extension of the north line of Lot 11 in the subdivision of Block 8 in Bond's Subdivision of the north 60 acres of the northeast quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian, said north line of Lot 11 being also the south line of the alley south of West 111<sup>th</sup> Street; thence west along said easterly extension and along the south line of the alley south of West 111<sup>th</sup> Street to the east line of South Central Park Avenue; thence south along said east line of South Central Park Avenue to the easterly extension of the south line of West 112<sup>th</sup> Place as said West 112<sup>th</sup> Place is laid out in the east half of the northwest quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and along the south line of West 112<sup>th</sup> Place as said West 112<sup>th</sup> Place is laid out in the east half of the northwest quarter of Section 23 to the west line of said east half of the northwest quarter of Section 23; thence north along said west line of the east half of the northwest quarter of Section 23 to the south line of West 111<sup>th</sup> Street; thence west along said south line of West 111<sup>th</sup> Street to the west line of the west half of the northwest quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian, said west line of the west half of the northwest quarter of Section 23 being also the centerline of South Crawford Avenue; thence north along said centerline of South Crawford Avenue to the westerly extension of the south line of Lot 34 in Mrs. Anna Bittin's Garden Homes Subdivision in the southwest quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian, said south line of Lot 34 in Mrs. Anna Bittin's Garden Homes Subdivision being also the north line of the alley north of

*Exhibit*

*111th Street/Kedzie Avenue Business District  
Redevelopment Project Area.*

*Legal Description.*

All that part of the south half of Sections 13 and 14 and the north half of Sections 23 and 24 in Township 37 North, Range 13 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the south line of West 111<sup>th</sup> Street with the west line of South St. Louis Avenue; thence west along said south line of West 111<sup>th</sup> Street to the east line of South Drake Avenue; thence south along said east line of South Drake Avenue to the easterly extension of the north line of Lot 11 in the subdivision of Block 8 in Bond's Subdivision of the north 60 acres of the northeast quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian, said north line of Lot 11 being also the south line of the alley south of West 111<sup>th</sup> Street; thence west along said easterly extension and along the south line of the alley south of West 111<sup>th</sup> Street to the east line of South Central Park Avenue; thence south along said east line of South Central Park Avenue to the easterly extension of the south line of West 112<sup>th</sup> Place as said West 112<sup>th</sup> Place is laid out in the east half of the northwest quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and along the south line of West 112<sup>th</sup> Place as said West 112<sup>th</sup> Place is laid out in the east half of the northwest quarter of Section 23 to the west line of said east half of the northwest quarter of Section 23; thence north along said west line of the east half of the northwest quarter of Section 23 to the south line of West 111<sup>th</sup> Street; thence west along said south line of West 111<sup>th</sup> Street to the west line of the west half of the northwest quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian, said west line of the west half of the northwest quarter of Section 23 being also the centerline of South Crawford Avenue; thence north along said centerline of South Crawford Avenue to the westerly extension of the south line of Lot 34 in Mrs. Anna Bittin's Garden Homes Subdivision in the southwest quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian, said south line of Lot 34 in Mrs. Anna Bittin's Garden Homes Subdivision being also the north line of the alley north of

West 111<sup>th</sup> Street; thence east along said westerly extension and along the north line of the alley north of West 111<sup>th</sup> Street to the west line of South Harding Avenue; thence north along said west line of South Harding Avenue to the westerly extension of the south line of Lot 22 in Olsen's Longview, a subdivision in the southwest quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian; thence east along said westerly extension and the south line of Lot 22 in Olsen's Longview and along the easterly extension thereof to the west line of Lot 24 in Ethel McGinty's Subdivision of the west 5 acres of the east 25 acres of the south 40 acres of the west half of the southwest quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian, said west line of Lot 24 in Ethel McGinty's Subdivision being also the east line of the alley west of South Springfield Avenue; thence south along said east line of the alley west of South Springfield Avenue to the south line of Lot 25 in said Ethel McGinty's Subdivision, said south line of Lot 25 being also the north line of the alley north of West 111<sup>th</sup> Street; thence east along said north line of the alley north of West 111<sup>th</sup> Street to the east line of South Hamlin Avenue; thence south along said east line of South Hamlin Avenue to the north line of the south 125 feet of Block 13 in George W. Hill's Subdivision of the south half of the east half of the southwest quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian; thence east along said north line of the south 125 feet of Block 13 in George W. Hill's Subdivision to the west line of South Ridgeway Avenue; thence north along said west line of South Ridgeway Avenue to the westerly extension of the south line of Lot 2 in Ernst's Resubdivision of part of the west half of Block 14 in said George W. Hill's Subdivision; thence east along said westerly extension and the south line of Lot 2 in said Ernst's Resubdivision to the east line of said Lot 2, said east line of Lot 2 being also the east line of the west half of said Block 14 in George W. Hill's Subdivision; thence south along said east line of the west half of said Block 14 in George W. Hill's Subdivision to a line 125 feet north of and parallel with the north line of West 111<sup>th</sup> Street; thence east along said line 125 feet north of and parallel with the north line of West 111<sup>th</sup> Street to the east line of said Block 14, said east line of Block 14 being also the west line of Block 15 in said George W. Hill's Subdivision; thence north along said west line of Block 15 in George W. Hill's Subdivision to a line 139.08 feet north of and parallel with the north line of West 111<sup>th</sup> Street; thence east along said line 139.08 feet north of and parallel with the north line of West 111<sup>th</sup> Street and along the south line of Lot 4 in Jankowski's Resubdivision of the east half of Block 15 (except the south 125 feet) and the east 33 feet of the south 125 feet of Block 15 in said George W. Hill's Subdivision and along the easterly extension thereof to the east line of South Millard Avenue; thence south along said east line of South Millard Avenue to the north line of West 111<sup>th</sup> Street; thence east along said north line of West 111<sup>th</sup> Street to the west line of South Drake Avenue; thence north along said

west line of South Drake Avenue to the westerly extension of the south line of Lot 22 in Drake Manor, a resubdivision of Block 27 except the east 33 feet), Block 30 (except the east 33 feet and except the west 25 feet of the east 90 feet of the south 125 feet) in George W. Hill's Subdivision of the west half of the southeast quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian, said south line of Lot 22 in Drake Manor being also the north line of the alley north of West 111<sup>th</sup> Street; thence east along said north line of the alley north of West 111<sup>th</sup> Street to the west line of South St. Louis Avenue; thence north along said west line of South St. Louis Avenue to the westerly extension of the south line of Lot 17 in Hillsdale, a resubdivision of Blocks 26 and 31 (except the west 33 feet) in said George W. Hill's Subdivision, said south line of Lot 17 in Hillsdale being also the north line of the alley north of West 111<sup>th</sup> Street; thence east along said westerly extension and along the north line of the alley north of West 111<sup>th</sup> Street and along the easterly extension thereof to the east line of South Trumbull Avenue; thence south along said east line of South Trumbull Avenue to the south line of Lot 21 in Boyer and Higgins' Subdivision of Blocks 25 and 32 (except parts deeded for public streets) in said George W. Hill's Subdivision of the west half of the southeast quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian, said south line of Lot 21 in Boyer and Higgins' Subdivision being also the north line of the alley north of West 111<sup>th</sup> Street; thence east along said the north line of the alley north of West 111<sup>th</sup> Street to the northerly extension of the east line of Lot 11 in the subdivision of Block 29 (except the east 146.67 feet) in George W. Hill's Subdivision of the east half of the southeast quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian; thence south along said northerly extension and the east line of Lot 11 in the subdivision of Block 29 (except the east 146.67 feet) in George W. Hill's Subdivision to the north line of West 111<sup>th</sup> Street; thence east along said north line of West 111<sup>th</sup> Street to the west line of South Turner Avenue; thence north along said west line of South Turner Avenue to the westerly extension of the south line of Lot 8 in Ottenhoff's Subdivision of the west 174 feet of the north half of the south half (except the east 83 feet thereof) of Block 30 in said George W. Hill's Subdivision, said south line of Lot 8 in Ottenhoff's Subdivision being also the north line of the alley north of West 111<sup>th</sup> Street; thence east along said westerly extension and along the north line of the alley north of West 111<sup>th</sup> Street to the east line of Lot 30 in Block 1 in George Brinkman's Addition to Mount Greenwood, a subdivision of Blocks 25, 26, 31 and 32 in said George W. Hill's Subdivision, said east line of Lot 30 being also the west line of the alley west of South Kedzie Avenue; thence north along said west line of the alley west of South Kedzie Avenue to the north line of West 110<sup>th</sup> Street; thence east along said north line of West 110<sup>th</sup> Street to the west line of South Kedzie Avenue; thence north along said west line of South Kedzie Avenue to the westerly extension of the south line of Lot 80 in Block 4 in

J. S. Hovland's Resubdivision of Blocks 1, 2 and 3 (except Lots 14, 15, 16 and 18) and all of Block 4 in J. S. Hovland's Subdivision of the southwest quarter of the southwest quarter of Section 13, Township 37 North, Range 13 East of the Third Principal Meridian; thence east along said westerly extension and the south line of Lot 80 in Block 4 in J. S. Hovland's Resubdivision and along the easterly extension thereof to the west line of Lot 22 in said Block 4 in J. S. Hovland's Resubdivision, said west line of Lot 22 being also the east line of alley east of South Kedzie Avenue; thence south along said east line of the alley east of South Kedzie Avenue to the south line of Lot 45 in said Block 4 in J. S. Hovland's Resubdivision, said south line of Lot 45 being also the north line of the alley north of West 111<sup>th</sup> Street; thence east along said north line of the alley north of West 111<sup>th</sup> Street to the west line of South Albany Avenue; thence north along said west line of South Albany Avenue to the westerly extension of the south line of the north 1 foot of Lot 61 in Block 2 in J. S. Hovland's Resubdivision, said south line of the north 1 foot of Lot 61 in Block 2 in J. S. Hovland's Resubdivision being also the north line of the alley north of West 111<sup>th</sup> Street; thence east along said westerly extension and the south line of the north 1 foot of Lot 61 in Block 2 in J. S. Hovland's Resubdivision to the east line of said Lot 61, said east line of said Lot 61 being also the west line of the alley east of South Albany Avenue; thence north along said west line of the alley east of South Albany Avenue to the westerly extension of the south line of Lot 38 in said Block 2 in J. S. Hovland's Resubdivision; thence east along said westerly extension and the south line of Lot 38 in Block 2 in J. S. Hovland's Resubdivision and along the easterly extension thereof to the east line of South Whipple Street; thence south along said east line of South Whipple Street to the north line of the alley north of 111<sup>th</sup> Street; thence east along said north line of the alley north of West 111<sup>th</sup> Street to a line 122 feet east of and parallel with the east line of South Whipple Street; thence north along said line 122 feet east of and parallel with the east line of South Whipple Street to the north line of West Patrick Court; thence east along said north line of West Patrick Court to the west line of the Grand Trunk and Western Railroad right-of-way; thence south along said west line of the Grand Trunk and Western Railroad right-of-way to the north line of West 111<sup>th</sup> Street; thence east along said north line of West 111<sup>th</sup> Street to the northerly extension of the east line of South Sacramento Avenue, as said South Sacramento Avenue is laid out in the west half of the northwest quarter of Section 24, Township 37 North, Range 13 East of the Third Principal Meridian; thence south along said northerly extension and the east line of South Sacramento Avenue, as said South Sacramento Avenue is laid out in the west half of the northwest quarter of Section 24, Township 37 North, Range 13 East of the Third Principal Meridian to the easterly extension of the north line of Lot 38 in Block 1 in West Morgan, a subdivision of the east half of the northwest quarter of the northwest quarter of Section 24, Township 37 North, Range 13 East of the



Third Principal Meridian, said north line of Lot 38 being also the south line of the alley south of West 111<sup>th</sup> Street; thence west along said south line of the alley south of West 111<sup>th</sup> Street to the west line of Lot 46 in Block 1 in J. S. Hovland's Kedzie Avenue Subdivision of the west half of the west half of the northwest quarter of Section 24, Township 37 North, Range 13 East of the Third Principal Meridian, said west line of Lot 46 being also the east line of the alley east of South Kedzie Avenue; thence south along said east line of the alley east of South Kedzie Avenue to the easterly extension of the south line of Lot 15 in Block 1 in J. S. Hovland's Kedzie Avenue Subdivision of the west half of the west half of the northwest quarter of Section 24, Township 37 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and the south line of Lot 15 in Block 1 in J. S. Hovland's Kedzie Avenue Subdivision and along the westerly extension thereof to the west line of South Kedzie Avenue; thence north along said west line of South Kedzie Avenue to the south line of Lot 15 in Block 1 in Bond's Subdivision of the north 60 acres in the northeast quarter in Section 23, Township 37 North, Range 13 East of the Third Principal Meridian; thence west along said south line of Lot 15 in Block 1 in Bond's Subdivision and along the westerly extension thereof to the east line of Lot 16 in said Block 1 in Bond's Subdivision, said east line of Lot 16 being also the west line of the alley west of South Kedzie Avenue; thence north along said west line of the alley west of South Kedzie Avenue to the south line of Lot 10 in said Block 1 in Bond's Subdivision; thence west along said south line of Lot 10 in Block 1 in Bond's Subdivision and along the westerly extension thereof to the west line of South Sawyer Avenue; thence north along said west line of South Sawyer Avenue to the north line of Lot 11 in the subdivision of Block 2 in aforesaid Bond's Subdivision, said north line of Lot 11 being the south line of the alley south of West 111<sup>th</sup> Street; thence west along said south line of the alley south of West 111<sup>th</sup> Street to the east line of South Spaulding Avenue; thence south along said east line of South Spaulding Avenue to the easterly extension of the north line of Lot 11 in the subdivision of Block 3 in aforesaid Bond's Subdivision, said north line of Lot 11 being also the south line of the alley south of West 111<sup>th</sup> Street; thence west along said south line of the alley south of West 111<sup>th</sup> Street to the west line of South Christiana Avenue; thence continuing west along the south line of Lot 9 in the subdivision of Block 4 (except 1 acre in the northwest corner thereof) in aforesaid Bond's Subdivision to the west line of said Lot 9, said west line of Lot 9 being also the east line of the 1 acre parcel in the northwest corner of Block 4 in Bond's Subdivision; thence south along said east line of the 1 acre parcel in the northwest corner of Block 4 in Bond's Subdivision to the south line thereof; thence west along said south line of the 1 acre parcel in the northwest corner of Block 4 in Bond's Subdivision and along the westerly extension thereof to the west line of South Homan Avenue; thence north along said west line of South Homan Avenue to the south line of Lot 7 in the

subdivision of Block 5 in aforesaid Bond's Subdivision in the west half of the northeast quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian; thence west along said south line of Lot 7 in the subdivision of Block 5 in Bond's Subdivision and along the westerly extension thereof and along the south line of Lot 8 in said subdivision of Block 5 in Bond's Subdivision to the east line of South Trumbull Avenue; thence south along said east line of South Trumbull Avenue to the easterly extension of the north line of the south 9 feet of Lot 9 in Block 6 in Bond's Subdivision of the north 60 acres of the northeast quarter of Section 23, Township 37 North, Range 13 East of the Third Principal Meridian, said north line of the south 9 feet of Lot 9 in Block 6 in Bond's Subdivision being also the south line of the alley south of West 111<sup>th</sup> Street; thence west along said easterly extension and the north line of the south 9 feet of Lot 9 in Block 6 in Bond's Subdivision to the west line of said Lot 9, west line of Lot 9 being also the east line of the alley west of South Trumbull Avenue; thence south along said west line of Lot 9 to the easterly extension of the north line of Lot 12 in said Block 6 in Bond's Subdivision, said north line of Lot 12 being also the south line of the alley south of West 111<sup>th</sup> Street; thence west along said easterly extension and the north line of Lot 12 in said Block 6 in Bond's Subdivision and along the westerly extension thereof to the west line of South St. Louis Avenue; thence north along said west line of South St. Louis Avenue to the point of beginning at the south line of West 111<sup>th</sup> Street, all in the City of Chicago, Cook County, Illinois.

*111<sup>th</sup> Street/Kedzie Avenue Redevelopment Project Area.*

*Street Description.*

The Redevelopment Project Area contains land along West 111<sup>th</sup> Street, from the Chicago & Grand Trunk & Western Railroad right-of-way on the east to South Pulaski Road on the west, and along South Kedzie Avenue, from West 110<sup>th</sup> Street to one-half block south of West 111<sup>th</sup> Street.

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT B-1**

**Property Legal Description**

**PARCEL 1: LOTS 17 AND 18 IN BLOCK 1 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS**

**PARCEL 2: LOTS 19 TO 25 INCLUSIVE AND LOTS 30 AND 31 (EXCEPT THE NORTH 16 FEET OF LOT 31), ALL IN BLOCK 1 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS**

**PARCEL 3: LOT 16 IN BLOCK 2 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS**

**PARCEL 4: LOT 15 IN BLOCK 2 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILLS SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

**PARCEL 5: LOT 14 (EXCEPT THE NORTH 16 FEET THEREOF) IN BLOCK 2 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS**

**PARCEL 6: LOT 17 IN BLOCK 2 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILLS SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS**

**PARCEL 7: THAT PART OF THE 16 FOOT ALLEY IN BLOCK 1 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING SOUTH OF LINE 6.12 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF LOT 17 EXTENDED WESTERLY, AND ALSO**

**THAT PART OF THE 16 FOOT ALLEY IN SAID BLOCK 1 ABUTTING THE NORTH LINE OF LOTS 19 -29, LYING WEST OF THE WEST RIGHT OF WAY LINE OF KEDZIE AVENUE AND EAST OF THE EAST RIGHT OF WAY LINE OF SAWYER AVENUE**

**ALSO:**

**THAT PART OF THE 16 FOOT ALLEY IN BLOCK 2 IN GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN HILL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING EAST OF THE WEST LINE OF LOT 15 EXTENDED SOUTHERLY AND WEST OF THE WEST RIGHT OF WAY LINE OF SAWYER AVENUE**

**ALSO:**

**THAT PART OF SAWYER AVENUE LYING NORTH OF THE NORTH RIGHT OF WAY LINE OF 111<sup>TH</sup> STREET, (SAID NORTH RIGHT OF WAY LINE BEING A LINE CONNECTING THE SOUTHEAST CORNER OF LOT 16 IN BLOCK 2 IN SAID GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, AND THE SOUTHWEST CORNER OF LOT 29 IN BLOCK 1 IN SAID GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD) AND SOUTH OF LINE 16.0 FEET SOUTH OF AND PARALLEL TO A LINE CONNECTING THE NORTHEAST CORNER OF LOT 14 IN BLOCK 2 IN SAID GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD AND THE NORTHWEST CORNER OF LOT 31 IN BLOCK 1 IN SAID GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD.**

**PARCEL 8: LOTS 26 THROUGH 29, INCLUSIVE, IN BLOCK 1 OF GEORGE BRINKMAN'S ADDITION TO MOUNTGREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN GEORGE W. HILL'SSUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS**

Address: 3200 W. 111<sup>th</sup> Street, Chicago, IL

PINs: 24-14-422-029	24-14-423-014-0000
24-14-422-030	24-14-423-031-0000
24-14-422-040	24-14-423-032-0000
24-14-422-041	24-14-423-033-0000
	24-14-423-034-0000
	24-14-423-035-0000
	24-14-423-036-0000
	24-14-423-037-0000
	24-14-423-038-0000
	24-14-423-039-0000
	24-14-423-040-0000
	24-14-423-041-0000
	24-14-423-042-0000
	24-14-423-043-0000

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT B-2**

**City-Owned Property Legal Description**

LOTS 26 THROUGH 29, INCLUSIVE, IN BLOCK 1 OF GEORGE BRINKMAN'S ADDITION TO MOUNT GREENWOOD, A SUBDIVISION OF BLOCKS 25, 26, 31 AND 32 IN GEORGE W. HILL'S SUBDIVISION OF THE EAST ½ OF THE SOUTHEAST ¼ OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 3218 - 24 West 111th Street, Chicago, Illinois

PERMANENT INDEX NOS. 24-14-423-033-0000  
24-14-423-034-0000  
24-14-423-035-0000  
24-14-423-036-0000

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT C**

**TIF FUNDED IMPROVEMENTS**

<b>Item</b>	<b>Estimated Cost</b>
Site Assembly	\$3,093,501.00
Demolition (1)	\$236,464.00
Utility Relocation	\$548,688.00
Rehab Costs for Helix Building	\$308,560.00
Environmental Clean-up Costs	\$49,608.00
<b>Total TIF Eligible Costs</b>	<b>*\$4,236,821.00</b>

1. Excludes estimated demolition costs of \$30,000 for three properties outside of the TIF district.

\* Of this total only an amount not to exceed the lesser of \$1,500,000 or 14.3% of the total Project Costs will be paid.

111<sup>th</sup> and Kedzie, Chicago IL

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT D**

**Redevelopment Plan**

See attached.

*Exhibit "A".  
(To Ordinance)*

*111<sup>th</sup> Street/Kedzie Avenue Business District  
Redevelopment Plan And Project.*

*May 18, 1999.*

1.

*Introduction.*

This document presents a Tax Increment Financing Redevelopment Plan and Project (hereinafter referred to as the "Plan") pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS. 5/11-74.1, et seq.) (1996 State Bar Edition), as amended (the "Act") for the 111<sup>th</sup> Street/Kedzie Avenue Business District in the City of Chicago, Illinois (the "City"). The Redevelopment Project Area (the "Area") includes land along West 111<sup>th</sup> Street, from South Pulaski Road on the west to the Chicago & Grand Trunk & Western Railroad right-of-way on the east, and land along South Kedzie Avenue from West 110<sup>th</sup> Street on the north to one-half block south of 111<sup>th</sup> Street. The Area consists mainly of commercial properties. The Plan responds to problem conditions within the Area and reflects a commitment by the City to revitalize the Area.

A planning study was prepared by Camiros, Ltd. in 1997 to guide the revitalization of the 111<sup>th</sup> Street/Kedzie Avenue Business District. This study, known as the "111<sup>th</sup> Street/Kedzie Avenue Business District Improvement Plan", provides in-depth analysis of existing conditions and establishes a set of possible strategies, policies and improvement proposals for the revitalization of the 111<sup>th</sup> Street/Kedzie Avenue Business District. Many of the recommendations of this study took the form of ideas, preliminary designs and development concepts that provide overall direction for improving the business district. This study also included a possible "action agenda" to help focus improvement activities. Thus, this initial revitalization study was intended to serve as a working tool by the City and community leaders for improving the business district.

The goals, policies and proposals of this Plan are derived in part from the 1997



"111<sup>th</sup> Street/Kedzie Avenue Business District Improvement Plan", which, recommends the creation of a tax-increment financing district as an element of the proposed improvement strategies. This Plan is an official plan, formulated specifically to respond to the Act, and establishes measures to promote the redevelopment of the Area.

This Plan presents additional research and analysis undertaken to document the eligibility of the Area for designation as a "conservation area" tax increment financing district. The need for public intervention, goals and objectives, land-use policies and other policy materials are presented in this Plan. The results of a study documenting the eligibility of the Area as a conservation area are presented in Appendix B, Eligibility Report (the "study").

#### Tax Increment Financing.

In adopting the Act, the Illinois State Legislature found at 5/11-74.4-2(a) that:

... there exist in many municipalities within this State blighted, conservation and industrial park conservation areas as defined herein; that the conservation areas are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked....

and at 5/11-74.4-2(b) that:

... in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken.... The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area", a "conservation area" or an "industrial park conservation area". A redevelopment plan must then be prepared which describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area", "conservation area", or combination thereof, or "industrial park conservation area", and thereby enhance the tax bases of the taxing districts which extend into the redevelopment project area. The statutory requirements are set out at 65 Sec.

5/11-74.4-3, et seq.

The Act provides that, in order to be adopted, a Plan must meet the following conditions under 74.4-3(n):

(1) ... the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan. (2) ...the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of one hundred thousand (100,000) or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality, (3) the redevelopment plan establishes the estimated dates [which shall not be more than twenty-three (23) years from the adoption of the ordinance approving the redevelopment project area] of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs..., (4) ...in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area, and (5) if any incremental revenues are being utilized under Section 8(a)(1) or 8(a)(2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986 the municipality finds (a) that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area.

Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan.

The City authorized an evaluation of whether a portion of the City commonly known as the 111<sup>th</sup> Street/Kedzie Avenue Business District, qualifies for designation as a "conservation area" pursuant to the provisions contained in the Act. If the area so qualified, the City requested the preparation of a redevelopment plan for the redevelopment project area in accordance with the requirements of the Act.

#### Overview Of The Redevelopment Area.

The Area is shaped irregularly. It is centered on the 111<sup>th</sup> Street/Kedzie Avenue intersection and runs west/east along West 111<sup>th</sup> Street from South Pulaski Road in the west to the Chicago & Grand Trunk & Western Railroad in the east. The Area consists mainly of commercial properties fronting onto West 111<sup>th</sup> Street and South Kedzie Avenue, is approximately eighty-six (86) acres in size and includes two hundred fifty-six (256) contiguous parcels and public rights-of-way.

The Area has experienced significant disinvestment, evidenced by a loss of quality stores and a lack of private investment in property improvement. The primary cause of this disinvestment is an overall functional obsolescence that affects much of the area. The pattern of development throughout the Area is outdated and no longer suitable for a viable urban shopping district. This obsolescence is characterized by unsuitable sizes and shapes of buildings and lots, an inadequate supply and configuration of parking, poor access characteristics and lack of aesthetic appeal.

The functional obsolescence of the Area, as manifested by deterioration, disinvestment, and lack of new development, can be remedied only through the infusion of new development and investment. The Area, as a whole, has not been subject to growth and development by private enterprise and is not reasonably anticipated to be developed without the adoption of the Plan. The study, attached hereto as Appendix B, concluded that property in the Area is experiencing deterioration and disinvestment.

The purpose of this Plan is to provide the stimulus needed to revitalize the Area. To accomplish that the Plan will create a mechanism to:

1. Allow for the development of new commercial and public facilities on existing underutilized land.
2. Redevelop and/or expand existing businesses.
3. Provide an adequate supply of parking.
4. Improve the Redevelopment Project Area's physical environment and infrastructure.

#### Summary Of Findings.

The Area is appropriate for designation as a "conservation area" in accordance

with the Act. Based on the following summary of findings:

- 1) The Area has not been subject to growth and development through private enterprise.
- 2) The continued lack of growth and development will exacerbate conditions of obsolescence causing further disinvestment and, eventually, blight.
- 3) The Area is not reasonably anticipated to be developed by private enterprise without public intervention and the adoption of this Plan.
- 4) The Area meets the requirements for designation as a "conservation area" because seventy-five percent (75%) of the buildings in the Area are over thirty-five (35) years old and the following conditions are present:
  - Deleterious land-use and layout.
  - Depreciation of physical maintenance.
  - Excessive land coverage.
  - Obsolescence.
  - Lack of community planning.
  - Presence of structures below minimum code standards.
- 5) The conditions outlined above are distributed throughout the Area.

This Plan summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Camiros, Ltd. and its subconsultants. Camiros, Ltd. has prepared this Plan, and the related study, with the understanding that the City would rely on (1) the findings and conclusions of the Plan and the related study in proceeding with the designation of the Area as a T.I.F. district and the adoption and implementation of the Redevelopment Plan and Project, and (2) the fact that Camiros, Ltd. has obtained the necessary information to insure that the Plan and the related eligibility study comply with the Act.

The Plan has been formulated in accordance with the provisions of the Act.

This document is a guide to all proposed public and private actions in the Area.

2.

*Project Area Description.*

The land to be designated as the Area shown in Figure 1, Boundary Map, is not adjacent to any other T.I.F. district at the present time. It is approximately eighty-six (86) acres in size, including public rights-of-way. A legal description of the Area is included as Appendix A of this document. The proposed Area includes only those contiguous parcels, which are anticipated to be substantially benefited by the proposed redevelopment project improvements and qualifies for designation as a "conservation area".

*Current Area Land-Use.*

Existing land-use within the Area consists of a mix of commercial, institutional and public uses, as shown in Figure 2, Existing Land-Use and presented in Table 1, Existing Land-Use Composition, below. Other use types represented are: specialty retail, eating/drinking establishments, consumer services, personal services, public/institutional, professional and office/financial services uses. The small number of non-commercial properties within the Area consist of residential and institutional uses.

Table 1.

*Existing Land-Use Composition.*

	Acres	Percent Of Total
Rights-of-Way	29.04	34%
Residential	3.76	4
Commercial	21.11	25

	Acres	Percent Of Total
Public/Semi-Public	31.36	37
Vacant	0.41	Less than 1
Total:	85.68	100%

Current zoning, shown in Figure 3, Existing Zoning, is generally consistent with existing land-use. Almost all of the Area falls under business district classifications, including B2-1, B4-1 and B4-2. The B2-1, B4-1 and B4-2 are restricted business districts which limit establishments to twenty-one thousand eight hundred seventy-five (21,875) square feet in floor area to help control the volume of vehicular and pedestrian traffic. The B4-1 and B4-2 districts allow a wider range of uses than the B2-1 district. Land zoned with the B2-1 classification is limited to an existing fast food establishment on South Kedzie Avenue just north of West 111<sup>th</sup> Street. Other classifications present within the Redevelopment Project Area include the C-1, C-2 and R-1 classifications. The only property zoned R-1 is the Mount Greenwood Park facility and the adjacent church park district to the east.

#### Community Characteristics.

The Area is a well situated commercial area that should serve the needs of area residents. Existing land uses include specialty stores, offices, restaurants and bars. The scale and mix of uses defines the Area as a neighborhood business district. Several cultural and religious institutions, such as Saint Christina's Church and the Mount Greenwood Reformed Church, coexist with the commercial development. Additional institutional uses include the Mount Greenwood Branch Library, Mount Greenwood Park and the Mount Greenwood Agricultural Sciences High School.

In order to strengthen the Area as a neighborhood business district, several functional issues must be addressed. Anchor developments, streetscape enhancements and parking reconfiguration are all needed to strengthen the economic vitality of the Area. The creation of an attractive, well-maintained, accessible retail center will enhance the quality of life for local residents and stimulate economic development.

### Residential Areas.

The residential area surrounding the Area is comprised predominantly of single-family dwellings. But, there are also a few scattered apartment buildings and some condominiums which have been constructed since 1970. Multi-family units exist both above and behind several commercial storefronts along West 111<sup>th</sup> Street. South Kedzie Avenue, while functioning as an arterial street, is residential in character immediately north and south of the Area.

Demographic and market conditions reveal income and local population characteristics sufficient to support a local business district. In 1990 the population was over twenty-one thousand (21,000) within the primary trade area (approximately one (1) mile radius) and over fifty-seven thousand (57,000) in the extended trade area. The estimated 1996 median household income of Forty-nine Thousand Dollars (\$49,000) in the primary trade area and Fifty-four Thousand Dollars (\$54,000) in the secondary trade area, reflects a stable middle-class community. The projected retail trade potential within the primary and secondary trade areas is Two Hundred Four Million Dollars (\$204,000,000) and Five Hundred Sixty-three Million Dollars (\$563,000,000), respectively. Based upon a comparison of the projected retail trade potential within the primary trade area to the existing business inventory, significant leakage of local expenditures is occurring within many retail categories.

### Commercial Areas.

Despite the stability of the surrounding residential area, most of the older commercial properties along West 111<sup>th</sup> Street have declined since the 1970s. Due to the age, size and layout of the existing commercial building stock, there is a need to renovate and restore many of the older commercial buildings. The majority of these buildings rely exclusively upon on-street parking. Given the orientation of buildings toward the street and the reliance on on-street parking, an improvement of the streetscape character is needed. The poor pedestrian environment is exacerbated by narrow sidewalks and exposure to heavy traffic.

The current mix of uses lacks retail anchors that would give the business district strength and prominence. As a result, the business district plays a marginal role in terms of meeting the commercial needs of community residents. The presence of more prominent retail uses would provide a framework for the smaller scale local businesses which currently dominate the mix of businesses.

The alignment of nearby competing commercial areas is fragmented and many expenditures made by local residents take place outside the local neighborhood

area. This allows a reasonable opportunity to capture more local expenditures within the Area.

The Area exhibits an obsolete pattern of development. It does not have the functional benefits of modern commercial development, nor does it provide the pedestrian appeal of traditional urban business districts. The majority of structures were built before 1950. Buildings of this age typically require substantial maintenance and systems upgrade. Additionally, numerous businesses are located upon more than one (1) tax parcel, creating a difficult situation in terms of redevelopment since more than one (1) owner may be involved. Many businesses within the Area lack adequate parking relying solely upon on-street parking.

The lack of appeal of the physical setting of the Area is a major weakness. While the business mix within the Area does not compete directly with large regional retail centers, exposure to these facilities has made local residents accustomed to attractive retail settings. The physical setting of the Area, including building facades, pedestrian amenities and parking areas, must be improved to capture a higher proportion of local retail expenditures. In order to prevent further decline of an important community resource and to encourage private investment, an effective commercial revitalization program in the Area is required.

#### Accessibility.

The Area is served by several Chicago Transit Authority bus routes that travel along West 111<sup>th</sup> Street, South Kedzie Avenue and South Pulaski Road. The Pulaski and Kedzie routes connect to the C.T.A.'s Orange Line. The West 111<sup>th</sup> Street route connects with Metra's Rock Island stop at West 111<sup>th</sup> Street.

Sidewalk conditions range from sound to poor. The lack of streetscape amenities prevents the creation of pedestrian-friendly shopping environment. There is a strong need for parking improvements due to a reliance upon on-street parking. Heavy traffic makes on-street parking difficult to use and compromises traffic safety.

Traffic at the intersection of South Kedzie Avenue and West 111<sup>th</sup> Street experiences significant delays during peak travel times. This congestion extends to the intersections of residential streets making travel difficult for area residents. Intersection improvements are needed at the intersection of South Kedzie Avenue and West 111<sup>th</sup> Street. Adding additional traffic lanes may also be warranted.



## 3.

*Eligibility Of The Redevelopment Project Designation  
As A Conservation Area.*

The Area has declined significantly over the past several decades and will not regain long-term viability without the adoption of this Plan. The commercial center of the Area has become increasingly obsolete and no longer plays a meaningful role in serving the needs of area residents. Among the Area's challenges are:

- Buildings too small to meet the needs of many modern retailing operations.
- Lot sizes and configurations that cannot accommodate the construction of larger buildings.
- Coverage of land that precludes the provision of adequate parking.
- Diversity of ownership that hinders assemblage of land for more suitable commercial uses, especially anchor-type uses.
- Older buildings in need of rehabilitation.
- Poor access.
- Unattractive public improvements and infrastructure not up to par with competing retail areas.

In January and February, 1999, a study was undertaken by Camiros, Ltd. to determine whether the proposed Area is eligible for designation as a conservation area in accordance with the requirements of the Act. This analysis concluded that the Area so qualifies. The Act first requires that at least fifty percent (50%) of the buildings within the Redevelopment Project Area be at least thirty-five (35) years old. Seventy-five percent (75%) of the buildings within the Redevelopment Project Area are more than thirty-five (35) years old.

Once the age requirement has been met, the presence of three (3) of the fourteen (14) conditions is required for designation of improved property as a conservation area. Of the fourteen (14) factors cited in the Act for improved property, six (6) factors are present within the Redevelopment Project Area.

The following factors were found to all be present to a major extent:

- Deleterious land-use or layout (affecting fifty-four percent (54%) of all parcels).
- Depreciation of physical maintenance (affecting fifty-four percent (54%) of all parcels).
- Excessive land coverage (affecting fifty-five percent (55%) of all structures).
- Obsolescence (affecting fifty-five percent (55%) of all structures).
- Lack of community planning (characterized by piecemeal, uncoordinated development).
- Presence of structures below minimum code (present to a major extent on fifty-four percent (54%) of the twenty-eight (28) tax blocks in the Area).

For more detail on the basis for eligibility, refer to the study in Appendix B.

#### Need For Public Intervention.

The Area on the whole has not been subject to significant growth and development through investment by private enterprise. Based on present conditions, the Area is not likely to be developed without the adoption of the Plan. Further decline in the Area will occur in the absence of private-sector investment, and blight within the Area would eventually have a blighting effect on adjacent residential areas.

Redevelopment of property within the Redevelopment Project Area is not expected to occur without public intervention. The analysis of conditions within the Area includes an evaluation of construction activity between January, 1995 and December, 1998. Table 2, Building Permit Activity, summarizes construction activity within the Area by year and project type.

During this four (4) year period, a total of forty (40) building permits were issued for property within the Area. However, this level of building permit activity is not necessarily a sign of economic well-being. A certain level of building permit activity occurs merely to address basic maintenance needs. With the exception of one (1) permit issued for new construction and three (3)

permits issued for building additions, building permits within the Area were issued for general repairs or correction of building code violations.

This minimal level of investment illustrates the fundamental problem of economic and functional obsolescence of commercial property within the Area. This problem is not being resolved through private-sector investment, and a continuation of this lack of investment within an older commercial district would eventually lead to blight. Addressing the obsolescence of the Area can only be accomplished through a combination of new building construction and significant rehabilitation of existing buildings designed to meet the needs of modern retail activity.

A detailed analysis of building permit activity confirms the lack of private sector investment. The total value of construction activity in 1995, 1996, 1997 and 1998 was One Million Four Hundred Sixty-five Thousand Forty-five Dollars (\$1,465,045). While this does not represent significant reinvestment to begin with, Eight Hundred Thousand Dollars (\$800,000) of this total construction value represented the 1996 construction of an ice skating rink in Mount Greenwood Park, a public facility. Subtracting this single public construction project from the total value of building permit activity reduces the construction value to Six Hundred Sixty-five Thousand Forty-five Dollars (\$665,045) over this four (4) year period. Dividing this figure by the two hundred fifty-six (256) tax parcels within the Area results in an average of Six Hundred Fifty Dollars (\$650) of construction value per parcel per year.

This level of reinvestment is hardly sufficient to provide for basic maintenance in an older commercial district, let alone make upgrades needed to overcome the obsolescence in the Area. Based on the existing E.A.V. of the Area (Fourteen Million Three Hundred Sixty-two Thousand Two Hundred Forty-seven Dollars (\$14,362,247)), the assessment rate for commercial property (thirty-eight percent (38%)) and the State Multiplier (2.124), the approximate market value of property is Eighteen Million Dollars (\$18,000,000). The average yearly value of building permit construction activity, less the value of the ice skating rink, represents less than one percent (1%) of the market value of property within the Area.

This investment in property is very small for commercial property. Most structures in the Area are more than thirty-five (35) years old and as a result need significant improvements in building systems and interior space to serve modern users. The construction value of a single new twenty-five thousand (25,000) square foot store (Two Million Five Hundred Thousand Dollars (\$2,500,000)) would be almost double the construction value of all building permit activity in the Area over the last four (4) years (One Million Four Hundred Sixty-five Thousand Forty-five Dollars (\$1,465,045)). Clearly, the development needs of the Area would not reasonably be expected to occur without public

intervention and the adoption of this Redevelopment Plan.

It should be noted that, in spite of the lack of private sector investment, equalized assessed value (E.A.V.) within the Area grew from approximately Eleven Million Dollars (\$11,000,000) in 1991 to Fourteen Million Three Hundred Thousand Dollars (\$14,300,000) in 1997. This growth in E.A.V. could be the result of one (1) or more of several factors, including improvements to a small number of properties, or changes in assessment practices to correct previous assessments. Regardless, the increase in E.A.V. is not the result of reinvestment in property through construction activity since 1995. The lack of improvements made to property is a more definitive measure of the level of private sector investment than is the growth in E.A.V., and the former clearly demonstrates the need for public intervention.

Table 2.

Building Permit Activity (1995 -- 1998).

	1995	1996	1997	1998	Total
Construction Value					
New Construction	\$ 0	\$ 47,000	\$ 0	\$ 0	\$ 47,000
Additions	0	802,500	20,000	0	822,500
Alterations/ Repairs	30,000	160,800	276,100	128,645	595,545
Demolition	0	0	0	0	0
Total:	\$30,000	\$1,010,300	\$296,100	\$128,645	\$1,465,045
Number Of Permits Issued					
New Construction	0	1	0	0	1
Additions	0	2	1	0	3

	1995	1996	1997	1998	Total
Alterations/Repair	3	10	11	12	36
Demolition	0	0	0	0	0
Total:	3	13	12	12	40

## 4.

*Redevelopment Plan Goals And Objectives.*

The proposed 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Plan is consistent with City plans for the Area. The land uses conform to those approved by the Chicago Plan Commission.

The following community goals, redevelopment objectives and streetscape design objectives serve as the policy framework for this Redevelopment Plan.

## Community Goals:

- Reduce deleterious conditions.
- Outline a pattern for future land uses and development types.
- Promote new investment in both high quality new development and high quality rehabilitation/renovation.
- Promote job creation and local employment.
- Enhance the tax base of the Redevelopment Project Area.

## Redevelopment Objectives:

- Encourage private investment in the Redevelopment Project Area, both in new development and renovation.

- Direct development to locations, in accordance with the land-use plan and land-use strategies.
- Encourage rezoning, as needed, to facilitate development of underutilized property for uses with demonstrated market support.
- Provide opportunities for business and commercial development where there is demonstrated market support, with an emphasis on creating a mix of national and regional retailers and independent local retail.
- Encourage increased use of the Redevelopment Project Area by pedestrians.
- Improve parking to support a higher level of business activity.

Urban and Streetscape Design Objectives:

- Enhance visual character through unified design standards and guidelines for new developments, building rehabilitation and streetscape improvements.
- Coordinate the facade treatments of existing, older commercial properties along West 111<sup>th</sup> Street and South Kedzie Avenue.
- Incorporate a green space/plaza along West 111<sup>th</sup> Street to enhance commercial and institutional facility improvements.
- Add greenery as part of comprehensive infrastructure and streetscape improvements.
- Incorporate sitting areas, attractive bus shelters, landscaping and ornamental lighting throughout.

5.

*Redevelopment Plan.*

The City proposes to achieve the Plan's goals and through the use of public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

#### Site Assembly.

To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan. Over the course of the twenty-three (23) year life of the Redevelopment Project Area, it is expected that that bulk of land acquisition and assembly will be performed by the private sector.

#### Intergovernmental And Redevelopment Agreements.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one (1) or several parcels (collectively referred to as "Redevelopment Projects"). Such redevelopment agreements may be needed to support the rehabilitation or construction of allowable private improvements, in accordance with the Plan; incur costs or reimburse developers for other eligible redevelopment project costs as provided in the Act in implementing the Redevelopment Plan; and provide public improvements and facilities which may include, but are not limited to utilities, street closures, transit improvements, streetscape enhancements, signalization, parking and surface right-of-way improvements.

Terms of redevelopment as part of this redevelopment project may be incorporated in appropriate redevelopment agreements. For example, the City may agree to reimburse a redeveloper for incurring certain eligible redevelopment project costs under the Act. Such agreements may contain specific development controls as allowed by the Act.

The City requires that developers who receive T.I.F. assistance for market rate housing set aside twenty percent (20%) of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than one hundred twenty percent (120%) of the area median income, and affordable rental units should be affordable to persons earning no more than eighty percent (80%) of the area median income.

#### Job Training.

To the extent allowable under the Act, job training costs may be directed toward training activities designed to enhance the competitive advantages of the area and to attract additional employers to the Redevelopment Project Area who will provide jobs for Chicago residents. Working with employers, local community organizations and residents, job training and job readiness programs may be provided that meet employers' hiring needs, as allowed under the Act.

A job readiness/training program is a component of this Plan. The City expects to take an aggressive approach toward hiring from the community and set standards for redevelopment that maximize job opportunities for Chicago residents.

#### Relocation.

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Area, and to meet the other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

#### Analysis, Professional Services And Administrative Activities.

The City may undertake or engage professional consultants, engineers, architects, attorneys and others to conduct various analyses, studies, administrative or legal services to establish, implement and manage this Redevelopment Plan.



#### Provision Of Public Improvements And Facilities.

Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to, street closures to facilitate assembly of development sites, upgrading streets, signalization improvements, provision of streetscape amenities, parking improvements and utility improvements.

#### Financing Costs Pursuant To The Act.

Interest on any obligations issued under the Act accruing during the estimated period of construction of the redevelopment project and other financing costs may be paid from the incremental tax revenues pursuant to the provisions of the Act.

#### Interest Costs Pursuant To The Act.

Pursuant to the Act, the City may allocate a portion of the incremental tax revenues to pay or reimburse redevelopers for interest costs incurred in connection with redevelopment activities in order to enhance the redevelopment potential of the Redevelopment Project Area.

### 6.

#### *Redevelopment Project Description.*

The Plan seeks to create a strong, active and diverse business district. The Area's revitalization is based on a series of factors including the infusion of new businesses through redevelopment, enhanced existing local businesses, increased parking and reduced congestion, and an attractive physical setting.

This Plan recognizes that new investment in commercial property is needed to achieve revitalization. Every opportunity will be taken to work with existing property owners and merchants to upgrade commercial properties and uses. In certain cases, attracting new businesses and buildings may require the redevelopment of existing properties. Proposals for infrastructure improvements, such as parking, will stress projects that will serve and benefit several commercial properties in the surrounding area. A broad program of aesthetic

enhancement will consist of a comprehensive program of streetscape improvements, widespread facade renovations and aesthetically compatible new development. The components will create the quality environment required to sustain shopping activity in a competitive retail market.

Physical improvements to the Area are seen as a critical component of its overall improvement. Over the course of time, the Area has become obsolete in its physical layout and appearance. This obsolescence takes several forms. Older commercial buildings are no longer of a size and shape suitable for many types of current retail use. New buildings are needed to support vital new uses while existing buildings will require renovation to be retained. The Area also lacks adequate parking to support a higher level of business activity, and significant physical changes are needed to address this situation.

The poor overall appearance of the Area is a problem also related to obsolescence. Part of this problem stems from neglect. Property within the Area has not received the kind of reinvestment needed to keep the Area attractive to shoppers. Building facade renovation of a significant nature is needed throughout the Area. Improvements to the public rights-of-way are also needed, including a comprehensive streetscape program to help provide an attractive pedestrian shopping environment.

Based on this assessment, the role of physical improvements to the Area is twofold: 1) to improve the function of the Area in terms of the mix of uses and parking/accessibility; and 2) to make the Area more appealing to shoppers by improving its character and ambiance. The major physical improvement elements anticipated as a result of implementing the proposed Plan are outlined below.

#### Renovation Of Existing Facades And Commercial Spaces.

Existing commercial space within the business district requires significant exterior and interior renovation to accommodate attractive new businesses or to upgrade existing businesses. This might include unifying the space in adjacent buildings to create larger spaces for larger users.

#### New Development.

New development is a major element of business district revitalization and will be needed at key locations in the Area to allow for development of retail focal points. Key new development projects are expected to include increased open space, both providing pedestrian amenities and relieving existing traffic

congestion and parking restraints. Streetscape improvements will be the other aspect of such development.

#### Public Improvements.

Improvements to public infrastructure and facilities are needed to complement and attract private sector investment. Infrastructure improvements would include:

- Intersection improvements to improve traffic flow.
- Street configuration improvements to improve traffic flow.
- Streetscape enhancement.
- Creating attractive "gateways" into the business district.

Locations of specific uses or public infrastructure improvements may vary from the projects outlined above as a result of more detailed land planning and site design activities. Such variations are permitted without amendment of this Plan, as long as they are consistent with the goals and objectives and the land uses approved by the Chicago Plan Commission. Market-based redevelopment proposals should be evaluated on a case-by-case basis to determine their conformance with the established Plan goals and objectives.

#### New Parking Facilities.

New surface parking lots are needed to provide adequate parking for business district activities. The 111<sup>th</sup> Street/Kedzie Avenue Business District Improvement Plan included an inventory of parking spaces in its study area east of South Mallard Avenue. This study indicated a total of one thousand thirty (1,030) parking spaces within private lots and on public streets within the business district. With approximately six hundred thousand (600,000) of floor area within the district, and based on an accepted parking generation rate of five (5) spaces per one thousand (1,000) square feet of floor area, approximately three thousand (3,000) parking spaces would be needed in a conventional (suburban) retail environment. In an urban business district environment, a parking generation rate of three (3) spaces per one thousand (1,000) square feet of floor area would be more applicable, producing a need for one thousand eight hundred (1,800) spaces.

The need for additional parking is particularly important for areas of older buildings that will not be subject to redevelopment and will need parking to strengthen existing businesses. It is expected that these parking lots would be privately owned and remain subject to property taxes. These surface lots are envisioned as common parking lots that would be monitored and managed by the local business community. New development is expected to incorporate parking to serve new uses.

7.

*General Land-Use Plan And Map.*

The land uses proposed in the Area conform to the land uses approved by the Chicago Plan Commission. Figure 4, General Land-Use Plan, identifies land uses expected to result from implementation of the Plan in the Area. The land-use categories planned for the Area are: 1) commercial; 2) mixed-use (commercial and/or residential); 3) mixed-use (commercial and/or public); and 4) public/semi-public. The General Land-Use Plan is intended to provide a guide for future land-use improvements and developments within the Area, and focuses on improving and expanding the range of commercial land uses within the proposed core of the retail area and an appropriate mix of uses for areas peripheral to the core area. The distribution of these proposed uses within the Area is outlined below.

**Commercial.**

Proposed commercial use is located within the retail core area around the West 111<sup>th</sup> Street and South Kedzie Avenue intersection, and extending eastward along West 111<sup>th</sup> Street. Selected blocks that exhibit particular commercial strength, located west of the intersection area to South Pulaski Road, are also designated for commercial use.

**Mixed-Use (Commercial And/Or Residential).**

This mixed-use category is intended to accommodate both commercial and residential uses within an existing mixed-use area. Commercial or residential uses will likely represent a single use on a lot, but could potentially be mixed within the same building. This category of use is located along West 111<sup>th</sup> Street

on blocks where substantial residential currently exists. This category is designed to allow for commercial redevelopment and enhancement while maintaining viable existing residential uses.

Mixed-Use (Commercial And/Or Public/Semi-Public).

This mixed-use category is intended to accommodate the use and potential redevelopment of frontage along West 111<sup>th</sup> Street for commercial, public/semi-public or open space uses. The land in this category is located in a number of blocks throughout the Redevelopment Project Area.

Public.

Land under this category consists of public facilities, including Post Office with proposed expansion, at West 111<sup>th</sup> Street and South Homan Avenue, a Fire Department facility on West 111<sup>th</sup> Street (mid-block) between South Troy Street and South Albany Avenue, the Mount Greenwood Park on the south side of West 111<sup>th</sup> Street, at South Lawndale Avenue, and the Mount Greenwood branch public library at South Kedzie Avenue and West 110<sup>th</sup> Street.

The land-use strategies formulated are intended to direct development toward the most appropriate land-use pattern in each area and enhance the overall development of the Area in accordance with the goals and objectives of the Plan. Locations of specific uses, or public infrastructure improvements, may vary from the General Land-Use Plan as a result of more detailed planning and site design activities. Such variations are permitted without amendment to this Plan as long as they are consistent with the Plan goals and objectives and the land uses and zoning approved by the Chicago Plan Commission.

*Redevelopment Plan Financing.*

Tax increment financing is an economic development tool designed to facilitate the redevelopment of blighted areas and to arrest decline in areas that may become blighted without public intervention. It is expected that tax increment financing will be an important means, although not necessarily the only means, of financing improvements and providing development incentives in the Area

throughout its twenty-three (23) year life.

Tax increment financing can only be used when private investment would not reasonably be expected to occur without public assistance. The Act sets forth the range of public assistance that may be provided.

It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.

#### Eligible Project Costs.

Redevelopment project costs include the sum total of all reasonable, or necessary, costs incurred, or estimated to be incurred, and any such costs incidental to this Plan. Eligible costs may include, without limitation, the following:

1. Professional services including: costs of studies and surveys, development plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs, and including, but not limited to, architectural, engineering, legal, marketing, financial, planning or other special services, provided however, that no charges for professional services may be based on a percentage of the tax increment collected.
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, reimbursement of acquisition costs incurred by private developers and the clearing and grading of land.
3. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures.
4. Costs of the construction of public works or improvements.
5. Costs of job training and retraining projects, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one (1) or more taxing districts as provided in the Act.

6. Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and, which may include payment of interest on any obligations issued under the Act, accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and not exceeding thirty-six (36) months thereafter and including reasonable reserves related thereto.
7. All, or a portion, of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred, or to be incurred, in furtherance of the Plan, to the extent the City, by written agreement, accepts and approves such costs.
8. Relocation costs, to the extent that the City determines that relocation costs shall be paid, or that the City is required to make payment of relocation costs by state or federal law.
9. Payment in lieu of taxes.
10. Interest costs incurred by a developer related to site-specific redevelopment, as provided in the Act.

The cost of constructing new privately-owned buildings is not an eligible redevelopment project cost, unless specifically authorized by the Act.

In the event the Act is amended after the date of the approval of this Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs (such as, for example, to include the cost of construction of residential housing), or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11 -74.4-3(q)(11)) this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Table 3, Estimated Redevelopment Project Costs, which sets forth the T.I.F. eligible costs for the Plan, or otherwise adjust the line items in Table 3 without amendment to this Plan.

#### Estimated Project Costs.

A range of activities and improvements may be required to implement the Plan. The proposed eligible activities and their estimated costs over the course of the

twenty-three (23) year life of the Area are briefly described below and also shown in Table 3.

1. Professional services including planning, legal, surveys, fees and other related development costs. This budget element provides for studies and survey costs for planning and implementation of the project, including planning and legal fees, architectural and engineering, marketing, financial and special service costs. (Estimated cost: Three Hundred Thousand Dollars (\$300,000))
2. Property assembly costs, including acquisition of land and other property, real or personal, or rights or interests therein, and other appropriate and eligible costs needed to prepare the property for redevelopment. These costs may include the reimbursement of acquisition costs incurred by private developers. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve the goals and objectives of this redevelopment plan. Property assembly costs also include: demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development, site preparation, including grading and other appropriate and eligible site activities needed to facilitate new construction and environmental clean up costs associated with property assembly which are required to render the property suitable for redevelopment. (Estimated cost: Five Million Five Hundred Thousand Dollars (\$5,500,000))
3. Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures. (Estimated cost: Four Million Five Hundred Thousand Dollars (\$4,500,000))
4. Construction of public improvements, infrastructure and facilities. These improvements are intended to improve access within the Redevelopment Project Area, stimulate private investment, and address other identified public improvement needs. (Estimated cost: Three Million Three Hundred Thousand Dollars (\$3,300,000))
5. Costs of job training and retraining projects, advanced vocational education or career education, as provided for in the Act. (Estimated cost: Three Hundred Thousand Dollars (\$300,000))



6. Relocation costs, as judged by the City to be appropriate or required for further implementation of the Plan. (Estimated cost: Five Hundred Thousand Dollars (\$500,000))
7. Interest costs associated with redevelopment project financing, pursuant to the provisions of the Act. (Estimated cost: Six Hundred Thousand Dollars (\$600,000))

Table 3.

## Estimated Redevelopment Project Costs.

Program Action/Improvement	Budget
Planning, Legal, Surveys and Related Development Costs	\$ 300,000
Property Assembly	5,500,000
Rehabilitation	4,500,000
Public Improvements	3,300,000 <sup>(1)</sup>
Job Training and Retraining	300,000
Relocation	500,000

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1. This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Area. As permitted by the Act, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from the Redevelopment Project pursuant to a written agreement by the City accepting and approving such costs.

Program Action/Improvement	Budget
Interest Costs	\$ <u>600,000</u>
TOTAL:	\$15,000,000 <sup>(2)(3)</sup>

The estimated gross eligible project cost over the twenty-three (23) year period is Fifteen Million Dollars (\$15,000,000). All project cost estimates are in 1999 dollars. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to this Plan.

#### Sources Of Funds.

Funds necessary to pay for redevelopment project costs and municipal obligations, which have been issued to pay for such costs, are to be derived principally from tax increment revenues and proceeds from municipal obligations, which have as their source of payment tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

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2. The total Estimated Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. The amount of the Total Redevelopment Costs that can be incurred in the Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Area, but will not be reduced by the amount of redevelopment project costs incurred in the Area which are paid from incremental taxes generated from contiguous redevelopment project areas.
  3. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Plan.

The tax increment revenue, which will be used to fund tax increment obligations and redevelopment project costs, shall be the incremental real property taxes. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each such property in the Area. Other sources of funds, which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income and such other sources of funds and revenues as the City may, from time to time, deem appropriate. The City may incur Redevelopment Project Costs which are paid for from funds of the City other than incremental taxes and the City may then be reimbursed for such costs from incremental taxes.

The Area may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Area to pay eligible project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way and vice versa. The amount of revenue from the Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Area, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6 1-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas, or those separated only by a public right-of-way, are interdependent with those of the Area, the City may determine that it is in the best interests of the City, and in furtherance of the purposes of the Plan, that net revenues from the Area be made available to support any such redevelopment project areas and vice versa. The City therefore proposes to utilize net incremental revenues received from the Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Area and such areas. The amount of revenue from the Area made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Area, or other areas described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 3.

Development of the Area would not be reasonably expected to occur without the use of the incremental revenues provided by the Act. Redevelopment project costs include those eligible project costs set forth in the Act. Tax increment financing or other public sources will be used only to the extent needed to secure commitments for private redevelopment activity.

#### Nature And Term Of Obligations To Be Issued.

The City may issue obligations secured by the tax increment special tax allocation fund, established for the Area, pursuant to the Act or such other funds or security as are available to the City by virtue of its powers, available under the Act, pursuant to the Illinois State Constitution.

All obligations issued by the City in order to implement this Plan shall be retired within twenty-three (23) years from the adoption of the ordinance approving the original Area. The final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issuance. One (1) or more series of obligations may be sold at one (1) or more times in order to implement this Plan. The City may also issue obligations to a developer as reimbursement for project costs incurred by the developer on behalf of the City.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that the real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Area in the manner provided by the Act.

#### Most Recent Equalized Assessed Valuation.

The purpose of identifying the most recent equalized assessed valuation ("E.A.V.") of the Area is to provide an estimate of the initial E.A.V., which the Cook County Clerk will certify for the purpose of annually calculating the incremental E.A.V. and incremental property taxes of the Area. The 1997 E.A.V. of all taxable parcels in the Area is Fourteen Million Three Hundred Sixty-two Thousand Two Hundred Forty-seven Dollars (\$14,362,247). This total E.A.V. amount by P.I.N. is summarized in Appendix C. The E.A.V. is subject to verification by the Cook County Clerk.

After verification, the final figure shall be certified by the Cook County Clerk and shall become the Certified Initial E.A.V. from which all incremental property taxes in the Area will be calculated by Cook County.

This Plan has utilized E.A.V. values for the 1997 tax year. If the 1998 E.A.V. shall become available prior to the date of the adoption of this Plan by the City Council, the City may update the Plan by replacing the 1997 E.A.V. with the 1998 E.A.V. without further City Council action.

#### Anticipated Equalized Assessed Valuation.

Once the redevelopment project has been completed and the property is fully assessed, the equalized assessed valuation of real property within the Area is estimated at Twenty-five Million Dollars (\$25,000,000). This estimate has been calculated assuming that the Area will be developed in accordance with Figure 4, General Land-Use Plan, of this Plan.

The estimated E.A.V. assumes that the assessed value of property within the Area will increase substantially as a result of new development within the Area.

Calculation of the estimated E.A.V. is based on several assumptions, including: 1) redevelopment of the 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area will occur in a timely manner; 2) the application of a State Multiplier of 2.1240 to the projected assessed value of property within the Redevelopment Project Area; and 3) an annual inflation factor of two and five-tenths percent (2.5%). The projected State Multiplier was calculated by averaging the State Multipliers for Cook County for the most recent five (5) year period (1992 -- 1996).

#### Financial Impact On Taxing Districts.

In 1994, the Act was amended to require an assessment of any financial impact of the Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The following taxing districts presently levy taxes on properties located within the Area:

Cook County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago. The Water Reclamation District provides the main trunk lines for the collection of waste water from cities, villages and towns, and for the treatment and disposal thereof.

Chicago Community College District 508. The Community College District is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

South Cook County Mosquito Abatement District. The South Cook County Mosquito Abatement District provides protective measures against spread of disease, via mosquito infestation.

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs.

Chicago School Finance Authority. The Authority was created in 1980 to exercise oversight and control over the financial affairs of the Board of Education.

City of Chicago. The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, et cetera. The City also administers the City of Chicago Library Fund, formerly a separate taxing district from the City.

The proposed revitalization of the Area is not expected to create residential development that would increase demand for schools, parks and other population-based services. Anticipated redevelopment may generate an increased demand for services and/or capital improvements resulting from new commercial activity to be provided by the Metropolitan Water Reclamation District and the City of Chicago. The estimated nature of these increased demands for services on these taxing districts are described below:

Metropolitan Water Reclamation District of Greater Chicago. The proposed revitalization and redevelopment may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The proposed revitalization and redevelopment may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, et cetera.

Redevelopment of the Area may result in changes to the level of required public services. The required level of these public services will depend upon the uses that are ultimately included within the Area. Although the specific nature and timing of the private investment expected to be attracted to the Area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development and timing anticipated by the proposed Plan.

When completed, developments in the Area will generate property tax revenues for all taxing districts. Other revenues may also accrue to the City in the form of sales tax, business fees and licenses, and utility user fees. The costs of some services such as water and sewer service, building inspections, et cetera, are typically covered by user charges. However, others are not and should be subtracted from the estimate of property tax revenues to assess the net financial impact of the Plan on the affected taxing districts.

For most of the taxing districts levying taxes on property within the Area, increased service demands are expected to be negligible because they are already serving the Area. Upon completion of the Plan, all taxing districts are expected to share the benefits of a substantially improved tax base. However, prior to the completion of the Plan, certain taxing districts may experience an increased demand for services.

Three (3) City of Chicago operated facilities are currently located within the project area: 1) the Chicago Fire Department facility on West 111<sup>th</sup> Street,

between South Albany Avenue and South Troy Street; 2) a recently built Mount Greenwood Branch of the Chicago Public Library, on the southwest corner of South Kedzie Avenue and West 110<sup>th</sup> Street; and 3) the Mount Greenwood Park. The only other government facility is the United States Post Office located on the southeast corner of West 111<sup>th</sup> Street and South Homan Avenue.

It is expected that any increase in demand for the services and programs of the aforementioned taxing districts, associated with the Area, can be adequately handled by the existing services and programs maintained by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

Real estate tax revenues resulting from increases in the equalized assessed value, over and above the certified initial E.A.V. established with the adoption of this Plan, will be used to pay eligible redevelopment costs in the Area. At the end of such period, the real estate tax revenues, attributable to the increase in the equalized assessed value over the certified initial E.A.V., will be distributed to all taxing districts levying taxes against property located in the Area. Successful implementation of this Redevelopment Plan is expected to result in new development and private investment on a scale sufficient to overcome blighted conditions and substantially improve the long-term economic value of the Redevelopment Project Area.

#### Completion Of The Redevelopment Project And Retirement Of Obligations To Finance Redevelopment Project Costs.

This Plan will be completed, including the retirement of any obligations issued to finance improvements, on or before a date twenty-three (23) years from the adoption of the ordinance designating the Area. Improvements will be phased and scheduled to facilitate redevelopment of the Area, in accordance with the Redevelopment Plan.

#### 9.

#### *Provisions For Amending The Redevelopment Plan.*

This Plan may be amended pursuant to the provisions of the Act.



## 10.

*City Of Chicago Commitment To Fair Employment  
Practices And Affirmative Action.*

As part of any Redevelopment Agreement entered into by the City and the private developer, both will agree to establish and implement an affirmative action program that serves appropriate sectors of the City. Developers or redevelopers will meet City standards for participation of Minority Business Enterprises ("M.B.E.") and Woman Business Enterprises ("W.B.E."), as required in Redevelopment Agreements.

With respect to this Plan, the City is committed to and will affirmatively implement the assurance of equal opportunity in all personnel and employment actions, including, but not limited to, hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, et cetera, without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.

Anyone involved with employment or contracting activities in connection with this Plan will be responsible for conformance with this policy and the compliance requirements of applicable state and federal regulations.

The City and the private developers involved in the implementation of this Plan will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project being undertaken in the Area. Any public/private partnership established for the development project in the Area will seek to ensure and maintain a working environment free of harassment, intimidation and coercion at all sites, and in all facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

[Appendix "A" referred to in this 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Redevelopment Plan and Project constitutes Exhibit "C" to the ordinance and is printed on pages 11479 through 11484 of this Journal.]

[Appendix "C" referred to in this 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Redevelopment Plan and Project printed on pages 11468 through 11470 of this Journal.]

[Figure 1 referred to in this 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Redevelopment Plan and Project constitutes Exhibit "E" to the ordinance and is printed on page 11485 of this Journal.]

[Figures 2, 3 and 4 referred to in this 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Redevelopment Plan and Project printed on pages 11471 through 11473 of this Journal.]

Appendix "B" referred to in this 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Redevelopment Plan and Project reads as follows:

*Appendix "B".*

(To 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Redevelopment Plan And Project)

*111<sup>th</sup> Street/Kedzie Avenue Business District*

*Redevelopment Project Area.*

The purpose of this analysis is to determine whether a portion of the City identified as the 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment

Project Area qualifies for designation as a tax increment financing district pursuant to the "Tax Increment Allocation Redevelopment Act" (65 ILCS 5/11-74.1, et seq.) (1996 State Bar Edition), as amended (the "Act"). This legislation focuses on the elimination of blight or rapid deterioration through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a Redevelopment Project Area for the payment or reimbursement of eligible redevelopment project costs.

The area proposed for designation as the 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area is hereinafter referred to as the "Study Area" and is shown in Figure A.

The Study Area is approximately eighty-six (86) acres in size and includes two hundred fifty-six (256) tax parcels located on twenty-eight (28) tax blocks. All two hundred fifty-six (256) parcels are improved and one hundred forty-two (142) parcels contain buildings. The Study Area includes only contiguous parcels and street right-of-way.

This report summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd. and its subconsultants, and does not necessarily reflect the views and opinions of potential developers or the City. However, the City is entitled to rely on the findings and conclusions of this report in designating the Study Area as a redevelopment project area under the Act.

## I.

### *Introduction.*

The Tax Increment Allocation Redevelopment Act permits municipalities to induce redevelopment of eligible "blighted", "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures which must be adhered to in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. At 65 Sec 5/11-74.4-3(p), the Act defines a "redevelopment project area" as:

... an area designated by the municipality, which is not less in the aggregate than one and one-half (1½) acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a

conservation area, or combination of both blighted areas and conservation areas.

In adopting the Act, the Illinois General Assembly found:

1. (at 65 Sec 5/11-74.4-2(a)) that there exists in many municipalities within the State blighted and conservation areas...; and
2. (at 65 Sec 5/11-74.4-2(b)) that the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

The legislative findings were made on the basis that the presence of blight, or conditions which lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements which must be met before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before the tax increment financing technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a blighted area, conservation area, or an industrial park conservation area. Based on the conditions present, this eligibility report finds that the Study Area qualifies for designation as a "conservation area".

#### Conservation Areas.

Conservation areas are areas which are rapidly deteriorating and declining. Such areas are not yet blighted, but may soon become blighted areas if their decline is not checked. Establishing an area as a "conservation area" under the Act requires that fifty percent (50%) or more of the structures in the area must be thirty-five (35) years of age or older, and the presence of three (3) or more of the following fourteen (14) factors:

- Abandonment.
- Deleterious land-use or layout.
- Deterioration.

- Depreciation of physical maintenance.
- Dilapidation.
- Excessive land coverage.
- Illegal use of individual structures.
- Excessive vacancies.
- Lack of community planning.
- Lack of ventilation, light or sanitary facilities.
- Obsolescence.
- Overcrowding of structures and community facilities.
- Presence of structures below minimum code standards.
- Inadequate utilities.

Although the Act defines conservation areas, it does not define when the factors present qualify an area for such designation. Therefore, it is necessary to establish reasonable and defensible criteria to support each local finding that serves to qualify an area as a conservation area.

The presence and documentation of the minimum number of factors may be sufficient to establish eligibility for designation as a conservation area. However, this evaluation was made on the basis that such factors should be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate, or necessary, in the Study Area. In other words, each factor identified should be present to a meaningful degree so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act. Similarly, factors should be reasonably distributed throughout the Study Area so that areas largely free of blighting conditions are not arbitrarily found to be eligible because of their proximity to areas which are eligible.

The test of eligibility of the Study Area is based on the conditions of the area as a whole. The Act does not require that eligibility be established for each and every property in the Study Area.

## 2.

*Eligibility Studies And Analysis.*

An analysis was undertaken to determine whether any or all of the blighting factors listed in the Act are present in the Study Area and, if so, to what extent and in which locations.

In order to accomplish this evaluation, the following tasks were undertaken:

1. Exterior survey of the condition and use of each building.
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance.
3. Analysis of existing land uses and their relationships.
4. Comparison of surveyed buildings to zoning regulations.
5. Analysis of the current platting, building size and layout.
6. Analysis of building floor area and site coverage.
7. Review of previously prepared plans, studies, inspection reports and other data.
8. Analysis of real estate assessment data.
9. Review of available building permit records to determine the level of development activity in the area.
10. Review of building code violations.

An exterior building conditions survey, and a site conditions survey of the area, was undertaken in January, 1999. The analysis of conditions is organized by tax block. The Study Area contains twenty-eight (28) tax blocks, as shown in Figure B.

Where a factor is described as being present to a major extent, the factor is present throughout major portions of the Study Area. The presence of such conditions have a major adverse impact or influence on adjacent and nearby

development. A factor described as being present to a minor extent indicates that the factor is present, but that the distribution or impact of the condition is limited. A statement that a factor is not present indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. Factors whose presence could not be determined with certainty were not considered in establishing eligibility.

Each factor identified in the Act for determining whether an area qualifies as a conservation area is discussed below and a conclusion is presented as to whether or not the factor is present in the study area to a degree sufficient to warrant its inclusion in establishing the eligibility of the area as a "conservation area" under the Act. These findings describe the conditions that exist and the extent to which each factor is present.

3.

*Presence And Distribution Of Eligibility Factors*

Within the Study Area, all two hundred fifty-six (256) parcels were defined as improved. For this reason, all tax parcels were analyzed for eligibility based on factors for improved property. Improved property includes parcels that contain buildings, structures, parking or other physical improvements. Improved property may also include single parcels, or multiple parcels, under a single or common ownership. Landscaped yards, open space or other accessory functions may also be classified as improved property for the purposes of the eligibility analysis, if they are an obvious part of adjacent buildings.

In order to establish the eligibility of a Redevelopment Project Area under the "conservation area" criteria established in the Act, at least fifty percent (50%) of buildings within the Area must be thirty-five (35) years of age or older. In addition, three (3) of fourteen (14) eligibility factors must be present and reasonably distributed throughout the Study Area. This eligibility study finds that the Study Area qualifies for designation as a "conservation area". Seventy-five percent (75%) of all buildings within the Study Area are at least thirty-five (35) years of age. This is substantially more than the minimum of fifty percent (50%) required by the Act for designation. Additionally, six (6) of the conditions cited in the Act are present within the Study Area. These six (6) conditions are all present to a major extent and include: deleterious land-use or layout, depreciation of physical maintenance, obsolescence, excessive land coverage, lack of community planning and presence of structures below minimum code standards.

The presence and distribution of all eligibility factors are discussed below. Following the discussion of age, fourteen (14) additional conditions that were analyzed are presented in three (3) sections: factors present to a major extent, factors not found to be present, and factors whose presence could not be determined.

#### Age.

The age of a structure is often a key indicator of the relative usefulness of a piece of property. Older structures frequently require extensive maintenance in order to maintain mechanical systems or maintain structural integrity. The costs involved in maintaining and upgrading aging buildings often create adverse impacts on existing users and create impediments to the marketability and reuse of industrial or commercial structures.

In establishing a conservation area under the Act, the age of thirty-five (35) years is used as an indication of the point at which it becomes a potentially blighting factor with respect to structures within a study area. For buildings intended for long-term occupancy, this is the point at which building systems can be expected to begin to fail, and building types may become obsolete, as a result of changing technology or use. For buildings that are designed for a shorter life span, age can become a blighting factor even in relatively new buildings.

Seventy-five percent (75%) of buildings within the Study Area are more than thirty-five (35) years old, substantially more than the fifty percent (50%) required under the Act for designation of a conservation area. Of the twenty-eight (28) tax blocks in the Study Area, older buildings are present to a major extent on thirteen (13) blocks and to a minor extent on nine (9) blocks.

The following discussion describes the extent to which each of the fourteen (14) eligibility factors for designation of a conservation area are present within the Study Area.

#### Factors Present To A Major Extent. . .

##### Deleterious Land-Use Or Layout.

Deleterious land uses include instances of incompatible land-use relationships, single-purpose buildings converted to accommodate other activity, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable. This condition also exists if



any of the following are present:

- Platting does not conform to current development codes with respect to lot size, configuration and public access.
- Parcels are of inadequate size or shape for contemporary development.
- Land uses are non-conforming with respect to current zoning.
- There are land-use conflicts with adjacent land uses.
- Single purpose buildings have been converted to accommodate another activity, or buildings are occupied by inappropriate mixed uses.
- Residential uses front on, or near, heavily traveled streets, thus causing susceptibility to noise, fumes and glare.
- Structures are located in a one hundred (100) year flood plain.
- Environmental contamination is present, which hampers reuse.

This factor is present to a major extent, affecting fifty-four percent (54%) of the parcels within the Study Area (or one hundred thirty-eight (138) of two hundred fifty-six (256)). Of the twenty-eight (28) tax blocks in the Study Area, this factor was present to a major extent on twelve (12) and to a minor extent on eight (8). Parcels are of inadequate size and shape for modern commercial development. They are characterized by narrow lot widths and insufficient lot depths. Minimal off-street parking is provided for commercial employees or customers. There are several instances of land-use conflicts between commercial and residential uses, as well as instances of conflicts between commercial and industrial uses.

#### Depreciation Of Physical Maintenance.

This factor refers to the effects of deferred maintenance or lack of maintenance of buildings, improvements and grounds. This condition is present where buildings have unpainted or unfinished surfaces, peeling paint, limited amounts of loose, or missing, materials, broken windows, deteriorated gutters and downspouts, or are in need of minor tuck pointing. Deterioration of streetlights, sidewalks, curbs and gutters adjacent to the building, the presence of construction debris, deteriorated parking areas or parking areas that exhibit an accumulation of trash or debris also are indicative of depreciation of physical maintenance.

Depreciation of Physical Maintenance was found to be a significant blighting factor. Fifty-four percent (54%) of all parcels (or one hundred thirty-eight (138) of two hundred fifty-six (256)) in the Study Area evidenced this condition. Of the twenty-eight (28) tax blocks in the Study Area, this factor was present to a major extent on eighteen (18) and to a minor extent on six (6).

#### Excessive Land Coverage.

This condition is present when buildings occupy all, or most, of the lot, leaving little or no space for off-street parking, off-street loading and open space amenities. Problem conditions include buildings that are improperly situated on the parcel or buildings that are located on parcels of inadequate size and shape in relation to contemporary standards of development, health or safety. The resulting inadequate conditions include insufficient provision for light and air, increased threat of the spread of fires, due to the close proximity of nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, or inadequate provision for loading and service. Excessive land coverage frequently has an adverse or blighting influence on nearby development.

This condition is present to a major extent throughout the Study Area. Overall, fifty-five percent (55%) of all structures (seventy-eight (78) of one hundred forty-two (142)) were found to exhibit this condition. Of the twenty-eight (28) tax blocks in the Study Area, this factor was present to a major extent on six (6) and to a minor extent on seventeen (17) blocks. Most commercial buildings occupy all, or most, of their sites, leaving little opportunity to provide off-street parking or loading facilities.

#### Obsolescence.

Functional obsolescence is characterized by buildings designed for a single, or specific, purpose or use, buildings of inadequate size to accommodate alternative uses, or buildings using a type of construction which limits long term use and marketability. Site improvements such as water and sewer lines, public utility lines, roadways, parking areas, parking structures, sidewalks, curbs and gutters, and lighting may be inadequate or obsolete in relation to contemporary standards for such improvements. Functional obsolescence includes poor design or layout, improper orientation of the building on the site, inadequate loading facilities, height, or other factors which detract from the overall usefulness or desirability of the property. As an inherent deficiency, functional obsolescence results in a loss in property value.

Economic obsolescence may be evidenced by a variety of factors including deterioration of the physical environment, streets of inadequate width, or parcels of inadequate size or irregular shape which prevent reasonable development. This condition is often a result of adverse conditions, which cause some degree of market rejection and, therefore, a depreciation of market values.

The presence of this condition is demonstrated by the many narrow commercial buildings along West 111<sup>th</sup> Street that lack adequate off-street parking and loading facilities, and which therefore cannot be easily marketed for commercial uses. This condition was found to be present to a major extent throughout the Study Area, with seventy-eight (78) of one hundred forty-two (142) structures, or fifty-five percent (55%), being classified as obsolete. Of the twenty-eight (28) tax blocks in the Study Area, this factor was present to a major extent on six (6) and to a minor extent on seventeen (17).

#### Lack Of Community Planning.

This factor is present if the proposed redevelopment project area developed prior to, or without the benefit and guidance of a community plan. This means that no plan for the overall development of the community existed, the community's plan was inadequate, or that the plan was ignored at the time the area was developed.

Lack of community planning is also indicated when there are inadequate public utilities, or plans for utility improvements, that would allow the property to be developed in accordance with the intensity of use identified in the municipality's comprehensive plan or zoning ordinance or other economic development plans for the area. This factor is also present if public improvements serving the site, including streets, streetlights and other utility systems, do not meet current municipal standards. Similarly, lack of community planning is indicated if private improvements, including parking lots, screening and organization of buildings within the site, do not meet accepted community development standards.

Conditions resulting from a lack of community planning include the existence of incompatible land uses, the lack of proper development of vacant or improved sites, and the presence of inconsistent platting, including parcels of small or irregular shapes, the presence of nonconforming uses with respect to zoning, inadequate street layout or improper subdivision.

This condition is prevalent to a major extent throughout the Study Area. The pattern of land-use, organization of public improvements and traffic conditions within the Study Area evidence a lack of community planning. The pattern of

land-use within the Study Area is comprised of a mix of commercial, public, institutional and residential uses. While a mix of uses can contribute to the vitality of a business area, the proportions and manner in which these mixed uses are organized makes it difficult to sustain a healthy level of business activity. The area west of South Central Park Avenue, in particular, contains a mix use in which there is not enough commercial use to sustain a healthy level of business activity. The south side of West 111<sup>th</sup> Street, between South Central Park Avenue and South Pulaski Road, is comprised entirely of school and park/open space uses, making it difficult for commercial uses on the north side of the street to prosper. With proper planning, the pattern of use could have been organized to place uses in locations more suitable for their function.

In addition, inconsistencies in the platting of public rights-of-way, particularly alleys, have created circulation problems and have complicated access to property. Traffic congestion conflicts with on-street parking, making it difficult to access commercial properties from the street. Furthermore, no evidence exists of this Area being the subject of a comprehensive planning study, prior to the 1997 111<sup>th</sup> Street/Kedzie Avenue Business District Improvement Plan. While the 1997 plan outlined a series of proposals for addressing problems in the business district, these problems were long standing and due, in part, to a prior lack of community planning. Of the twenty-eight (28) tax blocks in the Study Area, this factor was present to a major extent on twelve (12) and to a minor extent on six (6) blocks.

#### Presence Of Structures Below Minimum Code Standards.

This factor is present when structures do not conform with local standards of building, fire, housing, zoning, subdivision or other applicable governmental codes. Structures below minimum code standards include all buildings which do not meet the standards of zoning, subdivision, building, housing, fire, property maintenance or other governmental codes applicable to the property. The principal purposes of such codes are to require that buildings be constructed in such a way that they can sustain the loads expected from the type of occupancy and are safe for occupancy against fire and similar hazards, and/or to establish minimum standards for safe and sanitary habitation. Buildings below minimum code are characterized by defects or deficiencies which threaten health and safety.

This factor is present to a major extent within the Study Area. More than half of the buildings on fifteen (15) of the twenty-eight (28) tax blocks (fifty-four percent (54%)) had code violations. On another ten (10) blocks, code violations were also present but affected less than fifty percent (50%) of the buildings on the block. Of the one hundred forty-two (142) buildings within the Study Area,

fifty-two (52) or thirty-seven percent (37%) have been cited with code violations since 1994 according to City records. Many of these buildings exhibit a pattern of chronic code violations over a ten (10) to fifteen (15) year period.

#### Factors Not Found To Be Present.

##### Abandonment.

Abandoned buildings reflect property in which all apparent use of, or interest in, the structure by the owner has been discontinued. Unlike vacant buildings, for which new users are being sought, abandoned property generally shows no evidence of ongoing maintenance or marketing. Such property is frequently also deteriorated or dilapidated, and may have tax delinquencies or contain environmental contaminants which limit its economic value and reuse potential. The presence of substantial numbers of abandoned buildings in an area can discourage private investment and lead to further decline.

This condition was not found to be present within the Study Area to a degree sufficient to merit its inclusion as a blighting factor. No abandoned buildings were identified within the Study Area.

##### Deterioration.

This condition is present when there are physical deficiencies in buildings or site improvements requiring treatment or repair. Deterioration may be present in basically sound buildings that contain defects that can be corrected. Deterioration that is not easily correctable, and cannot be accomplished during the course of normal maintenance, may also be evident. Examples of conditions that indicate deterioration include loose or missing materials, major cracks in masonry walls, rusted support beams and columns, and deteriorated roofs requiring replacement or major repair. Such defects may involve either primary building components (foundations, walls, roofs) or secondary building components (doors, windows, porches, fascia materials, gutters and downspouts). All buildings classified as dilapidated are also considered to be deteriorating.

Deterioration was not found to be present within the Study Area to a significant extent. Overall, eight (8) out of one hundred forty-two (142) buildings, or six percent (6%), were found to be deteriorated. Of the twenty-eight (28) tax blocks in the Study Area, this factor was present to a major extent on none and to a minor extent on two (2) blocks.

#### Dilapidation.

This factor reflects a substandard condition of a building's foundation, wall or roof elements where deterioration has occurred to such an extent that rehabilitation is not practical or economically feasible. Such structures typically exhibit major structural fatigue, such as leaning or warped walls, bowed or sagging roofs, or cracked or missing foundation walls.

Dilapidation was not found to be present within the Study Area. No structures were found to be dilapidated.

#### Excessive Vacancies.

This condition is present when the occupancy, or use level, of a building is low for frequent or lengthy periods. The presence of buildings or sites which are unoccupied or underutilized generally represents an adverse influence on the area. Excessive vacancies include abandoned properties which evidence no apparent effort directed toward their occupancy or utilization.

Excessive Vacancies were not found to be present within the Study Area to a significant extent. Only three (3) buildings or two percent (2%) out of the one hundred forty-two (142) total were identified, as evidenced by empty or partially empty commercial buildings. Of the twenty-eight (28) tax blocks in the Study Area, this factor was present to a major extent on none and a minor extent on two (2) blocks.

#### Factors Whose Presence Could Not Be Determined.

#### Illegal Use Of Individual Structures.

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law. This condition also exists when the use of a structure does not conform to the requirements of the existing zoning code.

This condition could not be assessed with certainty within the Study Area and therefore is not considered present to a degree sufficient to warrant its inclusion as a blighting factor. Almost all buildings are being used for their original purpose and appear to conform to the City of Chicago Zoning Ordinance.

#### Lack Of Ventilation, Light Or Sanitary Facilities.

Conditions, such as lack of indoor plumbing, lack of adequate windows, or other means of providing ventilation or light, can negatively influence the health and welfare of a buildings residents or users. Typical requirements for ventilation, light and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in rooms without windows, such as bathrooms, and dust, odor or smoke producing activity areas.
- Adequate natural light and ventilation by means of skylights or windows for interior rooms, with proper window sizes and amounts by room area to window area ratios.
- Adequate sanitary facilities, including garbage storage, bathroom facilities, hot water and kitchens.

The presence of this factor could not be assessed through the exterior building condition survey, and other available information, to a degree sufficient to warrant its inclusion as a blighting factor present within the Study Area.

#### Overcrowding Of Structures And Community Facilities.

This condition exists when a structure or community facility has reached a level of use beyond a designed or legally permitted level. Overcrowding is often found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without adequately meeting requirements for minimum floor area, privacy, ingress and egress, loading and services, or the capacity of building systems. Evidence of this condition may include the outside storage of materials that cannot be contained in enclosed buildings, or vehicles that cannot be stored in buildings or enclosed storage yards.

This condition could not be assessed with certainty, and is therefore not considered present within the Study Area to a degree sufficient to warrant its inclusion as a blighting factor.

#### Inadequate Utilities.

This factor exists in the absence of one (1) or more of the following utilities

serving the site: gas, electricity, water, sanitary sewer or storm sewer. This factor is also present when the existing utilities are inadequate to accommodate the level of development permitted under current zoning, or envisioned under the comprehensive plan or adopted redevelopment plan for the area.

This factor does not appear to be present within the Study Area since all property is presently served by the appropriate utilities, and nearly all properties are in active use. As it could not be determined with certainty, it is not considered to be a blighting factor present within the Study Area.

4.

*Determination Of Study Area Eligibility.*

The Study Area qualifies for designation as a "conservation area". Seventy-five percent (75%) of all buildings within the Study Area are at least thirty-five (35) years of age. This is substantially more than the minimum of fifty percent (50%) required by the Act for designation.

Once the age requirement has been met, the presence of three (3) of fourteen (14) conditions is required for designation of improved property as a "conservation area". Of the conditions cited in the Act, six (6) are present within the Study Area.

The conditions present to a major extent are:

- Deleterious land-use or layout.
- Depreciation of physical maintenance.
- Obsolescence.
- Excessive land coverage
- Lack of community planning.
- Presence of structures below minimum code.

All of these factors are reasonably distributed throughout the Study Area.



Based on the conditions present, the area is not likely to be effectively developed without the designation of all, or part, of the Study Area as a "conservation area" and the adoption of a tax increment redevelopment plan and project. The distribution of factors within the Study Area is presented in Table A, Distribution of Blighting Factors, shown on the following page.

[Figure "A" referred to in this 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Eligibility Report constitutes Exhibit "E" to the ordinance and printed on page 11485 of this Journal.]

[Figure "B" and Table "A" referred to in this 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area Eligibility Study printed on pages 11466 through 11467 of this Journal.]

*Exhibit "B".*  
(To Ordinance)

State of Illinois )  
                  )SS.  
County of Cook )

*Certificate.*

I, Raymond Redell, the duly authorized, qualified and Assistant Secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a resolution adopted by the Community Development Commission of the City

(Continued on page 11474)

Figure "B".  
(To 111<sup>th</sup> Street/Kedzie Avenue Business District  
Redevelopment Project Area Eligibility Report)

Tax Blocks Map

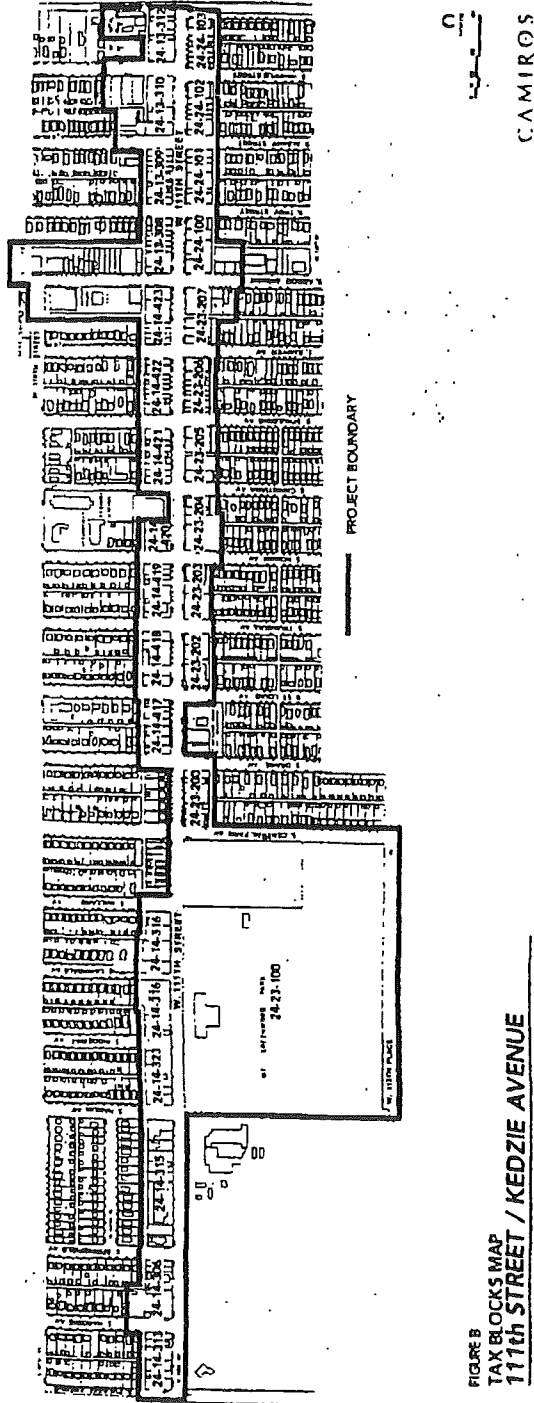


FIGURE B  
TAX BLOCKS MAP  
111th STREET / KEDZIE AVENUE  
BUSINESS DISTRICT REDEVELOPMENT PROJECT AREA  
PREPARED FOR: CITY OF CHICAGO

Table "A".  
(To 111<sup>th</sup> Street/Kedzie Avenue Business District  
Redevelopment Project Area Eligibility Report)

Distribution Of Blighting Factors.

Block	Blighting Factors														
	Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14
24-13-312	X				X										
24-13-310															X
24-13-309					X										
24-13-308					X										X
24-14-423			X								X				X
24-14-422					X										
24-14-421	X				X										
24-14-420			X								X				
24-14-419					X										
24-14-418	X		X				X				X	X			X
24-14-417	X		X		X						X				
24-23-200	X				X										
24-23-202			X								X				X
24-23-203			X								X				X
24-23-204			X		X						X				
24-23-205			X		X						X				X
24-23-206	X				X		X				X				
24-23-207	X				X										
24-24-100	X		X								X				
24-24-101	X		X		X						X				X
24-24-102			X				X				X	X			X
24-24-103	X		X		X		X				X	X			X
24-14-316	X				X		X				X				X
24-14-323					X										
24-14-315	X						X				X				X
24-14-306															X
24-14-313	X				X										X
24-23-100					X										X
X		13	0	12	0	18	0	6	-	0	-	12	6	-	15
		9	0	8	2	6	0	17	-	2	-	6	17	-	10
Total		22	0	20	2	24	0	23	-	2	-	18	23	-	25

- X - Present to a major extent
- o - Present to a minor extent
- .
- Presence of factor could not be determined

Blighting Factor Legend:

- 1. Abandonment
- 2. Deleterious Land Use or Layout
- 3. Deterioration
- 4. Depreciation of Physical Maintenance
- 5. Dilapidation
- 6. Excessive Land Coverage
- 7. Illegal Use of Structures
- 8. Excessive Vacancies
- 9. Inadequate Utilities
- 10. Lack of Community Planning
- 11. Obsolescence
- 12. Lack of Ventilation, Light or Sanitary Facilities
- 13. Overcrowding of Structures and Community Facilities
- 14. Presence of Structures Below Minimum Code

## Appendix "C"

(To 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment  
Project Area Redevelopment Plan And Project)

## 1997 Equalized Assessed Value.

(Page 1 of 3)

Total 1997 Equalized Assessed Value (EAV) = \$14,362,247

Block	PIN	1997 AV	1997 EAV	Block	PIN	1997 AV	1997 EAV
24-13-308	023-0000	\$24,545	\$52,745	24-14-422	039-0000	\$3,850	\$8,273
24-13-308	024-0000	\$24,545	\$52,745	24-14-422	040-0000	\$3,850	\$8,273
24-13-308	025-0000	\$16,366	\$35,169	24-14-422	041-0000	\$41,011	\$88,129
24-13-308	026-0000	\$16,465	\$35,382	24-14-423	066-0000	EX	EX
24-13-308	027-0000	\$16,017	\$34,419	24-14-423	019-0000	\$64,472	\$138,544
24-13-308	028-0000	\$20,463	\$43,973	24-14-423	020-0000	\$58,797	\$126,349
24-13-308	029-0000	\$30,351	\$65,221	24-14-423	021-0000	\$5,013	\$17,219
24-13-308	030-0000	\$24,010	\$51,595	24-14-423	022-0000	\$24,845	\$53,389
24-13-308	031-0000	\$15,075	\$32,395	24-14-423	023-0000	\$41,864	\$90,176
24-13-308	032-0000	\$12,508	\$22,378	24-14-423	024-0000	\$25,154	\$54,053
24-13-308	036-0000	\$4,125	\$8,864	24-14-423	025-0000	\$8,334	\$17,909
24-13-308	037-0000	\$4,125	\$8,864	24-14-423	026-0000	\$8,334	\$17,909
24-13-308	038-0000	\$4,125	\$8,864	24-14-423	027-0000	\$4,653	\$9,999
24-13-308	039-0000	\$4,125	\$8,864	24-14-423	028-0000	\$4,653	\$9,999
24-13-308	040-0000	\$25,238	\$54,234	24-14-423	029-0000	\$4,653	\$9,999
24-13-308	041-0000	\$25,786	\$55,412	24-14-423	030-0000	\$4,653	\$9,999
24-13-308	042-0000	\$25,238	\$54,234	24-14-423	031-0000	\$30,142	\$64,772
24-13-308	043-0000	\$20,099	\$43,191	24-14-423	032-0000	\$30,142	\$64,772
24-13-308	085-0000	\$74,457	\$160,001	24-14-423	033-0000	EX	EX
24-13-308	086-0000	\$33,829	\$72,695	24-14-423	034-0000	EX	EX
24-13-308	087-0000	\$27,775	\$59,686	24-14-423	035-0000	EX	EX
24-13-308	088-0000	\$25,118	\$53,976	24-14-423	036-0000	EX	EX
24-13-308	089-0000	\$23,408	\$50,301	24-14-423	037-0000	\$51,482	\$110,635
24-13-308	090-0000	\$10,640	\$22,864	24-14-423	038-0000	\$51,482	\$110,635
24-13-308	091-0000	\$19,736	\$42,411	24-14-423	039-0000	\$51,482	\$110,635
24-13-308	092-0000	\$21,181	\$45,516	24-14-423	040-0000	\$51,482	\$110,630
24-13-308	093-0000	\$13,771	\$25,093	24-14-423	041-0000	\$41,034	\$88,178
24-13-308	101-0000	4224	9077	24-14-423	042-0000	\$8,472	\$18,205
24-13-308	102-0000	8929	19188	24-14-423	043-0000	\$9,588	\$20,604
24-13-309	072-0000	\$32,548	\$75,744	24-23-100	005-0000	EX	EX
24-13-309	073-0000	\$12,172	\$26,156	24-23-100	007-0000	EX	EX
24-13-309	074-0000	\$12,552	\$26,973	24-23-100	008-0000	EX	EX
24-13-309	075-0000	\$16,062	\$34,516	24-23-200	005-0000	\$40,119	\$86,212
24-13-309	076-0000	EX	EX	24-23-200	006-0000	\$7,994	\$17,178
24-13-309	077-0000	\$3,850	\$8,273	24-23-200	007-0000	\$7,994	\$17,178
24-13-309	078-0000	\$5,082	\$10,921	24-23-200	008-0000	\$23,448	\$50,387
24-13-310	034-0000	\$9,606	\$20,642	24-23-200	009-0000	\$4,435	\$9,530
24-13-310	035-0000	\$10,680	\$22,950	24-23-200	086-0000	\$22,894	\$49,197
24-13-310	036-0000	\$13,094	\$28,138	24-23-200	087-0000	\$22,894	\$37,888
24-13-310	037-0000	\$13,166	\$28,829	24-23-200	088-0000	\$8,490	\$13,744
24-13-310	038-0000	\$53,724	\$115,448	24-23-200	089-0000	\$22,572	\$48,505
24-13-310	075-0000	\$3,930	\$8,445	24-23-202	069-0000	\$19,172	\$41,199

## Appendix "C".

(To 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment  
Project Area Redevelopment Plan And Project)

## 1997 Equalized Assessed Value.

(Page 2 of 3)

Block	PIN	1997 AV	1997 EAV	Block	PIN	1997 AV	1997 EAV
24-13-310	076-0000	\$7,012	\$15,068	24-23-202	070-0000	\$18,773	\$40,341
24-13-310	077-0000	\$7,314	\$15,717	24-23-202	071-0000	\$3,300	\$7,091
24-13-310	078-0000	\$7,314	\$15,717	24-23-202	072-0000	\$3,300	\$7,091
24-13-310	079-0000	\$7,314	\$15,717	24-23-202	084-0000	\$3,300	\$7,091
24-13-310	080-0000	\$7,314	\$15,717	24-23-202	086-1001	\$7,516	\$11,651
24-13-310	081-0000	\$9,525	\$20,468	24-23-202	086-1002	\$5,641	\$12,122
24-13-310	082-0000	\$71,834	\$154,364	24-23-202	086-1003	\$7,315	\$8,719
24-13-310	083-0000	\$52,247	\$112,274	24-23-202	086-1004	\$7,299	\$11,185
24-13-310	084-0000	\$172,156	\$369,946	24-23-202	086-1005	\$7,532	\$11,686
24-13-310	086-0000	\$7,156	\$15,378	24-23-202	086-1006	\$7,438	\$15,984
24-13-310	087-0000	\$7,156	\$15,378	24-23-202	086-1007	\$7,516	\$11,651
24-13-310	088-0000	\$6,482	\$13,929	24-23-202	086-1008	\$7,315	\$11,219
24-13-310	089-0000	\$7,156	\$15,378	24-23-202	086-1009	\$7,315	\$11,219
24-13-310	090-0000	\$7,156	\$15,378	24-23-202	086-1010	\$7,238	\$11,054
24-13-312	002-0000	\$11,014	\$19,168	24-23-202	086-1011	\$7,393	\$15,887
24-13-312	006-0000	\$42,462	\$91,247	24-23-202	086-1012	\$7,439	\$11,486
24-13-312	007-0000	\$17,846	\$38,349	24-23-202	086-1013	\$7,516	\$11,651
24-13-312	008-0000	\$5,987	\$12,865	24-23-202	086-1014	\$7,315	\$15,719
24-13-312	013-0000	\$14,547	\$31,260	24-23-202	086-1015	\$16,124	\$34,649
24-13-312	015-0000	\$16,099	\$34,595	24-23-202	086-1016	\$35,727	\$76,774
24-13-312	016-0000	\$26,927	\$57,863	24-23-202	086-1017	\$8,971	\$19,278
24-13-312	019-0000	\$71,094	\$152,774	24-23-202	086-1018	\$18,348	\$39,428
24-13-312	020-0000	\$59,616	\$128,109	24-23-202	086-1019	\$11,113	\$23,881
24-14-306	053-0000	\$104,552	\$224,672	24-23-203	001-0000	\$13,099	\$28,148
24-14-306	054-0000	\$5,303	\$11,396	24-23-203	002-0000	\$11,534	\$24,785
24-14-306	075-0000	\$12,718	\$27,330	24-23-203	003-0000	\$11,534	\$24,785
24-14-306	077-0000	EX	EX	24-23-203	004-0000	\$8,754	\$18,811
24-14-306	078-0000	\$41,200	\$88,535	24-23-203	061-0000	\$105,731	\$227,205
24-14-313	023-0000	\$29,756	\$63,943	24-23-204	001-0000	EX	EX
24-14-313	024-0000	\$10,409	\$22,368	24-23-204	026-0000	\$21,375	\$45,933
24-14-313	030-0000	\$100,185	\$215,888	24-23-204	027-0000	\$21,375	\$45,933
24-14-313	031-0000	\$80,630	\$173,266	24-23-204	028-0000	\$3,171	\$6,814
24-14-315	011-0000	\$15,176	\$28,112	24-23-204	029-0000	\$6,186	\$13,293
24-14-315	018-0000	\$41,176	\$88,483	24-23-204	030-0000	\$1,537	\$3,303
24-14-315	019-0000	\$5,947	\$12,780	24-23-205	001-0000	\$83,040	\$178,445
24-14-315	020-0000	\$37,148	\$79,827	24-23-205	062-0000	\$9,332	\$20,054
24-14-315	021-0000	\$42,322	\$90,946	24-23-205	063-0000	\$8,987	\$19,312
24-14-315	022-0000	\$5,978	\$12,846	24-23-205	064-0000	\$8,127	\$17,464
24-14-315	043-0000	\$424,550	\$912,315	24-23-205	065-0000	\$17,948	\$38,568
24-14-316	061-0000	\$18,886	\$40,584	24-23-205	066-0000	\$18,153	\$39,009
24-14-316	064-0000	\$73,192	\$157,282	24-23-206	003-0000	\$1,600	\$3,438
24-14-316	070-0000	\$27,506	\$59,108	24-23-206	004-0000	\$10,175	\$13,043
24-14-316	071-0000	\$39,452	\$84,778	24-23-206	005-0000	\$19,475	\$37,350
24-14-316	073-0000	\$103,551	\$222,521	24-23-206	006-0000	\$22,819	\$44,536
24-14-316	080-0000	\$42,274	\$90,843	24-23-206	007-0000	\$26,396	\$56,722
24-14-316	081-0000	\$3,899	\$8,379	24-23-206	008-0000	\$73,494	\$157,831
24-14-323	026-0000	\$12,127	\$26,060	24-23-206	070-0000	\$22,872	\$49,150
24-14-323	027-0000	\$13,106	\$28,163	24-23-206	084-0000	\$16,625	\$35,725

## Appendix "C".

(To 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment  
Project Area Redevelopment Plan And Project)

## 1997 Equalized Assessed Value.

(Page 3 of 3)

Block	PIN	1997 AV	1997 EAV	Block	PIN	1997 AV	1997 EAV
24-14-323	028-1001	\$9,499	\$15,912	24-23-206	085-0000	\$20,164	\$43,330
24-14-323	028-1002	\$11,399	\$19,995	24-23-207	032-0000	\$31,532	\$67,759
24-14-323	028-1003	\$11,399	\$19,995	24-23-207	033-0000	\$27,135	\$58,310
24-14-316	059-0000	\$58,967	\$122,214	24-23-207	034-0000	\$16,009	\$34,402
24-14-417	020-0000	\$26,719	\$57,416	24-23-207	035-0000	\$6,217	\$13,360
24-14-417	021-0000	\$17,999	\$38,678	24-23-207	036-0000	\$15,874	\$30,612
24-14-417	022-0000	\$17,999	\$38,678	24-23-207	037-0000	\$14,247	\$27,115
24-14-417	023-0000	\$26,200	\$54,051	24-23-207	038-0000	\$31,920	\$68,593
24-14-417	024-0000	\$26,200	\$54,051	24-23-207	039-0000	\$18,539	\$39,838
24-14-417	027-0000	\$23,942	\$51,449	24-23-207	077-0000	\$108,259	\$232,638
24-14-417	028-0000	\$25,788	\$55,416	24-23-207	078-0000	\$41,445	\$89,061
24-14-417	029-0000	\$20,759	\$44,609	24-24-100	001-0000	\$43,143	\$92,710
24-14-417	032-0000	\$21,019	\$45,168	24-24-100	002-0000	\$65,194	\$140,095
24-14-417	033-0000	\$12,247	\$26,318	24-24-100	003-0000	EX	EX
24-14-418	019-0000	\$68,288	\$146,744	24-24-100	004-0000	EX	EX
24-14-418	020-0000	\$4,224	\$9,077	24-24-100	005-0000	\$32,275	\$69,356
24-14-418	021-0000	\$13,770	\$29,590	24-24-100	006-0000	\$34,123	\$73,327
24-14-418	022-0000	\$36,434	\$78,293	24-24-100	007-0000	\$17,075	\$36,692
24-14-418	023-0000	\$36,434	\$78,293	24-24-100	008-0000	\$17,075	\$36,692
24-14-418	024-0000	\$3,392	\$71,756	24-24-100	009-0000	\$17,074	\$36,690
24-14-418	025-0000	\$20,292	\$44,966	24-24-100	010-0000	\$17,074	\$36,690
24-14-419	028-0000	\$82,011	\$176,233	24-24-100	011-0000	\$6,937	\$14,907
24-14-419	032-0000	\$14,374	\$30,888	24-24-101	001-0000	\$19,413	\$41,717
24-14-419	034-0000	\$55,361	\$119,008	24-24-101	002-0000	\$19,413	\$41,717
24-14-419	035-0000	\$23,707	\$50,944	24-24-101	003-0000	\$19,413	\$41,717
24-14-419	036-0000	\$25,009	\$53,742	24-24-101	004-0000	\$23,712	\$50,955
24-14-419	037-0000	\$2,302	\$49,474	24-24-101	005-0000	\$23,712	\$50,955
24-14-420	008-0000	\$20,501	\$44,055	24-24-101	006-0000	\$23,712	\$50,955
24-14-420	009-0000	\$20,700	\$44,482	24-24-101	007-0000	\$23,712	\$50,955
24-14-420	010-0000	\$7,438	\$15,984	24-24-101	008-0000	\$23,712	\$50,955
24-14-420	011-0000	\$3,960	\$8,510	24-24-101	009-0000	\$26,772	\$57,530
24-14-420	012-0000	\$13,253	\$28,479	24-24-101	010-0000	\$34,655	\$74,470
24-14-421	024-0000	EX	EX	24-24-102	001-0000	\$41,147	\$88,421
24-14-421	025-0000	EX	EX	24-24-102	002-0000	\$44,685	\$96,024
24-14-421	026-0000	EX	EX	24-24-102	003-0000	\$10,452	\$22,460
24-14-421	027-0000	\$11,161	\$23,984	24-24-102	004-0000	\$45,698	\$98,200
24-14-421	028-0000	\$21,728	\$46,691	24-24-102	005-0000	\$45,698	\$98,200
24-14-421	029-0000	\$25,050	\$53,830	24-24-102	006-0000	\$26,335	\$56,591
24-14-421	030-0000	\$9,376	\$15,648	24-24-102	007-0000	\$33,635	\$72,278
24-14-421	031-0000	\$104,256	\$224,036	24-24-102	008-0000	\$33,635	\$72,278
24-14-422	031-0000	\$8,930	\$19,190	24-24-102	009-0000	\$21,166	\$45,484
24-14-422	032-0000	\$8,914	\$19,155	24-24-103	002-0000	\$48,022	\$103,194
24-14-422	033-0000	\$10,850	\$23,316	24-24-103	003-0000	\$44,040	\$94,638
24-14-422	034-0000	\$21,025	\$45,181	24-24-103	004-0000	\$28,080	\$60,341
24-14-422	035-0000	\$3,850	\$8,273	24-24-103	041-0000	\$7,748	\$16,650
24-14-422	036-0000	\$18,049	\$38,785	24-24-103	042-0000	\$59,240	\$127,301
24-14-422	037-0000	\$18,725	\$40,238	24-24-103	047-0000	\$28,141	\$60,472
24-14-422	038-0000	\$21,350	\$45,879	24-24-103	048-0000	\$35,574	\$76,445

Figure 2.  
(To 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment  
Project Area Redevelopment Plan And Project)

Existing Land-Use.

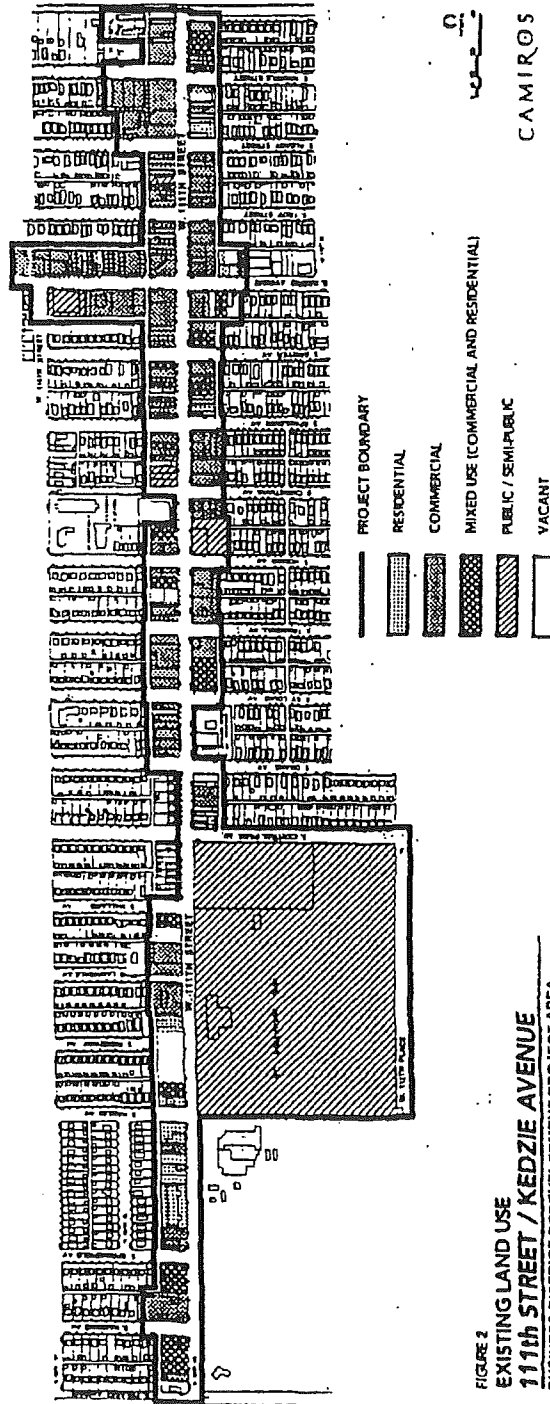


Figure 3.  
(To 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment  
Project Area Redevelopment Plan And Project)

Existing Zoning

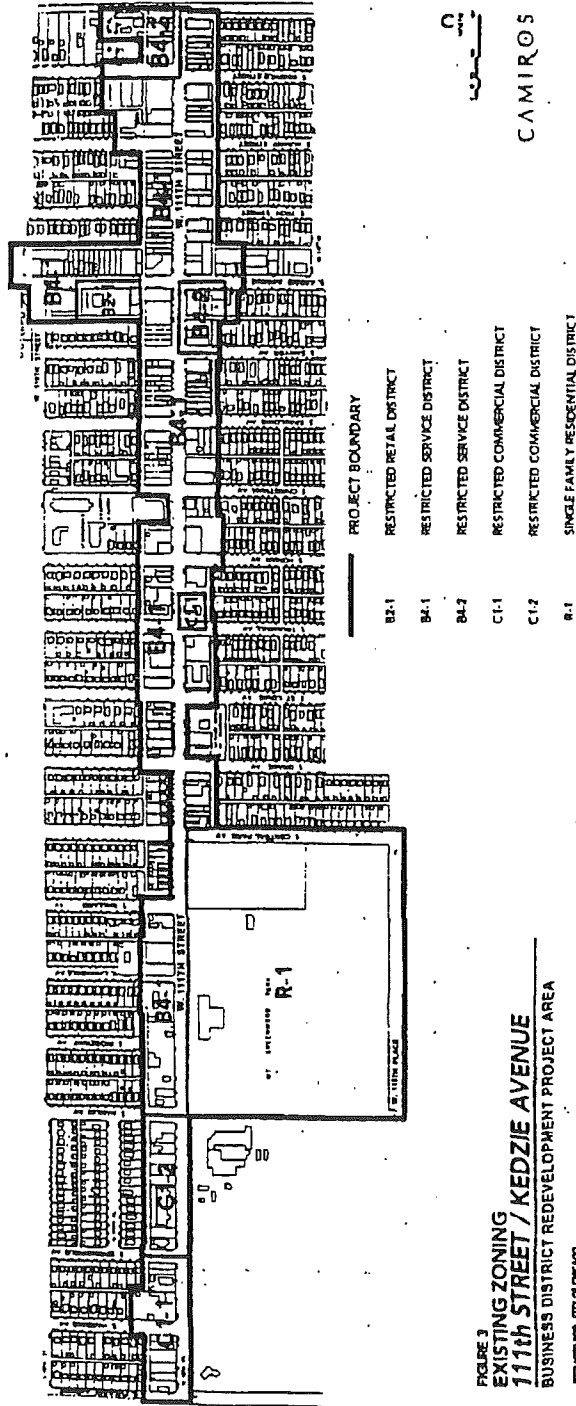




Figure 4.  
(To 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment  
Project Area Redevelopment Plan And Project)

General Land-Use Plan.

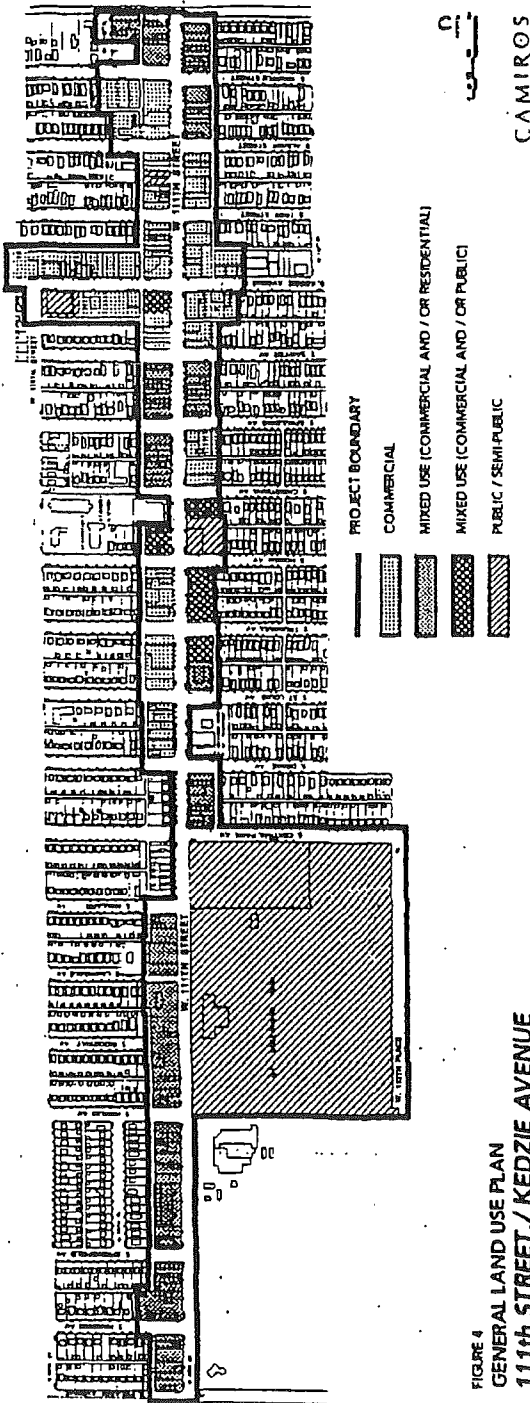
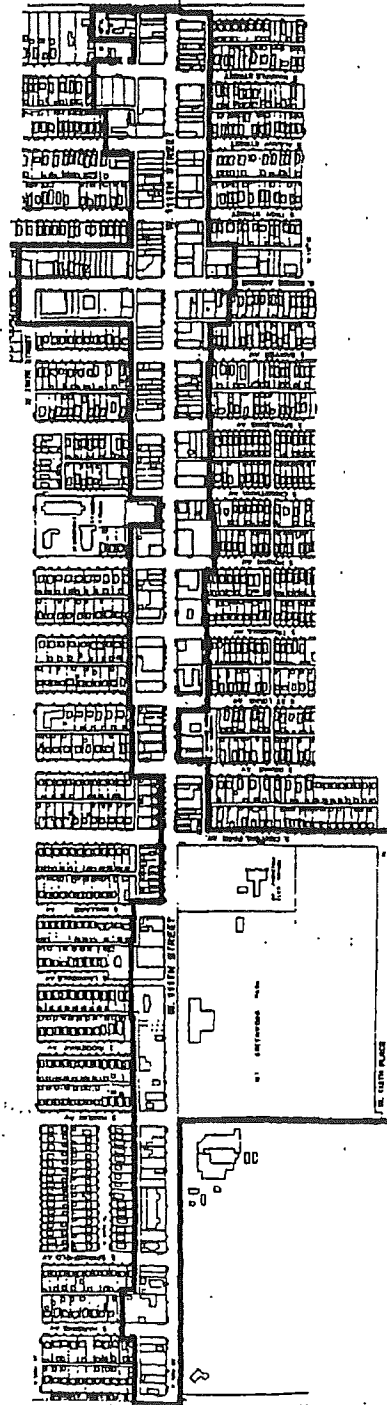


Exhibit "E".  
(To Ordinance)

Boundary Map.



CAMIROS

FIGURE 1  
**BOUNDARY MAP**  
**111th STREET / KEDZIE AVENUE**  
BUSINESS DISTRICT REDEVELOPMENT PROJECT AREA  
PREPARED FOR: CITY OF CHICAGO

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT E**

**Construction Contract**

See attached.

CERTIFICATE

I Scott H. Gendell, Sole Manager of Gendell Partners – Mt. Greenwood, L.L.C. an Illinois limited liability company (the “Company”), hereby certify that attached is a true and correct copy of the Construction Contract dated as of February 10, 2010 between the Company and G.A. Johnson & Son as Contractor. I further certify that said Construction Contract has not been amended, modified, rescinded and is still in full force and effect as of the date hereof.

March 4, 2010

By: Scott H. Gendell  
Scott H. Gendell, Sole Manager

 **AIA**® Document A101™ – 2007

**Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum**

AGREEMENT made as of the tenth day of February, in the year Two Thousand Ten  
(In words, indicate day, month and year.)

BETWEEN the Owner:  
(Name, legal status, address and other information)

Gendell Partners – Mt. Greenwood LLC  
GP-Mt. Greenwood Corporation  
3201 Old Glenview Road, Suite 300  
Wilmette, Illinois 60091

and the Contractor:  
(Name, legal status, address and other information)

G. A. Johnson & Son  
828 Foster Street  
Evanston, Illinois 60201

for the following Project:  
(Name, location and detailed description)

WALGREENS 07360  
3220 W. 111<sup>th</sup> Street  
Chicago, Illinois

The Architect:  
(Name, legal status, address and other information)

Arcline Associates Ltd.  
3035 Highland Pkwy., Suite 140  
Downers Grove, Illinois 60515

The Owner and Contractor agree as follows.

**ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™-2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

init.

TABLE OF ARTICLES

- 1 THE CONTRACT DOCUMENTS
- 2 THE WORK OF THIS CONTRACT
- 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
- 4 CONTRACT SUM
- 5 PAYMENTS
- 6 DISPUTE RESOLUTION
- 7 TERMINATION OR SUSPENSION
- 8 MISCELLANEOUS PROVISIONS
- 9 ENUMERATION OF CONTRACT DOCUMENTS
- 10 INSURANCE AND BONDS

**ARTICLE 1 THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

**ARTICLE 2 THE WORK OF THIS CONTRACT**

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

**ARTICLE 3. DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

*(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)*

Upon issuance of all permits, relocation of all utilities and vacating of street and alley.

If, prior to the commencement of the Work, the Owner requires time to file mortgages and other security interests, the Owner's time requirement shall be as follows:

§ 3.2 The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than ( ) days from the date of commencement, or as follows:

*(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)*

Init.

December 25, 2010

Portion of Work

Substantial Completion Date

, subject to adjustments of this Contract Time as provided in the Contract Documents.  
(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)

#### ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Two Million Eight Hundred Eight Thousand Eighty and 00/100 Dollars (\$ 2,808,080.00 ), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:  
(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

§ 4.3 Unit prices, if any:  
(Identify and state the unit price; state quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price Per Unit (\$0.00)
------	-----------------------	-------------------------

§ 4.4 Allowances included in the Contract Sum, if any:  
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price
------	-------

#### ARTICLE 5 PAYMENTS

##### § 5.1 PROGRESS PAYMENTS

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the first day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the first day of the next month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than thirty ( 30 ) days after the Architect receives the Application for Payment.  
(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported

init.

by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of ten percent ( 10 %). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201™-2007, General Conditions of the Contract for Construction;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of ten percent ( 10 %);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstances:

- .1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and  
(Section 9.8.5 of AIA Document A201-2007 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)
- .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201-2007.

§ 5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

*(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)*

Retainage to be reduced to five percent (5%) upon Substantial Completion

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

## § 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

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**ARTICLE 6 DISPUTE RESOLUTION**

**§ 6.1 INITIAL DECISION MAKER**

The Architect will serve as Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2007, unless the parties appoint below another individual, not a party to this Agreement, to serve as Initial Decision Maker.  
*(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*

**§ 6.2 BINDING DISPUTE RESOLUTION**

For any Claim subject to, but not resolved by, mediation pursuant to Section 15.3 of AIA Document A201-2007, the method of binding dispute resolution shall be as follows:  
*(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)*

- Arbitration pursuant to Section 15.4 of AIA Document A201-2007
- Litigation in a court of competent jurisdiction
- Other *(Specify)*

**ARTICLE 7 TERMINATION OR SUSPENSION**

**§ 7.1** The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-2007.

**§ 7.2** The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2007.

**ARTICLE 8 MISCELLANEOUS PROVISIONS**

**§ 8.1** Where reference is made in this Agreement to a provision of AIA Document A201-2007 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

**§ 8.2** Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.  
*(Insert rate of interest agreed upon, if any.)*

2.5% % above prime rate as published in a current Wall Street Journal

**§ 8.3** The Owner's representative:  
*(Name, address and other information)*

Doug Bean  
3201 Old Glenview Road  
Wilmette, Illinois 60091

**§ 8.4** The Contractor's representative:  
*(Name, address and other information)*

init

Ed Pleines  
G. A. Johnson & Son  
828 Foster Street  
Evanston, Illinois 60201

§ 8.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 8.6 Other provisions:

#### ARTICLE 9 - ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 9.1.1 The Agreement is this executed AIA Document A101-2007, Standard Form of Agreement Between Owner and Contractor.

§ 9.1.2 The General Conditions are AIA Document A201-2007, General Conditions of the Contract for Construction.

§ 9.1.3 The Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
----------	-------	------	-------

§ 9.1.4 The Specifications:

*(Either list the Specifications here or refer to an exhibit attached to this Agreement.)*

See Exhibit A

Section	Title	Date	Pages
---------	-------	------	-------

§ 9.1.5 The Drawings:

*(Either list the Drawings here or refer to an exhibit attached to this Agreement.)*

See Exhibit B

Number	Title	Date
--------	-------	------

§ 9.1.6 The Addenda, if any:

Revised Scope of Work letter from Shive-Hattery Architects dated 6-1-09

Number	Date	Pages
--------	------	-------

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 9.

§ 9.1.7 Additional documents, if any, forming part of the Contract Documents:

init.

- 1 AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed by the parties, or the following:
- 2 Other documents, if any, listed below:  
*(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201-2007 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)*

- G. A. Johnson & Son Qualifications dated February 10, 2010
- Exhibit C Contract Modifications dated October 1, 2009
- Exhibit D (attached)
- Exhibit G (attached)

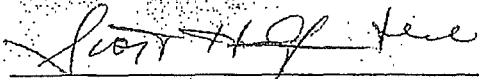
**ARTICLE 10 INSURANCE AND BONDS**

The Contractor shall purchase and maintain insurance and provide bonds as set forth in Article 11 of AIA Document A201-2007.  
*(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)*

Type of insurance or bond	Limit of liability or bond amount (\$0.00)
---------------------------	--

This Agreement entered into as of the day and year first written above.

Gendell Partners Mount Greenwood LLC

  
 \_\_\_\_\_  
 OWNER (Signature)

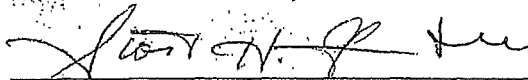
Scott H. Gendell, Manager  
 (Printed name and title)

G. A. Johnson & Son

  
 \_\_\_\_\_  
 CONTRACTOR (Signature)

Jack Galbraith, President  
 (Printed name and title)

GP- Mt. Greenwood Corporation

  
 \_\_\_\_\_  
 OWNER (Signature)

Scott H. Gendell, President  
 (Printed name and title)

Init.

828 Foster Street  
Evanston, IL 60201

**G.A. JOHNSON & SON**  
*Builders Since 1874*

Phone: (847) 869-5905  
Fax: (847) 869-5967

May 12, 2009 REVISED FEBRUARY 10, 2010

Doug Bean  
Terraco, Inc.  
8707 Skokie Blvd., #230  
Skokie, Illinois 60077

WALGREENS #Store #07360  
NWC 111<sup>th</sup> and Kedzie  
Chicago, Illinois

We are pleased to submit the following bid for this project based on plans dated February 18, 2009, including tax, for the above mentioned project.

~~\$2,808,080.00~~ \$2,808,080.00

*JDB*  
*JDB* JDG

The following Qualifications/Clarifications are part of this proposal:

General Items:

1. Insurance will be provided. We exclude any Builders Risk or separate OCP policy.
2. We exclude all permits, inspection fees, payment and performance bonds, landscape permits/bonds, (including tap fees, disconnect fees, ComEd fees, utility consumption charges, meters, etc.)
3. We exclude premium time, all work to be done during normal working hours.
4. We exclude any asbestos, contaminated/unsuitable soil, hazardous waste removal or asbestos surveys.
5. We exclude any changes made to the plan by local governing agencies.
6. General Contractor is not responsible for fire, flood or other acts of God, which may result in delay of project. Owner to provide builders risk insurance.
7. General Contractor is not responsible for lead-times of specified manufacturers that may result in delay of the project.
8. General Contractor is not responsible for any pre-existing conditions, which may appear while tapping and/or connecting to any existing water, sewer, storm, gas or electrical systems.
9. General Contractor shall not be responsible or penalized for length of time it takes to receive building permit. Construction schedule to begin once full building permit is issued.
10. We exclude any frost ripping or any liability for unforeseen obstructions not shown on drawings (i.e.: rock excavation, jacking, buried concrete, tank removal or any relocation of existing utilities, etc.)

11. We exclude any removal or relocation of existing city light poles, ComEd utility poles, traffic control boxes, hand holes, etc.
12. We include a \$2,000.00 allowance for barricades and warning lites. Note: We exclude any security.
13. We exclude any temporary fence.
14. All testing or inspections to be paid by Owner.
15. ~~We exclude any increase for work done after June 1, 2009.~~ JDG
16. We include a \$12,000.00 allowance for layout. Note: We exclude any alta/spot survey or as-built drawings. ADA Survey.
17. We exclude any signage, coolers, refrigeration equipment, fixturing, slat wall, etc.
18. We exclude winter conditions, temporary enclosures, temporary water, temporary power, temporary heat, winter service fees, etc.
19. We exclude any dewatering, erosion control, silt fence, rip rap, dust control, discing, construction entrances, etc.
20. We exclude any tree removal or protection.
21. We include the following work associated with (1) Walgreens monument sign, (excavating, concrete, masonry and electrical). Note: We exclude any structural steel supports.
22. ~~We exclude benches and trash receptacles.~~ JDG
23. We exclude fire extinguishers cabinets.
24. We include termite control.
25. Schedule and phasing to be mutually agreed upon once contract is awarded.
26. We include (30) weeks of full time supervision for the Walgreens project.
27. ~~This proposal is good for 15 days after that pricing is subject to review.~~ JDG
28. We exclude any material costs escalation due to unstable markets, (i.e.: asphalt, copper, etc.)
29. ~~We have not met 100% of the following requirements: 25% MBE, 5% WBE and 50% City workers at this time. Note: Price may change in order to meet these requirements.~~ JDG
30. Pricing is based on plans dated 2-18-09. Email clarifications A0.1 and A2.1, sent April, 30, 2009 and 8062463\_Conc.Slab Spec\_2009055140907.pdf and Lightolier.pdf, sent May 5, 2009.
31. Any utilities or drain tiles to be abandoned will be cut, capped and left in place.
32. We do not include removal of rock (drilling or blasting), underground obstructions, unsuitable or contaminated soils, or underground tanks. We do not include any hazardous material abatement or removal. No well point dewatering system is included. No sheeting, shoring and / or underpinning is included.
33. Excavation was bid to design depths only. We do not include undercuts or engineered fill. Soils report recommendations are excluded, superseded by bid drawings.
34. We do not include removal or relocation of any existing bus stops, street lights, parking meters, traffic signals, traffic signal hand holes, loop detectors, overhead power pole lines, power feeds, or other utilities. No work is included inside the 111<sup>th</sup> Street/Kedzie Avenue right-of-way, except new curb / gutter and new driveway.
35. We do not include any repair or patching of existing street/alley paving, except at new curb/gutter and new driveway.
36. Cart containment system is not in base bid.
37. We assume that all work will be performed in one continuous operation.

**Demolition:**

1. We exclude any demolition work inside property line, alley, etc. (i.e.: buildings, including concrete slabs, footings, foundations, sidewalks, curbs, asphalt, alley, fences, etc.). We assume that all depressions (i.e.: foundations, basements, etc.) will be backfilled with stone to adjacent grade and meet 95% compaction or per tester's requirements.
2. We exclude any utility disconnects (i.e. water and sanitary).

**Excavation:**

1. We include making cuts and fills to  $\pm 10$  foot using site material and utility spoils for building pad, parking lot, etc. Excavate for footings and foundations walls (no undercutting of proposed grades). Place 6" of topsoil in landscape areas. We include haul off excess spoils.
2. We include excavating for (4) Gazebo piers, Gateway Arch footings and (2) piers (no undercutting of proposed grades). We include to haul off excess spoils.
3. Excavation contractor to verify existing site conditions prior to start.

**Paving:**

1. We include to furnish and install the asphalt paving in two continuous phases with a modified mix.
2. We include to furnish and install Heavy Duty and Standard Duty Asphalt per Sheet C200. Standard Duty: 8" stone base, 1 1/2" binder, 1 1/2" finish course asphalt. Heavy Duty: 10" stone base, 2 1/2" binder, 1 1/2" finish course asphalt.
3. We include a \$1,300.00 allowance for street patching at 11<sup>th</sup> and at Kedzie Avenue.
4. We exclude any parking bumpers.

**Site Utilities:**

1. We include to furnish and install the Hancor PVC Detention System.
2. We exclude any water tap fees.
3. We include to furnish and install (1) 6" water service into Walgreens building. We exclude separate 2" domestic service for Walgreens.
4. Utilities to retail pad not included. Storm sewer to stop at CB4.3, Sanitary sewer to stop at MH1.0, no water service.

**Landscaping/Irrigation:**

1. We include to furnish and install plants and quantities per drawing LP1.0, LP2.0 and LP3.0 dated August 26, 2008 as prepared by Arcline Associates A Division of Shive-Hattery. No landscaping for retail building area.
2. We exclude any landscape maintenance, steel edging, etc.
3. We include to furnish and install irrigation system for landscape areas inside the property line.
4. We exclude any booster pump for irrigation system.
5. We exclude any temporary watering for areas not irrigated. This work to be done on a time and material basis.
6. We include to furnish and install flat pavers (Unilock Hollandstone or equal) for all areas indicated on drawing A0.1. ~~We include pavers under the gazebo and pergola areas.~~ SDB JDG
7. We include to furnish and install a 36" wide band of truncated dome pavers in the ADA area to the East of the Walgreens building in the area noted "Ramp pavement to sidewalk grade" only.
8. ~~We exclude any benches or trash receptacles.~~ SDB JDG
9. We include to furnish and install (6) tree grates.
10. ~~We exclude the irrigation system hose bibs, quick couplers.~~ SDB JDG

**Concrete:**

1. We include to furnish and install public sidewalks curbs and aprons as shown on drawing sheet C200.
2. We include to furnish and install "Armor Tiles" at handicap ramps. We include domed pavers at the main store entrance.
3. We include to furnish and install (4) Gazebo piers and Gateway Arch footings and (2) piers. Note: We exclude any concrete fence piers.
4. ~~We include to furnish and install colored concrete (not stamped) sidewalk in the park area under the gazebo/ pergola areas.~~ *SDI JDG*
5. We do not include slab saw cuts or caulking of saw cuts per S1.1

**Masonry:**

1. We exclude any foam-in-place insulation.
2. We exclude any colored mortar, masonry sealer or anti-graffiti coatings.
3. We include to furnish and install the masonry Gateway Arch and (6) piers. Note: We exclude any masonry fence piers.

**Structural Steel:**

1. We include to furnish and install 1 1/2" 22 ga., Type "B" painted deck.
2. We include to furnish and install (4) pier columns and (1) peak column at the gazebo.

**Fence:** Per Plans

**Carpentry:**

1. We include to furnish and install the gazebo construction per the following materials. Note: We exclude the trellis and pergola construction.
  - All framing lumber will be cedar except for:
  - Pressure treated PSL material to be used for cross framing members within gazebo.
  - Ridge rafters from the corners of the gazebo to the peak will be single cedar 2 x 10's.
  - The partial roofs for the gazebo will be sheathed with exterior grade plywood.

**Roofing:**

1. We include to furnish and install 2 layers. R+8 1.5" Isocyanurate roof insulation, mechanically fastened, 1 layer 1/2" Dens Deck adhered down, tapered insulation saddles and crickets, a Firestone 060 White TPO single ply roof membrane fully adhered, flashings on walls and penetrations per manufacturer's specifications, prefinished aluminum counter flashings, coping, standing seam roofing, gutters, downspouts, M-Panels, drip, roof to wall, rakes, snow guards, siding at drive thru, standard colors.

30 year architectural shingles, ice shield, felt, cladding above tower windows. We include to furnish and install approximately 7,850 SF Green Grid Roof System only per plans and specifications. Materials via Live Roof or Weston Solutions slip sheet via roofing contractor. Does not include over burden warranty of wrap around system warranty.

2. We include to furnish and install standing seam roof and clad fascia board enclosure on (1) gazebo.

Hollow Metal Doors/Frames/Hardware: N/A

Aluminum Storefront:

1. We include to furnish and install the aluminum storefront system as manufactured by US Aluminum System "Clear Anodized Finish" or equal. Glass to be 1" overall blue-green Low-E annealed insulated. Spandrel glass to be 1" overall clear tempered insulated with standard color Bronze Frit on #2 surface. Tower vestibule framing to be US Aluminum same finish. Glazed with 1/4" clear tempered glass. (14) display doors to be narrow style with gear hinge key lock and 1" clear glass.

Rolling Steel Door and Aluminum Grille:

1. We exclude any aluminum security grille at front entrance.
2. We exclude any overhead rolling door:

Finishes:

1. We include to furnish and install stain on exposed wood for the gazebo using an oil base semi transparent exterior stain.

Awnings:

1. We include to furnish and install (12) shed roof awning frames with 2" square 16 gauge, "Gatorshield" galvanized structural steel tubing painted.

Fire Protection:

1. We include to furnish and install a single zone sprinkler system with brass upright heads per NFPA-13 "Ordinary Hazard" Group 2" with a design density of .20GPM over the most remote 1,500 SF.
2. We exclude any extra sprinkler coverage or design variations in excess of NFPA standards.
3. We exclude centering sprinkler heads in ceiling tile.
4. We exclude any fire pumps.
5. We exclude any sprinklers at exterior canopies, awnings, drive-thru, anti-freeze systems, etc.
6. We include a \$-0- allowance for permit/review fees.

Plumbing:

1. We include to furnish and install cast iron pipe for above and below ground sanitary waste, storm and cast iron and copper stacks, waste and vent piping per code.

HVAC:

1. We exclude any roof screens.
2. We include to furnish and install duct extensions.

Electrical:

1. We include to furnish and install 35LF of PVC conduits for primary electric and phone. We exclude any conduit for gas service.
2. We include to furnish and install (7) site light poles and bases.



3. We exclude any cart containment system.
4. We include to furnish and install (4) light fixtures at the gazebo with empty conduit power fees back to the retail building. We exclude power wiring and extension of the conduits to the landlord room.
5. We exclude any fire alarm system.

ALTERNATES:

- |   |                   |                        |                |
|---|-------------------|------------------------|----------------|
| 1. <del>Provide sewer and water to Retail Pad:</del>          | <del>Add</del>    | <del>\$35,000.00</del> | <i>JDG JDC</i> |
| 2. <del>Substitute Modified Roof System in lieu of TPO:</del> | <del>Reduce</del> | <del>\$15,000.00</del> |                |

EXHIBIT A  
PROJECT MANUAL  
FOR  
**WALGREENS**

STORE NO. - 07360

111<sup>th</sup> STREET & KEDZIE

CHICAGO, IL

PROJECT NO. 8062463

DATE: 08/14/08

**DEVELOPER:**

**TERRACO, INC.**

8708 Skokie Boulevard, Suite 230  
Skokie, IL 60077

**ARCHITECT:**

**ARCLINE ASSOCIATES**

A Division of Shive-Hattery, Inc.

ARCHITECTS AND PLANNERS

3025 HIGHLAND PARKWAY, SUITE 140  
DOWNERS GROVE, ILLINOIS 60515

**PROJECT MANUAL**  
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	01010	Summary of Work
	01045	Cutting and Patching
	01050	Field Engineering
	01060	Regulatory Requirements
	01310	Construction Schedules
	01340	Submittals
	01370	Schedule of Values
	01400	Quality Control Testing
	01510	Temporary Utilities
	01561	Construction Cleaning
	01620	Storage and Protection
	01720	Project Record Documents
	01730	Project Close-Out
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	02060	Demolition Work
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	08450	Aluminum Storefronts & Automatic Entrances
	08700	Finish Hardware
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**SPECIFIER:**

Mr. Wayne C. Marth, A.I.A.  
 Arcline Associates  
 A Division of Shive-Hattery, Inc.  
 3025 Highland Parkway, Suite 140  
 Downers Grove, Illinois 60515  
 TEL: (630) 271-7600  
 FAX: (630) 241-4029  
 E-Mail: [wmarth@arclineassociates.com](mailto:wmarth@arclineassociates.com)  
 Website: [www.arclineassociates.com](http://www.arclineassociates.com)

## EXHIBIT B

Walgreens Store #07370  
NWC Kedzie & 111<sup>th</sup>  
Chicago, Illinois

### List of Drawings

A0.0	02/18/09	E0.1	02/18/09
A0.1	02/18/09	E0.1A	02/18/09
A02.	02/18/09	E1.1	02/18/09
A0.3	02/18/09	E1.2	02/18/09
A0.4	02/18/09	E1.2A	02/18/09
D1	02/18/09	E1.3	02/18/09
A1.1	02/18/09	E1.4	02/18/09
A1.2	02/18/09	E1.5	02/18/09
A1.3	02/18/09	E1.6	02/18/09
A1.4	02/18/09	E1.7	02/18/09
A2.1	02/18/09	E2.1	02/18/09
A2.2	02/18/09	E2.1A	02/18/09
A2.3	02/18/09	E2.1B	02/18/09
A2.4	02/18/09	E2.1C	02/18/09
A3.1	02/18/09	E3.1	02/18/09
A4.1	02/18/09	E4.1	02/18/09
A4.2	02/18/09	E4.2	02/18/09
A4.3	02/18/09	E4.2	02/18/09
A4.4	02/18/09	E4.4	02/18/09
A5.1	02/18/09	E4.5	02/18/09
A5.2	02/18/09	E4.6	02/18/09
A6.1	02/18/09	LP1.0	02/20/09
A6.2	02/18/09	LP2.0	02/20/09
A6.2	02/18/09	LP3.0	02/20/09
S0.1	02/18/09	C000	02/18/09
S1.1	02/18/09	C100	02/18/09
S1.2	02/18/09	C200	02/18/09
S1.3	02/18/09	C300	02/18/09
S1.3.1	02/18/09	C301	02/18/09
S1.4	02/18/09	C302	02/18/09
S1.5	02/18/09	C400	02/18/09
S1.6	02/18/09	C700	02/18/09
FP1.1	02/18/09	C701	02/18/09
M1.1	02/18/09	C702	02/18/09
M1.2	02/18/09	S0.01	08/15/09
M2.1	02/18/09	SD1.1	08/15/09
M2.2	02/18/09	SD1.3	08/15/09
M3.1	02/18/09	SD1.4	08/15/09
P1.1	02/18/09	SD1.5	08/15/09
P2.1	02/18/09		
P2.2	02/18/09		Hancor Plan 05/30/06

**EXHIBIT C**  
**Contract Modifications**  
**October 1, 2009**

**ARTICLE 4.4**

- Mark-up for changes shall be Subcontractor cost plus 8% OH and P.
- Changes performed by G. A. Johnson & Son's own forces will be at agreed upon rates plus 8% for OH and P.

**ARTICLE 5.1**

It is understood that all payments are title company payments.

**ARTICLE 5.1.3/5.1.6.1**

Applications for payment are to be submitted by the 25<sup>th</sup> day of each month with costs projected through the end of the month. Payment shall be made within twenty five (25) days in order to allow G. A. Johnson & Son to pay subcontractors from the previous draw and collect and submit Lien Waivers for the next draw.

All payments are subject to approval by the Owner and Architect. All disbursements shall be subject to documentation being delivered to Title Company.

All payments will be made directly from the Title Company to all subcontractors and to G. A. Johnson & Son for the General Contractor portion of each invoice.

**ARTICLE 5.1.6.2**

- Retainage shall be 10%.

**ARTICLE 5.1.7**

Add. 1 - upon substantial completion Owner shall allow the invoicing for and payment for all work completed less any costs for incomplete work, disputed work or retainage.

**ARTICLE 5.2.2**

- .3 Completion of punchlist.
- .4 As-builts, O & M Manuals and warranties are submitted to Owner.

**EXHIBIT C**  
**Contract Modifications**  
**October 1, 2009**

**ARTICLE 5.2.2**

Final payments require upfront final waivers from all subcontractors and G. A. Johnson & Son.

**ARTICLE 7.2**

Owner agrees to pay interest on all outstanding unpaid balances at the annual rate of 8% (prorated on a per day basis) for all overdue invoices. Payment of interest is subject to the understanding that delay in payment is not due to a legitimate business dispute.



## EXHIBIT "D"

1. Contractor agrees to comply with only the terms and provisions of the Redevelopment Agreement between the Owner and the City of Chicago, , which are part of the Contract Documents and attached to the Agreement as Exhibit F which include the following sections of the Redevelopment Agreement, Section 3.04 (Change Orders); Sections 3.06 (Other Approvals); Section 6.01 (Bid Requirements for General Contractor and Subcontractors); Section 6.03 (Performance and Payment Bonds); Section 6.04 (Employment Opportunity); Section 6.05 (Other Provisions); Section 8.06 (Employment Opportunity; Progress Reports); Section 8.07 (Employment Profile); Section 8.08 (Prevailing Wages); Section 10.01 (Employment Opportunity); Section 10.02 (City Resident Construction Worker Employment Requirement); Section 10.03 (Developer's MBE/WBE Commitment); Section 12 (Insurance); and Section 14.01 (Books and Records). All relevant terms of the Redevelopment Agreement are incorporated herein by reference. Pursuant to the Redevelopment Agreement and this Agreement, Contractor shall provide to the Owner, at a minimum; (a) insurance required by this Agreement and the Redevelopment Agreement; (b) a warranty to good title to materials, equipment and supplies incorporated in the Work; and (d) a warranty that the Work conforms with the Contract Documents and is free of any defect in equipment, material or workmanship performed by the Contractor and any subcontractor or supplier in any tier in form customary for commercial construction in Chicago, Illinois. The warranties shall continue for a period of not less than one year from the date of substantial completion of the Work. All rights under this Agreement are for the benefit of the Owner and its successors and assigns.

2. The Contractor acknowledges that Developer's requirements under Section 10.02 (City Resident Construction Worker Employment Requirement) stipulates Developer pay damages to the City of Chicago if full compliance of the Residency Requirements are not met, and further the Contractor agrees to reimburse Developer for 50% any and all costs imposed by the City of Chicago upon the Developer for non-compliance with this Section 10.02.

3. In addition, Contractor shall comply with the requirements of Section 5(j) of the Lease dated September 8, 2009, by and between Owner, as Landlord, and Walgreen Co., as Tenant, a copy of which Section 5(j) is attached hereto and made a part hereof as Exhibit G.

4. The Contractor acknowledges that the Owner will be financing the Work with a loan (the "Loan") from Owner's construction lender (the "Lender") which is governed by a Construction Loan Agreement entered into by and between Owner and Lender ("Loan Agreement"). In consideration of the foregoing and to allow Owner to comply with the terms of the Loan Agreement and induce the Lender to make the Loan, the Contractor shall:

- a. Make the Work site available at reasonable times for inspection by the Lender or the Lender's representative; and

- 
- b. Promptly furnish the Owner with information, documents and materials that the Owner may reasonably request from time to time in order to comply with the requirements of the Lender.

5. Payments to the Contractor may be made through a construction escrow (the "Escrow") established with Ticor Title Insurance Company or such other entity as may be reasonably mutually acceptable to the Owner, Lender and the Contractor (the "Escrowee") and in accordance with a construction escrow agreement (the "Escrow Agreement") entered into by the Owner, the Contractor and the Escrowee, on terms reasonably acceptable to the parties. In the event any provision contained in the Escrow Agreement conflicts with any provision contained in this Section 4 or any other portion of the Contract Documents, the Escrow Agreement shall govern.

## EXHIBIT "G"

NWC Kedzie & 111th  
Chicago, IL 60655 (Store #

11 (83109)

following receipt of notice from Tenant, shall correct such deficiency to Tenant's satisfaction.

(j) Landlord certifies to Tenant that: (i) Landlord is in full compliance with the immigration laws of the United States relating to Landlord's employees assigned by Landlord to perform services for Tenant hereunder; (ii) all of Landlord's employees are authorized by law to work in the United States and Landlord's employees have presented documentation to Landlord that establishes both identity and work authorization in accordance with applicable immigration regulations (and to the best of Landlord's knowledge, information and belief, the documentation presented to Landlord is genuine and accurate); and (iii) Landlord complies with all federal, state and local labor and employment laws, and wage and hour laws, as these laws may relate to Landlord's employees performing services for Tenant (collectively the laws referenced in this paragraph shall be referred to as the "Immigration and Employment Laws"). After the date hereof, Landlord shall fully comply with all Immigration and Employment Laws in connection with Landlord's performance of services for Tenant hereunder. As of the date of delivery of possession of the Leased Premises, Landlord shall be deemed to have certified to Tenant that Landlord has complied with the Immigration and Employment Laws during the period of time from the date of this Lease through and including the date of delivery of possession of the Leased Premises to Tenant. In addition, Landlord shall require, in Landlord's contract(s) with its general contractor(s) that each such general contractor: (w) make the certifications to Landlord as set forth in this paragraph above; (x) make the covenants contained herein pertaining to compliance with the Immigration and Employment Laws during the course of performance of such general contractor's work; (y) reaffirm, as of the date of completion of all work to be performed by such general contractor that such general contractor has complied with the Immigration and Employment Laws during the course of the performance of such general contractor's work; and (z) require, in such general contractor's contracts with its subcontractors, that each such subcontractor make such same certifications and covenants to the general contractor as set forth in (w), (x) and (y) above.

### TRAFFIC SIGNAL CONDITION

6. This Lease is expressly conditioned upon the installation and operation of a traffic signal at the intersection of 111<sup>th</sup> and Kedzie prior to delivery of possession of the Leased Premises. Tenant and Landlord hereby confirm that as of the date of this Lease, this condition has been satisfied.

### PARKING

7. (a) (i) Landlord covenants that at all times during the continuance of this Lease, Landlord shall maintain, repair, adequately light when necessary during Tenant's business hours and for sixty (60) minutes thereafter, clean, promptly remove snow and ice from, supervise (including the use of security personnel to the extent that such personnel are necessary) and keep available the parking areas as shown on the Site Plan (the "Parking Areas") which Parking Areas shall provide for a sufficient number of parking spaces to comply with applicable governmental parking ratio requirements, and also adequate service and receiving areas, sidewalks, curbs, roadways and other facilities appurtenant thereto. Said Parking Areas shall be for the free and exclusive use of customers, invitees and employees of Tenant and other occupants of said Shopping Center. As set forth on the Site Plan, a specified number of parking spaces, at Tenant's option, may be designated "30 Minute" parking spaces, and Tenant shall have the right hereunder to erect and/or remove signage (subject to compliance with applicable law), from time to time, indicating such restriction, and Tenant is hereby authorized to enforce such limitation through towing and other means.

(ii) There shall be no changes in the grade elevations in the Parking Areas which exceed five percent (5%), and such Parking Areas shall be suitably paved and drained. There shall be no steps or ramps (except to accommodate the handicapped) in the sidewalks within the Shopping Center except as shown on the Site

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT F**

**Escrow Agreement**

See attached.

# CONSTRUCTION LOAN ESCROW TRUST AND DISBURSING AGREEMENT

Escrow Trust No.:

Commitment and/or Policy No.:

620820

## ARTICLE 1: General Information

- A. **Owner/Borrower:**  
Name: Gendell Partners-Mt. Greenwood, L.L.C.  
Address: c/o Terraco, Inc,  
3201 Old Glenview Road, Suite 300  
Wilmette, Illinois 60091  
Contact Person: Kevin Gazley  
Telephone No.: 847-906-5015  
Fax No.: 847-679-6695
- Attorney for Owner/Borrower:**  
Name: Elvin Charity  
Address: Charity & Associates, P.C.  
20 N. Clark Street  
Suite 1150  
Chicago, Illinois 60602  
Telephone No.: 312-849-9000  
Fax No.: (312) 849-9001
- B. **Lender:**  
Name: First Bank of Highland Park  
Address: 633 Skokie Boulevard, Suite 320  
Northbrook, Illinois 60062  
Contact Person: David A. Smith  
Telephone No.: 847-849-8969  
Fax No.: 847-412-9100
- Attorney for Lender:**  
Name: Anthony L. Frink  
Address: Holland & Knight LLP  
131 S. Dearborn Street, 30<sup>th</sup> Floor  
Chicago, Illinois 60603  
Telephone No.: 312-715-5795  
Fax No.: 312-407-8449
- C. **Escrow Trustee:**  
Name: Chicago Title and Trust Company (hereinafter known as CT&T)  
Address: 5215 Old Orchard Road  
Skokie, IL 60077  
Contact Person: Deanna Torres  
Telephone No.: 847-677-3410
- D. **Title Insurer:**  
Name: Tigor Title Insurance Company (hereinafter known as TTIC)  
Address:  
Contact Person:  
Telephone No.:
- E. **City of Chicago**  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Contact Person: Randall Johnson  
Telephone No.: 312-744-0856  
Fax No.: 312-744-8538
- F. **Inspector/Architect:**  
Name: Matocha Associates  
Address: 17w220 22nd Street, Suite 500  
Oakbrook Terrace, Illinois 60181  
Contact Person: George R. Matocha Jr.  
Telephone No.: 630-530-2300  
Fax No.: 630-530-2335
- G. **General Contractor**  
Name: G.A. Johnson & Son  
Address: 828 Foster Street  
Evanston, Illinois 60201  
Contact Person: Jack Galbraith  
Telephone No.: 847-869-5905  
Fax No.: 847-869-5967
- I. **Project Name:** 111<sup>th</sup> Street & Kedzie Avenue Business District Redevelopment Project  
**Project Location:** 3200 W. 111<sup>th</sup> Street, Chicago, Illinois 60655
- J. **Billing Instructions:**  
Title and Construction Escrow charges are to be billed to: Borrower

## ARTICLE 2: Recitals

- A. Owner/Borrower has executed/will execute a mortgage/trust deed encumbering the premises described as follows:

See Exhibit "A" attached hereto and made a part hereof/Same as those described in Tigor Title Commitment/Policy  
No. 2000 000620820 OC

for the purpose of financing, in whole or in part, the construction of or the rehabilitation of improvements thereon (the Project).

For the benefit of the Lender, TTIC has been requested to issue its ALTA Commitment and/or Policy insuring the lien of the mortgage from the consequences of mechanics' liens on an interim basis as construction of the Project progresses; and for the benefit of Lender and Owner/Borrower, CT&T has been requested to provide a disbursing service as a means to pay for construction and related development costs.

At the request of Owner/Borrower, Lender will make periodic cash deposits into this Trust to be disbursed by Escrow Trustee in accordance with the provisions of this Agreement as hereinafter set forth. Said deposits will not be requested more frequently than once per calendar month. Owner/Borrower may also deposit or cause to be deposited funds not constituting mortgage proceeds into this Trust which said funds shall also be disbursed by Escrow Trustee pursuant to provisions of this Agreement.

Owner/Borrower represents and warrants to CT&T and TTIC that at the date of this Agreement, funds available for construction payment are ample to complete the Project.

- B. The parties hereto agree that Escrow Trustee will disburse Trust deposits made for construction payment to the subcontractor or General Contractor actually performing the work for which payment is being made.

In the event that the General Contractor and any subcontractor jointly authorize the Escrow Trustee to pay any funds due one to the other, the Escrow Trustee may comply with such authorization. However, it is the intention of the parties named herein and signatory hereto that no person not a party signatory to this escrow shall have the right to look to the Escrow Trustee for any disbursement hereunder under a third party beneficiary theory or otherwise, and that the Escrow Trustee owes no duty to any such third party to make any disbursement.

### ARTICLE 3: Requirements

- A. Prior to the first disbursement of funds hereunder by Escrow Trustee, the following requirements shall have been satisfied, to wit:
- 1) The Escrow Trustee shall furnish or shall be prepared to furnish to the Lender, as insured, a Standard ALTA Construction Loan Policy (the Policy), together with TTIC's Standard Interim Mechanics' Lien Endorsement 10A and such other endorsements as set forth hereinafter. If such policy has issued to Lender prior to Escrow Trustee's first disbursement of funds hereunder, then Escrow Trustee shall furnish or be prepared to furnish TTIC Date Down Endorsement 10 and Interim Mechanics; Lien Endorsement 10A covering the requested disbursement.
  - 2) Other endorsements, if any:
  - 3) Owner/Borrower shall furnish Lender and Escrow Trustee a Sworn Owner's Statement disclosing the various contracts entered into by the Owner/Borrower relating to the construction of the Project and setting forth the names of the contractors, their addresses, the kind of service, work or materials to be furnished, the amounts of such contracts, the amounts paid to date, if any, the amounts of current payments, if any, and the balances to become due, if any.
  - 4) The Owner/Borrower shall furnish or cause to be furnished Lender and Escrow Trustee a sworn statement disclosing the various contracts entered into by the Owner/Borrower relating to the construction of the Project and setting forth the names of the contractors, their addresses, the kind of service, work or materials to be furnished, the amounts of such contracts, the amounts paid to date, if any, the amounts of current payments, if any, and the balances to become due if any.

LENDER SHALL FURNISH Escrow Trustee the following, to wit:

- (a) An approval of the conditions of the title as disclosed by the said commitment.
- (b) An approval for loan disbursement purposes of the Owner's Statement and the sworn statement of the General Contractor.

- B. Prior to each disbursement of funds by Escrow Trustee hereunder, the Owner/Borrower shall furnish or cause to be furnished to Escrow Trustee the following:
- (1) A current dated Sworn Owner's Statement as described hereinbefore in this Article 3 at A (3);
  - (2) A current dated Sworn Statement to Owner by the General Contractor, as described hereinbefore in this Article 3 at A(4), covering its current construction draw request.
  - (3) Sufficient funds to cover the current disbursement request.
  - (4) Written approval by Owner/Borrower of the payment by Escrow Trustee of the current construction draw(s). In the event that nonconstruction cost are to be paid by Escrow Trustee with Trust funds, then Owner/Borrower shall provide written directions to Escrow Trustee, approved in writing by Lender, setting forth the names and addresses of the payees, the amounts of the respective payments, and the purpose of the payments, i.e., legal fees, real estate taxes, etc.
  - (5) A report by the Inspector or a certification by the Architect certifying that work has been completed and materials are in place as indicated by the current construction draw(s) request approved by the Owner/Borrower.
  - (6) Statements, waivers, affidavits, supporting waivers, and releases of lien from such persons and in such form as may be required by TTIC for the purpose of providing the title insurance coverage specified in this Agreement covering the current disbursement.
- C. At the time of each disbursement by Escrow Trustee, subsequent to the issuance of Policy, Escrow trustee shall furnish, or be prepared to furnish to Lender, TTIC Date Down Endorsement 10 and Interim Mechanics' Lien Endorsement 10A covering the current disbursement.

### ARTICLE 4: General Conditions

- A. At any time prior to the commencement of disbursement of funds hereunder, Escrow Trustee shall have the right to notify Lender that CT&T or TTIC declines any risk offered for insurance under the commitment for title insurance aforesaid. Whereupon Escrow Trustee shall return to the parties any documents and/or funds in Escrow Trustee's possession relating to the Loan.

Where, after the first disbursement of funds by Escrow Trustee, a further title search by TTIC reveals a subsequently arising title matter which gives rise to a title exception over which TTIC is unwilling to insure, Escrow Trustee will notify the Lender and may discontinue disbursement until the exception has been disposed of to the satisfaction

of the Lender.

- B. If at any time during the course of construction the total of the unpaid disclosed cost of construction, as indicated by the construction column totals on the current dated Sworn Owner's Statement furnished Escrow Trustee pursuant to this Article 3.B(1), exceeds the amount of undisbursed mortgage proceeds as calculated by subtracting the total amount of liability taken on the endorsements provided for at Article 3C from the face amount of the mortgage, the Escrow Trustee need not make further disbursements under the terms of this Agreement until the Owner/Borrower has deposited in this Escrow Trust the sum necessary to make the available funds equal to the unpaid disclosed cost of construction. Also, if Escrow Trustee discovers a misstatement in an affidavit furnished by General Contractor or Owner/Borrower, or any inconsistency or contradiction between or among any figure in the Owner/Borrower's Statement, or the General Contractor's statement or any subcontractor's statement, Escrow Trustee may stop disbursement until the misstatement has been corrected. Escrow Trustee may, at its option, verify information submitted by the Owner/Borrower and the contractors or may require the Owner/Borrower to furnish or cause to be furnished verification of contractor amounts by subcontractors or material suppliers. Should Lender know that the total of the unpaid disclosed cost of construction exceeds the amount of the undisbursed mortgage proceeds as calculated aforesaid, or learn of discrepancies or inaccuracies in the sworn statements or of services, labor or material being furnished but not reflected on the sworn statements, the Lender shall notify Escrow Trustee, Escrow Trustee has no liability hereunder to the Owner/Borrower relating to protection against mechanic's lien claims.
- C. Prior to the final disbursement of the funds hereunder by Escrow Trustee, it is a requirement of this Agreement that TTIC be prepared to furnish a Standard ALTA Loan Policy covering the date of final disbursement, subject to the usual terms and conditions contained in that form of policy and also subject to exceptions as approved heretofore by Lender, together with the above listed endorsements, if any.

All required documentation must be submitted to Escrow Trustee and approved by TTIC prior to the final disbursement of Trust deposits by Escrow Trustee.

- D. The functions and duties assumed by Escrow Trustee include only those described in this Agreement and Escrow Trustee is not obligated to act except in accordance with the terms and conditions of this Agreement. Escrow Trustee does not insure that the building will be completed, nor does it insure that the building, when completed, will be in accordance with plans and specifications, nor that sufficient funds will be available for completion, nor does it make the certifications of the Inspector/Architect its own, nor does it assume any liability for same other than procurement as one of the conditions precedent to each disbursement.

Escrow Trustee has no liability for loss caused by an error in the certification furnished it hereunder as to work in place.

Escrow Trustee shall not be responsible for any loss of documents while such documents are not in its custody. Documents deposited in the United States Mail shall not be construed as being in custody of Escrow Trustee.

In the event of default as declared by the Lender and/or foreclosure of the mortgage by the Lender, Escrow Trustee shall have the right to discontinue further disbursements under this Agreement.

N.B.: Title and construction escrow charges will be billed at the time the first draw request is submitted. Payment is to be made before the second draw request is processed. In the event title and escrow charges are not paid as required, CT&T may terminate this Agreement upon thirty (30) days' written notice to Borrower and Lender.

Owner/Borrower or Lender may direct Escrow Trustee to invest trust deposits; provided, however, that such direction shall be in writing, contain the consent of both parties to this Escrow Trust, and be accompanied by the taxpayer's identification number and such investment forms as may be required. Escrow Trustee will, upon request, furnish information concerning procedures and fee schedules for investment.

Except as to deposits of funds for which Escrow Trustee has received express written direction concerning investment or other handling, the parties hereto agree that the Escrow Trustee shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and, further, that Escrow Trustee may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of funds under Section 2-8 of the Illinois Corporate Fiduciary Act (205 ILCS 620/2-8), and may use any part or all such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any. Provided, however nothing herein shall diminish Escrow Trustee's obligation to apply the full amount of the deposits in accordance with the terms of this Agreement.

In the event the Escrow Trustee is requested to invest deposits hereunder, Chicago Title and Trust Company is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of this escrow trust.

- E. In the event that the Owner/Borrower has engaged the services of a "Construction Manager" in lieu of a "General Contractor," as noted in Article 1 hereof, then all references contained in this Agreement to "General Contractor" are hereby deleted and "Construction Manager" is hereby substituted therefor. In the event that the Owner/Borrower has engaged the services of both a "Construction Manager" and one or more "General Contractors," as noted in Article 1 hereof, then all references contained in Article 3 of this Agreement to "General Contractor" are hereby deleted and the following is hereby substituted therefore: "Construction Manager" and the "General Contractor(s)."
- F. The undersigned agree that this Agreement is not intended by any of the undersigned to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation other than Escrow Trustee, Lender, and Owner/Borrower as a third party beneficiary or otherwise under any theory of law.

In Witness Whereof, the undersigned have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20 \_\_\_\_\_.

Owner/Borrower: Gendell Partners-Mt. Greenwood, L.L.C.

By: \_\_\_\_\_

Lender: First Bank of Highland Park

By: \_\_\_\_\_

Escrow Trustee: Chicago Title and Trust Company

By: \_\_\_\_\_

(Authorized Signatory)





**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT G**

**PERMITTED LIENS**

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company in connection with the Closing but no earlier than as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

Any mortgage which secures a loan that is part of the Lender Financing.

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

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT H-1**

**PROJECT BUDGET**

<u>Sources</u>	<u>Amount</u>
Equity	\$2,643,092.00
Debt	\$8,090,000.00
<b>Total Sources</b>	<b>\$10,733,092.00</b>
<u>Uses</u>	<u>Amount</u>
Site Assembly (1)	\$3,742,228.00
Site Work	\$1,544,961.00
Hard Costs	\$2,426,904.00
Soft Costs (2)	\$2,694,459.00
Developer Fee	\$110,000.00
Soft Cost Contingency	<u>\$214,540.00</u>
<b>Total Uses</b>	<b>\$10,733,092.00</b>

Notes

1. Site Assembly excludes \$485,000 for the acquisition of the City Parking Lot which was purchased from the City at closing for \$1.00.
2. Approximately \$1,790,000 of Soft Costs relates to the loan interest and real estate taxes during the land assembly process.

111<sup>th</sup> and Kedzie, Chicago IL

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT H-2**

**MBE/WBE BUDGET**

<b>Item</b>	<b>Estimated Cost</b>
Demolition & Site Work (1)	\$832,530.00
Environmental Remediation	\$25,000.00
Hard Construction Costs – Walgreens	\$1,870,110.00
Hard Construction Costs – Helix Renovation	\$308,560.00
Architect	\$68,755.00
Engineer	<u>\$22,674.00</u>
<b>Total</b>	<b>\$3,127,629.00</b>
<b>MBE Budget = 24% of Total Eligible Costs</b>	<b>\$750,631.00</b>
<b>WBE Budget = 4% of Total Eligible Costs</b>	<b>\$125,105.00</b>

1. Site Work excludes costs associated with third party utility providers such as Comed, AT&T, Peoples Gas totaling \$548,688

111<sup>th</sup> and Kedzie, Chicago IL

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT I**

**APPROVED PRIOR EXPENDITURES**

<b>Item</b>	<b>Cost</b>
Site Assembly	\$3,093,501.00
Demolition (1)	<u>\$51,000.00</u>
<b>Total APPROVED PRIOR EXPENDITURES</b>	<b>*\$3,144,501.00</b>

\* Of this amount, \$585,000 was deposited into the deed and money escrow through which Closing occurred as directed by the Developer.

1. Excludes estimated demolition costs of \$30,000 for three properties outside of the TIF district.

111<sup>th</sup> and Kedzie, Chicago IL

**GENDELL PARTNERS -- MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT J**

**OPINION OF DEVELOPER'S COUNSEL**

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

City of Chicago  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

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

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

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

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

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

In addition to the foregoing, we have examined

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

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

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

Based on the foregoing, it is our opinion that:

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

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if the Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the

creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

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

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

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

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

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

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

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

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

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

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

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

Very truly yours,



**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT K**

**PRELIMINARY TIF PROJECTIONS – REAL ESTATE TAXES**

See attached.

**TAX INCREMENT FINANCING PROJECTIONS**  
**111th and Kedzie: 17,967 Retail**

Period		11	12	13	14	15	16	17	18	19
Calendar Year/Assessment Year		2009	2010	2011	2012	2013	2014	2015	2016	2017
Collection Year		2010	2011	2012	2013	2014	2015	2016	2017	2018
Reassessment Rate				7.69%			7.69%			7.69%
Estimated Assessor's FMV	\$	2,375,325	\$ 2,375,325	\$ 2,557,987	\$ 2,557,987	\$ 2,557,987	\$ 2,754,697	\$ 2,754,697	\$ 2,754,697	\$ 2,966,533
Assessment Level (Class 5)		38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Assessed Value	\$	902,624	\$ 902,624	\$ 972,035	\$ 972,035	\$ 972,035	\$ 1,046,785	\$ 1,046,785	\$ 1,046,785	\$ 1,127,283
State Equalization Factor (2005)		2.732	2.732	2.732	2.732	2.732	2.732	2.732	2.732	2.732
Equalized Assessed Valuation (EAV)	\$	2,465,987	\$ 2,465,967	\$ 2,655,600	\$ 2,655,600	\$ 2,655,600	\$ 2,859,816	\$ 2,859,816	\$ 2,859,816	\$ 3,079,738
Less: Base EAV	\$	(981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)
Indicated Incremental EAV Enhancement	\$	1,484,724	\$ 1,484,724	\$ 1,674,357	\$ 1,674,357	\$ 1,674,357	\$ 1,878,573	\$ 1,878,573	\$ 1,878,573	\$ 2,098,493
Tax Rate (2005)		5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%	5.98%
Incremental Taxes	\$	88,801	\$ 88,801	\$ 100,143	\$ 100,143	\$ 100,143	\$ 112,357	\$ 112,357	\$ 112,357	\$ 125,511
Available to Developer (97.5% of 98% Collected)		95.55%	95.55%	95.55%	95.55%	95.55%	95.55%	95.55%	95.55%	95.55%
Estimated Incremental Taxes	\$	84,850	\$ 84,850	\$ 95,687	\$ 95,687	\$ 95,687	\$ 107,358	\$ 107,358	\$ 107,358	\$ 119,926
Estimated Incremental Taxes Collected	\$	-	\$ 84,850	\$ 84,850	\$ 95,687	\$ 95,687	\$ 107,358	\$ 107,358	\$ 107,358	\$ 107,358
Cumulative Incremental Taxes Collected	\$	-	\$ 84,850	\$ 169,699	\$ 265,386	\$ 361,073	\$ 458,760	\$ 564,118	\$ 671,475	\$ 778,833

TOTAL INCREMENTAL TAXES COLLECTED \$ 1,405,530  
PV of Taxes Collected (2008) 7.50% \$ 680,331

BASE EAV (1997) \$ 981,243

**TAX INCREMENT FINANCING PROJECTIONS**  
**111th and Kedzie: 17,967 Retail**

Period	20	21	22	23	24
Calendar Year/Assessment Year	2018	2019	2020	2021	2022
Collection Year	2019	2020	2021	2022	2023

Reassessment Rate				7.69%	
Estimated Assessor's FMV	\$ 2,968,533	\$ 2,966,533	\$ 3,194,659	\$ 3,194,659	\$ 3,194,659
Assessment Level (Class 5)	38.00%	38.00%	38.00%	38.00%	38.00%
Assessed Value	\$ 1,127,283	\$ 1,127,283	\$ 1,213,971	\$ 1,213,971	\$ 1,213,971
State Equalization Factor (2005)	2.732	2.732	2.732	2.732	2.732
Equalized Assessed Valuation (EAV)	\$ 3,079,738	\$ 3,079,736	\$ 3,316,567	\$ 3,316,567	\$ 3,316,567
Less: Base EAV	\$ (981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)	\$ (981,243)
Indicated Incremental EAV Enhancement	\$ 2,098,493	\$ 2,098,493	\$ 2,335,324	\$ 2,335,324	\$ 2,335,324
Tax Rate (2005)	5.98%	5.98%	5.98%	5.98%	5.98%
Incremental Taxes	\$ 125,511	\$ 125,511	\$ 139,676	\$ 139,676	\$ 139,676
Available to Developer (97.5% of 98% Collected)	95.55%	95.55%	95.55%	95.55%	95.55%
Estimated Incremental Taxes	\$ 119,926	\$ 119,926	\$ 133,460	\$ 133,460	\$ 133,460
Estimated Incremental Taxes Collected	\$ 119,926	\$ 119,926	\$ 119,926	\$ 133,480	\$ 133,460
Cumulative Incremental Taxes Collected	\$ 898,758	\$ 1,018,684	\$ 1,138,610	\$ 1,272,070	\$ 1,405,530

TOTAL INCREMENTAL TAXES COLLECTED \$ 1,405,530  
 PV of Taxes Collected (2008) 7.50% \$ 680,331

BASE EAV (1997) \$ 981,243

<b>TIF Collections</b>	
<b>CY</b>	<b>Increment</b>
2010	\$ -
2011	\$ 84,850
2012	\$ 84,850
2013	\$ 95,687
2014	\$ 95,687
2015	\$ 95,687
2016	\$ 107,358
2017	\$ 107,358
2018	\$ 107,358
2019	\$ 119,926
2020	\$ 119,926
2021	\$ 119,926
2022	\$ 133,460
2023	\$ 133,460
	\$ 1,405,530

Project PINS	EAV
24-14-422-041	\$ 88,129
24-14-422-040	\$ 8,273
24-14-423-033	\$ -
24-14-423-034	\$ -
24-14-423-035	\$ -
24-14-423-036	\$ -
24-14-423-037	\$ 110,635
24-14-423-038	\$ 110,635
24-14-423-039	\$ 110,635
24-14-423-040	\$ 110,630
24-14-423-041	\$ 88,178
24-14-423-042	\$ 18,205
24-14-423-043	\$ 20,604
24-14-423-014	\$ 20,604
24-14-423-031	\$ 64,772
24-14-423-029	\$ 9,999
24-14-423-030	\$ 9,999
24-14-422-033	\$ 23,316
24-14-422-034	\$ 45,181
24-14-422-035	\$ 8,273
24-14-422-036	\$ 38,785
24-14-422-037	\$ 40,238
24-14-422-038	\$ 45,879
24-14-422-039	\$ 8,273
24	\$ 981,243

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT L**

REQUISITION FORM

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK    )

The affiant, \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (the "**Developer**"), hereby certifies that with respect to that certain \_\_\_\_\_ Redevelopment Agreement between the Developer and the City of Chicago dated \_\_\_\_\_, \_\_\_\_\_ (the "**Agreement**"):

A. Expenditures for the Project, in the total amount of \$ \_\_\_\_\_, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$ \_\_\_\_\_

C. The Developer requests reimbursement for the following cost of TIF-Funded Improvements:

\$ \_\_\_\_\_

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

E. The Developer 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 Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

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.

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

**[Developer]**

By: \_\_\_\_\_

Name

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

Agreed and accepted:

\_\_\_\_\_

Name

Title: \_\_\_\_\_

City of Chicago

Department of Planning and Development

**EXHIBIT M**

FORM OF NOTE

REGISTERED  
NO. R-1

MAXIMUM AMOUNT  
\$915,000

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE ( \_\_\_\_\_  
REDEVELOPMENT PROJECT), [TAXABLE] SERIES [A]**

Registered Owner: GP Mount Greenwood Corporation

Interest Rate:        \_\_\_ per annum

Maturity Date:        \_\_\_\_\_, \_\_\_\_\_ [twenty years from  
issuance date]

**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 \$ \_\_\_\_\_ and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 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 [Available Excess Incremental Taxes] [use applicable term] (as defined in the hereinafter defined Redevelopment Agreement) is due [February 1] [confirm with DCD] 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 day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$\_\_\_\_\_ for the purpose of paying the costs of certain eligible redevelopment project costs incurred by

\_\_\_\_\_ [Developer] (the "Project"), which were [acquired], [constructed] and [installed] in connection with the development of an approximately [\_\_\_\_\_ acre/\_\_\_\_\_ square foot] site/building in the \_\_\_\_\_ 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 "TIF 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 \_\_\_\_\_, \_\_\_\_\_ (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 TIF 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 Redevelopment 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 AVAILABLE EXCESS INCREMENTAL TAXES, 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.** The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption 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 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 redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption 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 Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement dated as of \_\_\_\_\_, \_\_\_\_\_ between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to [acquire] and [construct] the Project and to advance funds for the [construction of certain facilities] related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of \$ \_\_\_\_\_ shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to [suspend] [terminate] payments of principal and of interest on this Note upon the occurrence of certain conditions, [and the City has reserved the right to offset liquidated damage amounts owed to the City against the principal amount outstanding under this Note]. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

**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 ( \_\_\_\_\_ Redevelopment Project), [Taxable] Series [A], of the City of Chicago, Cook County, Illinois.

Comptroller  
Date:

**PRINCIPAL PAYMENT RECORD**

DATE OF PAYMENT      PRINCIPAL PAYMENT    PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO  
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY: \_\_\_\_\_

ITS: \_\_\_\_\_



CERTIFICATION OF EXPENDITURE

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$ \_\_\_\_\_ Tax Increment Allocation Revenue Note  
( \_\_\_\_\_ Redevelopment Project, [Taxable] Series [A])  
(the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on \_\_\_\_\_, \_\_\_\_\_ (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ \_\_\_\_\_ is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$ \_\_\_\_\_, including the amount of this Certificate and less payment made on the Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: \_\_\_\_\_  
Commissioner  
Department of Planning and  
Development

AUTHENTICATED BY:

REGISTRAR

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT N**

**FORM OF SUBORDINATION AGREEMENT**

This document prepared by and after recording return to:  
Randall Johnson, Esq.  
Assistant Corporation Counsel  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

**SUBORDINATION AGREEMENT**

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

**WITNESSETH:**

**WHEREAS**, Gendell Partners – Mt. Greenwood, LLC, an Illinois limited liability company (the "Developer") has purchased certain property located within the 111<sup>th</sup> Street and Kedzie Avenue Business District Redevelopment Project Area at 3200 W.

111<sup>th</sup> Street, Chicago, Illinois 60655 and legally described on Exhibit A hereto (the "Property"), in order to construct an approximately 18,117 square-foot retail center with two buildings, including an approximately 13,650 square-foot, drive-through Walgreen's with a 50% green roof; a fully-landscaped parking lot for 71 cars; the vacation of approximately 15,445 square feet of public rights-of-way (a section of S. Sawyer and sections of two alleys between S. Kedzie and S. Spaulding) and relocation of all of the utilities that exist in the public rights-of-way; an approximately 3,700 square-foot corner green plaza with appropriate signage identifying the Mt. Greenwood Community and incorporating the architectural elements of the proposed commercial buildings, significant landscaping and bench seating along an internal, brick-paved path within the site to provide pedestrian access; vehicular access from 111<sup>th</sup> Street and Kedzie Avenue; compliance with the City's landscaping ordinance. The Facility and related improvements are collectively referred to herein as the "**Project**;" and

**WHEREAS**, as part of obtaining financing for the Project, the Developer ("Borrower") has entered into a certain Construction Loan Agreement dated as of \_\_\_\_\_ with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$ \_\_\_\_\_ (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated \_\_\_\_\_ and recorded \_\_\_\_\_ as document number \_\_\_\_\_ made by the Borrower to the Lender; and (ii) Assignment of Leases and Rents recorded \_\_\_\_\_ as document number \_\_\_\_\_ made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

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

**WHEREAS**, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in **Sections 8.02, 8.18** and **8.19** of the Redevelopment Agreement (the "City Encumbrances");

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

to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

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

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

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

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

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

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

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

If to the City: City of Chicago Department of Planning and Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner

With a copy to: City of Chicago Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attention: Finance and Economic  
Development Division

If to the Lender: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

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

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

[The remainder of this page is intentionally left blank.]

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

**[LENDER]**, [a national banking association]

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CITY OF CHICAGO**

By: \_\_\_\_\_

Its: \_\_\_\_\_ Commissioner,  
Department of Planning and  
Development

ACKNOWLEDGED AND AGREED TO THIS  
\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_

[Developer], a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF COOK        )

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

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

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

(SEAL)

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

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

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

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

My Commission Expires \_\_\_\_\_

(SEAL)



## EXHIBIT A - LEGAL DESCRIPTION

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT O**

**FORM OF PAYMENT BOND**

[SEE ATTACHED]

# CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of

lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 20

The Condition of the Above Obligation is such,

That whereas the above bounden Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing

Contract No. \_\_\_\_\_ and Specification No. \_\_\_\_\_ all in conformity with said contract, for,

The said contract is incorporated herein by reference in its entirety, including without limitation; any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and further shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of the requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all claims and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with wages paid at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all claims and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any suit based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this obligation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, or otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person as plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless execution thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of the claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no place of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the claimant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice herein provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of any of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

Approved \_\_\_\_\_, 20\_\_\_\_ (Seal)

\_\_\_\_\_  
Purchasing Agent (Seal)

Approved as to form and legality: \_\_\_\_\_ (Seal)

\_\_\_\_\_  
Assistant Corporation Counsel (Seal)

PRINCIPAL  
IF CORPORATION

STATE OF ILLINOIS, }  
COUNTY OF COOK, } ss.

I, \_\_\_\_\_, a Notary Public in and for the County and State  
aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_ President and  
\_\_\_\_\_ Secretary of the \_\_\_\_\_

who are personally known to me to be the same persons whose names are subscribed in the foregoing instrument as  
such \_\_\_\_\_ President and \_\_\_\_\_ Secretary, appeared  
before me this day in person and acknowledged that they signed, sealed and delivered the said instrument of writing as  
their free and voluntary act, and as the free and voluntary act of the said \_\_\_\_\_  
for the uses and purposes therein set forth, and caused the corporate seal of said Company to be thereto attached.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

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

SURETY, IF CORPORATE

STATE OF ILLINOIS, }  
COUNTY OF COOK, } ss.

I, \_\_\_\_\_, a Notary Public in and for the County and State  
aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_ who \_\_\_\_\_ personally known  
to be the same person \_\_\_\_\_ whose name \_\_\_\_\_ subscribed in the foregoing instrument as such \_\_\_\_\_

\_\_\_\_\_, appeared before me this day in person and acknowledged that \_\_\_\_\_  
signed, sealed and delivered the said instrument of writing as \_\_\_\_\_ free and voluntary act, and as the free  
and voluntary act of the said \_\_\_\_\_  
for the uses and purposes therein set forth, and caused the corporate seal of said Company to be thereto attached.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

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

PRINCIPAL  
IF INDIVIDUAL

STATE OF ILLINOIS, }  
COUNTY OF COOK, } ss.

I, \_\_\_\_\_, a Notary Public in and for the County and State  
aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_  
who \_\_\_\_\_ personally known to me to be the same persons whose name \_\_\_\_\_ subscribed in the foregoing  
instrument, appeared before me this day in person and acknowledged that \_\_\_\_\_ he \_\_\_\_\_ signed, sealed and delivered the  
said instrument of writing as \_\_\_\_\_ free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

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

**GENDELL PARTNERS – MT. GREENWOOD, L.L.C.  
AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**EXHIBIT P**

**PUBLIC BENEFIT PROGRAM**

An approximately 3,700 square-foot corner green plaza with appropriate signage identifying the Mt. Greenwood Community and incorporating the architectural elements of the proposed commercial buildings, significant landscaping and bench seating along an internal, brick-paved path within the site to provide pedestrian access

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2010

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

C O N T E N T S

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# BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

8745 WEST HIGGINS ROAD, SUITE 200

CHICAGO, ILLINOIS 60631

AREA CODE 312 263.2700

## 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 111th Street/Kedzie Avenue Business District Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Chicago's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the 111th Street/Kedzie Avenue Business District 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, 2010, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 111th Street/Kedzie Avenue Business District Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2010, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Rahm Emanuel, Mayor  
Members of the City Council

- 2 -

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures by statutory code on page 11, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the financial statements of 111th Street/Kedzie Avenue Business District Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Ransley and Kiser, L.L.P.*

Certified Public Accountants

June 9, 2011

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the 111th Street/Kedzie Avenue Business District 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, 2010. 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 assets 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 assets and how they have changed. Net assets – 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  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT 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 \$766,644 for the year. This was an increase of 40 percent over the prior year. The change in net assets produced a decrease in net assets of \$144,481. The Project's net assets decreased by 5 percent from the prior year making available \$2,695,485 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  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 2,717,951	\$ 2,849,674	\$ (131,723)	-5%
Total liabilities	<u>22,466</u>	<u>9,708</u>	<u>12,758</u>	131%
Total net assets	<u>\$ 2,695,485</u>	<u>\$ 2,839,966</u>	<u>\$ (144,481)</u>	-5%
Total revenues	\$ 768,577	\$ 550,312	\$ 218,265	40%
Total expenses	<u>913,058</u>	<u>39,214</u>	<u>873,844</u>	2,228%
Changes in net assets	<u>(144,481)</u>	<u>511,098</u>	<u>(655,579)</u>	-128%
Ending net assets	<u>\$ 2,695,485</u>	<u>\$ 2,839,966</u>	<u>\$ (144,481)</u>	-5%

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2010

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and investments	\$ 2,005,123	\$ -	\$ 2,005,123
Property taxes receivable	711,000	-	711,000
Accrued interest receivable	<u>1,828</u>	<u>-</u>	<u>1,828</u>
Total assets	<u>\$ 2,717,951</u>	<u>\$ -</u>	<u>\$ 2,717,951</u>
 <u>LIABILITIES</u>  			
Vouchers payable	\$ 10,624	\$ -	\$ 10,624
Due to other City funds	11,842	-	11,842
Deferred revenue	<u>602,856</u>	<u>(602,856)</u>	<u>-</u>
Total liabilities	625,322	<u>(602,856)</u>	<u>22,466</u>
 <u>FUND BALANCE/NET ASSETS</u>  			
Fund balance:			
Designated for future redevelopment project costs	<u>2,092,629</u>	(2,092,629)	-
Total liabilities and fund balance	<u>\$ 2,717,951</u>		
Net assets:			
Restricted for economic development projects		18	18
Restricted for future redevelopment project costs		<u>2,695,467</u>	<u>2,695,467</u>
Total net assets		<u>\$ 2,695,485</u>	<u>\$ 2,695,485</u>

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

Total fund balance - governmental funds	\$ 2,092,629
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>602,856</u>
Total net assets - governmental activities	<u>\$ 2,695,485</u>

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

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Funds	Adjustments	Statement of Activities
Revenues:			
Property tax	\$ 656,446	\$ 110,198	\$ 766,644
Interest	1,933	-	1,933
Total revenues	658,379	110,198	768,577
Expenditures/expenses:			
Economic development projects	913,058	-	913,058
Excess of expenditures over revenues	(254,679)	254,679	-
Change in net assets	-	(144,481)	(144,481)
Fund balance/net assets:			
Beginning of year	2,347,308	492,658	2,839,966
End of year	\$ 2,092,629	\$ 602,856	\$ 2,695,485

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

Net change in fund balance - governmental funds	\$ (254,679)
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.	110,198
Change in net assets - governmental activities	\$ (144,481)

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

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In September 1999, the City of Chicago (City) established the 111th Street/Kedzie Avenue Business District Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital projects and special revenue funds of the City.

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

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB unanimously approved Statement No. 34 (as amended by Statement No. 37), *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* and at a later date, Statement No. 38 *Certain Financial Statements Disclosures*, and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.



CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (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 Assets*

*Cash and Investments*

Cash belonging to 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 on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

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 reported at amortized cost.

*Capital Assets*

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

(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.

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 2 – Commitments

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

As of December 31, 2010 the Project has entered into contracts for approximately \$164,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
111TH STREET/KEDZIE AVENUE BUSINESS DISTRICT 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	\$ 14,620
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	585,000
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	<u>313,438</u>
	<u><u>\$ 913,058</u></u>



## BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1922

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O'HARE PLAZA 8745 WEST HIGGINS ROAD SUITE 200 CHICAGO, ILLINOIS 60631 312.263.2700 FAX 312.263.6935 WWW.BK-CPA.COMINDEPENDENT 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 statement of net assets and governmental funds balance sheet of 111th Street/Kedzie Avenue Business District Redevelopment Project of the City of Chicago, Illinois as of December 31, 2010, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated June 9, 2011.

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 111th Street/Kedzie Avenue Business District Redevelopment Project of the City of Chicago, Illinois.

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 9, 2011

INTERGOVERNMENTAL AGREEMENTS  
FY 2010

A list of all intergovernmental agreements in effect in FY 2010 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
None			

**111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area  
2010 Annual Report**

