

FY 2022

ANNUAL TAX INCREMENT FINANCE REPORT



STATE OF ILLINOIS COMPTROLLER SUSANA A. MENDOZA

Name of Municipality: City of Chicago Reporting Fiscal Year: 2022
County: Cook Fiscal Year End: 12/31/2022
Unit Code: 016/620/30

FY 2022 TIF Administrator Contact Information-Required

First Name: Maurice D. Last Name: Cox
Address: City Hall, 121 N LaSalle Title: Administrator
Telephone: (312) 744-4190 City: Chicago Zip: 60602
E-mail TIFreports@cityofchicago.org

I attest to the best of my knowledge, that this FY 2022 report of the redevelopment project area(s) in the City/Village of: City of Chicago is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].
Written signature of TIF Administrator Date 6/29/2023

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

Table with 3 columns: Name of Redevelopment Project Area, Date Designated MM/DD/YYYY, Date Terminated MM/DD/YYYY. Lists various project areas like 105th/Vincennes, 107th/Halsted, etc.

*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.]

47th/State	7/21/2004	12/31/2028
51st/Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	12/31/2034
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	12/31/2034
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2031
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2022
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	12/31/2034
Bryn Mawr/Broadway	12/11/1996	12/31/2032
Canal/Congress	11/12/1998	12/31/2034
Central West	2/16/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Cicero/Stevenson	7/20/2022	12/31/2046
Clark/Montrose	7/7/1999	12/31/2023
Clark/Ridge	9/29/1999	12/31/2023
Commercial Avenue	11/13/2002	12/31/2026
Cortland/Chicago River	4/10/2019	12/31/2043
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023

	Goose Island	7/10/1996	12/31/2032
	Greater Southwest Industrial (East)	3/10/1999	12/31/2023
	Greater Southwest Industrial (West)	4/12/2000	12/31/2024
	Harrison/Central	7/26/2006	12/31/2030
	Hollywood/Sheridan	11/7/2007	12/31/2031
	Homan/Arthington	2/5/1998	12/31/2034
	Humboldt Park Commercial	6/27/2001	12/31/2025
	Jefferson Park	9/9/1998	12/31/2022
	Jefferson/Roosevelt	8/30/2000	12/31/2024
	Kennedy/Kimball	3/12/2008	12/31/2032
	Kinzie Industrial Corridor	6/10/1998	12/31/2034
	Lake Calumet Area Industrial	12/13/2000	12/31/2024
	Lakefront	3/27/2002	12/31/2026
	LaSalle Central	11/15/2006	12/31/2030
	Lawrence/Broadway	6/27/2001	12/31/2025
	Lawrence/Kedzie	2/16/2000	12/31/2024
	Lawrence/Pulaski	2/27/2002	12/31/2026
	Lincoln Avenue	11/3/1999	12/31/2023
	Little Village East	4/22/2009	12/31/2033
	Little Village Industrial Corridor	6/13/2007	12/31/2031
X	Madden/Wells	11/6/2002	12/31/2026
	Madison/Austin Corridor	9/29/1999	12/31/2023
	Michigan/Cermak	9/13/1989	12/31/2025
	Midway Industrial Corridor	2/16/2000	12/31/2024
	Midwest	5/17/2000	12/31/2036
	Montclare	8/30/2000	12/31/2022
	Montrose/Clarendon	6/30/2010	12/31/2034
	Near North	7/30/1997	12/31/2033
	North Branch South	2/5/1998	12/31/2022
	North Pullman	6/30/2009	12/31/2033
	Northwest Industrial Corridor	12/2/1998	12/31/2034
	Ogden/Pulaski	4/9/2008	12/31/2032
	Ohio/Wabash	6/7/2000	12/31/2024
	Peterson/Cicero	2/16/2000	12/31/2022
	Peterson/Pulaski	2/16/2000	12/31/2024
	Pilsen Industrial Corridor	6/10/1998	12/31/2034
	Portage Park	9/9/1998	12/31/2022
	Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
	Pulaski Industrial Corridor	6/9/1999	12/31/2035
	Randolph/Wells	6/9/2010	12/31/2034
	Red Line Extension	12/14/2022	12/31/2058
	Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
	River West	1/10/2001	12/31/2025
	Roosevelt/Cicero Industrial Corridor	2/5/1998	12/31/2034
	Roosevelt/Clark	4/10/2019	12/31/2043
	Roosevelt/Racine	11/4/1998	12/31/2034
	Roosevelt/Union	5/12/1999	12/31/2022
	Roseland/Michigan	1/16/2002	12/31/2026
	Sanitary and Ship Canal	7/24/1991	12/31/2027
	South Chicago	4/12/2000	12/31/2024
	Stevenson Brighton	4/11/2007	12/31/2031
	Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
	Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034

Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	12/31/2034
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	12/31/2023

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2022

Name of Redevelopment Project Area:

Madden/Wells

Primary Use of Redevelopment Project Area*: Residential

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

If 'Combination/Mixed' List Component Types:

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):

Tax Increment Allocation Redevelopment Act X

Industrial Jobs Recovery Law

Please utilize the information below to properly label the Attachments.

	No	Yes
For redevelopment projects beginning prior to FY2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A). For redevelopment projects beginning in or after FY2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A).	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter, chosen by the municipality , setting forth the the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter <u>MUST</u> be attached (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).		X
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).	X	

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2022

Name of Redevelopment Project Area:
Madden/Wells

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 5,754,037

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 1,558,588	\$ 17,897,363	93%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ (210,229)	\$ 283,104	1%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ -	0%
Transfers from Municipal Sources	\$ -	\$ 1,051,820	5%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

All Amount Deposited in Special Tax Allocation Fund \$ 1,348,359

Cumulative Total Revenues/Cash Receipts \$ 19,232,287 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 507,357

Transfers to Municipal Sources \$ -

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 507,357

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 841,002

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 6,595,039

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

Previous Year Explanation:

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

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

FY 2022

Name of Redevelopment Project Area:

Madden/Wells

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	100,077	
		\$ 100,077
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of the construction of public works or improvements.		
	174,351	
		\$ 174,351

SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.	232,929	
Costs of construction of new housing units for low income or very low income households.		
		\$ 232,929
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -

TOTAL ITEMIZED EXPENDITURES		\$ 507,357
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SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2022

Name of Redevelopment Project Area:

Madden/Wells

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

X		Indicate an 'X' if no property was acquired by the Municipality within the redevelopment project area.
Property (1):		
Street address:		
Approximate size or description of property:		
Purchase price:		
Seller of property:		
Property (2):		
Street address:		
Approximate size or description of property:		
Purchase price:		
Seller of property:		
Property (3):		
Street address:		
Approximate size or description of property:		
Purchase price:		
Seller of property:		
Property (4):		
Street address:		
Approximate size or description of property:		
Purchase price:		
Seller of property:		
Property (5):		
Street address:		
Approximate size or description of property:		
Purchase price:		
Seller of property:		
Property (6):		
Street address:		
Approximate size or description of property:		
Purchase price:		
Seller of property:		
Property (7):		
Street address:		
Approximate size or description of property:		
Purchase price:		
Seller of property:		

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2022

Name of Redevelopment Project Area:

Madden/Wells

PAGE 1

Page 1 must be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	6

LIST **ALL** projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 40,561,796	\$ -	\$ 157,080,148
Public Investment Undertaken	\$ 9,966,739	\$ 261,186	\$ 14,821,000
Ratio of Private/Public Investment	4 3/43	-	10 3/5

Project 1: Madden Wells Phase 1-A (rental) (Project is Ongoing***)

Private Investment Undertaken (See Instructions)	0	-	\$ 31,280,770
Public Investment Undertaken	\$ 694,596	-	\$ 4,800,000
Ratio of Private/Public Investment	0	-	6 46/89

Project 2: The Arches at Oakwood Shores (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 40,561,796	-	\$ -
Public Investment Undertaken	\$ 6,598,586	-	\$ -
Ratio of Private/Public Investment	6 5/34	-	-

Project 3: Madden Wells Phase 1-B (rental) (Project is Ongoing***)

Private Investment Undertaken (See Instructions)	0	-	\$ 36,126,230
Public Investment Undertaken	\$ 961,368	-	\$ 3,021,000
Ratio of Private/Public Investment	0	-	11 23/24

Project 4: Oakwood Shores Phase 2 Rental (Project is Ongoing***)

Private Investment Undertaken (See Instructions)	0	-	\$ 54,669,913
Public Investment Undertaken	\$ 676,879	-	\$ 2,900,000
Ratio of Private/Public Investment	0	-	18 23/27

Project 5: Madden Wells - 2-C - Rental Retail (Project is Ongoing***)

Private Investment Undertaken (See Instructions)	0	-	\$ 20,948,393
Public Investment Undertaken	\$ 1,035,310	\$ 261,186	\$ 2,100,000
Ratio of Private/Public Investment	0	-	9 40/41

Project 6: Oakwood Shores 3-1 Owner LLC (Project is Ongoing***)

Private Investment Undertaken (See Instructions)	0	-	\$ 14,054,842
Public Investment Undertaken	0	-	\$ 2,000,000
Ratio of Private/Public Investment	0	-	7 2/73

Section 5 Notes

FY 2022

Name of Redevelopment Project Area

Madden/Wells

General Notes

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

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenue that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

Project/Program-Specific Notes

*** 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.

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))

FY 2022

Name of Redevelopment Project Area:

Madden/Wells

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

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

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement	The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement

* see footnote on following page

** see footnote on following page

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

The number increment projected to be created at the time of approval of the redevelopment agreement	The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of approval of the redevelopment agreement
Oakwood Shores 3-1 Owner LLC \$513,486	Oakwood Shores 3-1 Owner LLC \$0

^ see footnote on following page

^ see footnote on following page

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, if any:

N/A

Section 6 Notes

FY 2022

Name of Redevelopment Project Area:

Madden/Wells

General Notes

Section 6.2:

* All RDAs shown were entered into during or after FY 2022. The number of jobs is limited to permanent, full-time or full-time-equivalent, jobs that are either required or indicated as aspirational in the RDA and are anticipated to be created or retained at some time during the term of the RDA. Jobs that are part-time, construction, temporary or seasonal are not shown. RDAs are removed once the job covenant ends or the RDA is terminated. RDAs with no jobs covenant are not shown. TIFWorks and similar job training programs are not shown.

** The number of jobs shown is limited to those created or retained, cumulatively, from the year the RDA was entered into through the end of the reporting year.

Section 6.3:

^ All RDAs shown were entered into during or after FY 2022. The amount of increment increase projected is the cumulative amount that is projected to be created for all PINs in the RDA over the term of the RDA. RDAs are removed once the RDA is terminated. RDAs involving tax-exempt properties and those with no increment increase projected by the City over the term of the respective RDA, are not shown.

^^ The amount shown is the increase in cumulative PIN increment collected from the year the RDA was entered into through the end of the reporting year, to the extent the information is available from tax records.

SECTION 7 [Information in the following sections is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2022

Name of Redevelopment Project Area:

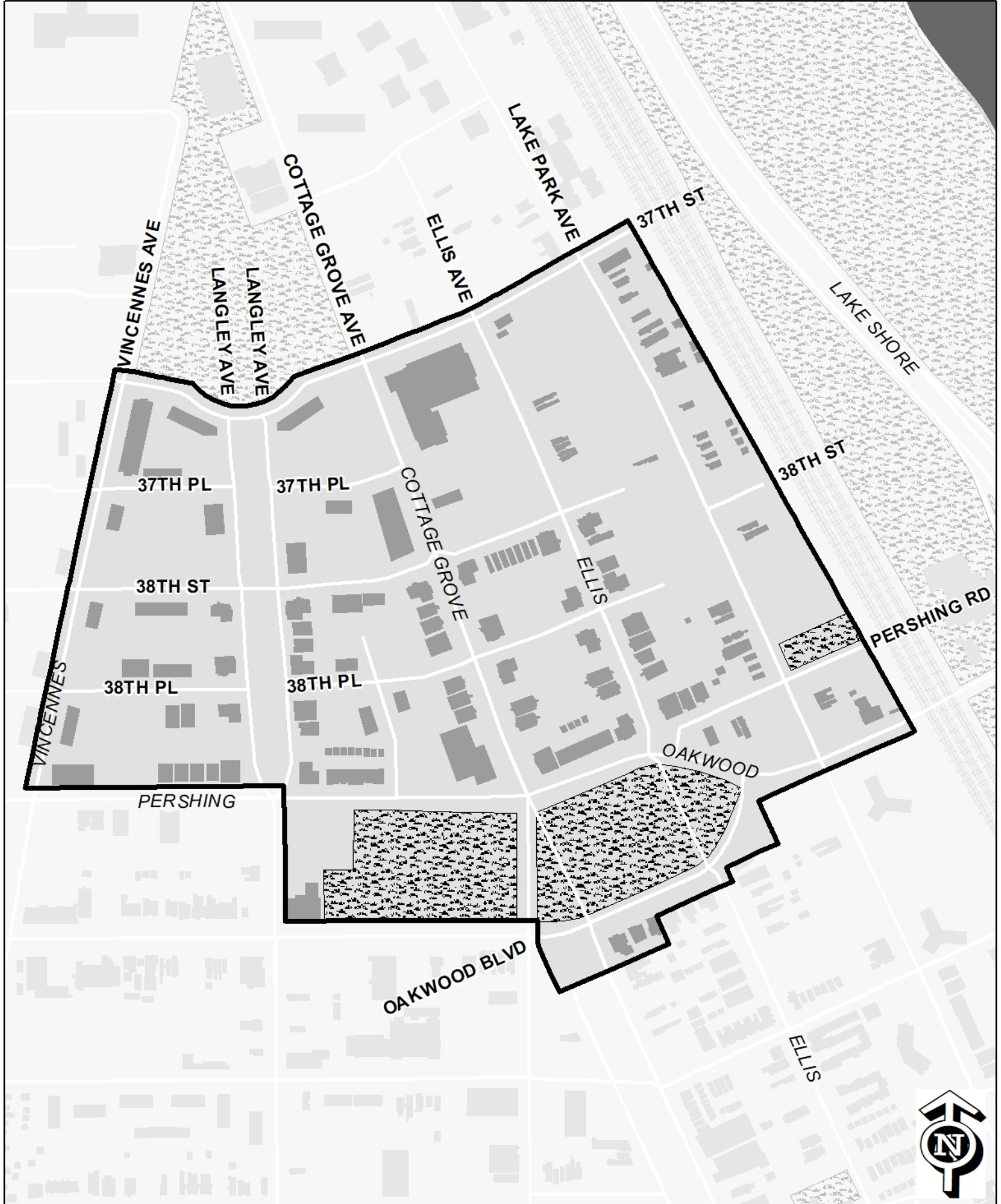
Madden/Wells

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

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

Madden/Wells TIF

Annual Report



Attachment B

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Susana Mendoza
Comptroller of the State of Illinois
555 W. Monroe Street, 1400S-A
Chicago, Illinois 60661
Attention: Rosanna Barbaro-Flores,
Director of Local Government

Pedro Martinez
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60602

Daryl Okrzesik, Treasurer
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

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

Xochitl Flores, Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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

Damon Howell, Chief Financial Officer
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Rosa Escareno, General Superintendent & CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

I, Brandon Johnson, 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 Madden/Wells Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:

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


Attachment B

2. During the preceding fiscal year of the City, being January 1 through December 31, 2022, 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 Acting 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 June 29, 2023.



Brandon Johnson, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

CITY OF CHICAGO

June 29, 2023

Susana Mendoza
Comptroller of the State of Illinois
555 W. Monroe Street, 1400S-A
Chicago, Illinois 60661
Attention: Rosanna Barbaro-Flores,
Director of Local Government

Daryl Okrzesik, Treasurer
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

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Rosa Escareno, General Superintendent & CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

Re: Madden/Wells Redevelopment Project Area
(the "Redevelopment Project Area")

Dear Addressees:

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

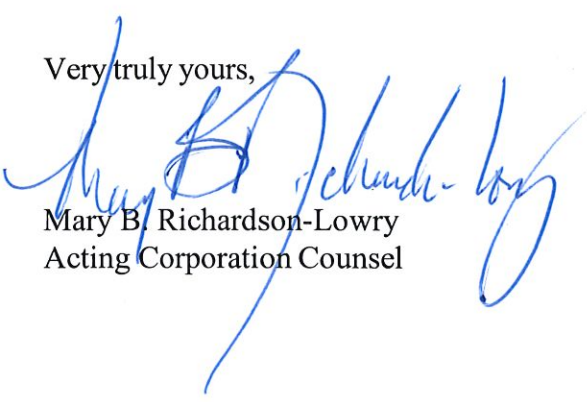
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such City Departments and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

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

Based on the foregoing, it is my 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,


Mary B. Richardson-Lowry
Acting Corporation Counsel

SCHEDULE 1

June 29, 2023

CERTIFICATION

Commissioner
Department of Planning and Development
City of Chicago

I, Maurice D. Cox, am the Commissioner of the Department of Planning and Development ("DPD") of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of DPD. I am also the TIF Administrator for the City for purposes of the Report (defined below). In such capacity, I am providing this Certification for the Corporation Counsel of the City to rely upon in connection with the opinion required by either Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), or by Section 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (the "Law"), as the case may be, in connection with the submission of an annual report for calendar year 2022 (the "Report") containing the information required by Section 11-74.4-5(d) of the Act or Section 11-74.6-22(d) of the Law for each of the Redevelopment Project Areas listed in Section 1 of the Report and hereby incorporated into this Certification (the "Redevelopment Project Areas").

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

1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City's Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under my supervision and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.

Based on the foregoing, I hereby certify to the Corporation Counsel of the City that, in all material respects, DPD has taken the appropriate actions to ensure that the City is in compliance with the provisions and requirements of the Act and the Law in effect and then applicable at the time actions were taken from time to time with respect to each of the Redevelopment Project Areas.

This Certification is given in an official capacity and not personally, and no personal liability shall derive herefrom. Further, this Certification may be relied upon only by the Corporation Counsel of the City in providing the required legal opinion in connection with the Report, and not by any other party.

Very truly yours,


Maurice D. Cox, Commissioner
Department of Planning and Development

FY 2022

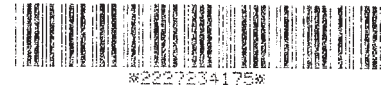
Name of Redevelopment Project Area:

Madden/Wells

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

Name of Project
Oakwood Shores 3-1 Owner LLC

④ PERSHING



Doc# 2227234175 Fee \$181.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUCH

COOK COUNTY CLERK

DATE: 09/29/2022 01:51 PM PG: 1 OF 66

213054

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

OAKWOOD SHORES 3-1 OWNER LLC REDEVELOPMENT AGREEMENT

This Oakwood Shores 3-1 Redevelopment Agreement (the “**Agreement**”) is made as of this 29th day of SEPTEMBER, 2022, by and among the City of Chicago, an Illinois municipal corporation (the “**City**”), acting by and through its Department of Planning and Development (“**DPD**”), Oakwood Shores 3-1 Owner LLC, an Illinois limited liability company (“**Oakwood Shores 3-1 Owner**”), and TCB Development Services LLC, an Illinois limited liability company (“**TCBDS**,” and together with **Oakwood Shores 3-1 Owner**, the “**Developer Parties**”).

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 November 6, 2002: (1) “Approval of Tax Increment Financing Redevelopment Plan for Madden/Wells Redevelopment Project Area” (the “**Plan Adoption Ordinance**”); (2) “Designation of Madden/Wells Redevelopment Project Area as a Redevelopment Project Area As Tax Increment Financing District;” and (3) “Adoption of Tax Increment Allocation Financing for the

66 pgs

Madden/Wells 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: At closing, TCBDS will acquire and subsequently assign to Oakwood Shores 3-1 Owner a Ground Lease (as hereinafter defined) granted by the Chicago Housing Authority (the “**CHA**”) for certain land located at approximately 616-630 East Pershing Road in the Redevelopment Area and legally described on Exhibit B hereto (the “**Property**”), and within the time frames set forth in Section 3.01 hereof, the Developer Parties shall commence and complete the following activities (the “**Project**”): construction of one (1) residential building on the Property that will consist of approximately thirty (30) one-, two- and three-bedroom rental units and up to thirty (30) parking spaces, or a number of parking spaces as otherwise required by DPD, in a mixed-income, multi-family development where twenty-two (22) housing units shall be subject to rent-restrictions and rented only by low- and moderate-income households earning between 30%-60% AMI (as defined below), and eight (8) housing units shall be market-rate rental units with no income or rent restrictions. Of the above-described thirty (30) units, eleven (11) units shall be reserved and made available as public housing units. In addition to the Project, the Developer Parties will concurrently construct a separate twenty-one (21) unit residential building (the “**Additional Building**”) to be located at 552-564 East 38th Street, Chicago, Illinois. The Additional Building will not be located within the Redevelopment Area, and the City will not provide any City Funds (as hereinafter defined) for its construction and development. The completion of the Project would not reasonably be anticipated to occur 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 Madden/Wells Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the “**Redevelopment Plan**”) included in the Plan Adoption Ordinance and published at pages 95464 to 95582 of the Journal of the Proceedings of the City Council.

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

In addition, as described in Section 8.05 hereof, the City may, in its discretion, issue tax increment allocation bonds (“**TIF Bonds**”) secured by Incremental Taxes (as defined herein) pursuant to a TIF bond ordinance (the “**TIF Bond Ordinance**”), 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 Available Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements; provided, however, that any such amendments shall not have a material adverse effect on the Developer Parties or the Project; provided, further, that the proceeds of TIF Bonds issued on a tax-exempt basis cannot be used as a source of City Funds or to repay the City Funds.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

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

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A Redevelopment Area
2. Definitions	B *Property Legal Description
3. The Project	C-1 *Project Budget
4. Financing	C-2 * MBE/WBE Budget
5. Conditions Precedent	D *TIF-Funded Improvements
6. Agreements with Contractors	E Intentionally Omitted
7. Completion of Construction or Rehabilitation	F Approved Prior Expenditures
8. Representations, Warranties, and Covenants of Developer Parties	G *Permitted Liens
9. Representations, Warranties, and Covenants of the City	H Opinion of Developer Parties' Counsel
10. Developer Parties' Employment Obligations	I Intentionally Omitted
11. Environmental Matters	J Requisition Form
12. Insurance	
13. Indemnification	
14. Maintaining Records/Right to Inspect	
15. Defaults and Remedies	
16. Mortgaging of the Project	
17. Notice	
18. Miscellaneous	

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

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 stated below:

“**Act**” has the meaning defined in the recitals.

“**Actual Residents of the City**” has the meaning defined for such phrase in Section 10.02(c).

“**Additional Building**” has the meaning defined in the recitals.

“**Affiliate**” means any individual, corporation, partner, partnership, trust or entity which owns or controls a controlling interest, or is owned or controlled by, or is under common ownership or control with, in whole or in part, a Developer Party or any successor to a Developer

Party or its respective subsidiary(ies) or parent(s).

“**Agreement**” has the meaning defined in the Agreement preamble.

“**AIS**” shall mean the City’s Department of Assets, Information and Services.

“**AMI**” shall mean Chicago-area median income, adjusted for family (as defined in 24 C.F.R. Part 5.403) size, as determined from time to time by HUD.

“**Annual Compliance Report**” shall mean a signed report from the Developer Parties to the City (a) itemizing each of the Developer Parties’ obligations under this Agreement during the preceding calendar year, (b) certifying the Developer Parties’ 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 Parties are not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.12); (2) delivery of updated insurance certificates, if applicable (Section 8.13); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.14); (4) compliance with the Affordability Requirements (Section 8.19); and (5) compliance with all other executory provisions of the Agreement.

“**ATS Manual**” means the 2021 version of the Architectural and Technical Standards Manual (ATS Manual) issued by DOH.

“**Available Incremental Taxes**” shall mean an amount equal to the Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Redevelopment Area as of the date any payment is made under this Agreement to any of the Developer Parties and not pledged to the following prior obligations in the Redevelopment Area:

Prior Obligation	Amount
Madden Wells – Phase 1A rental Interest Subsidy	\$653,802
Madden Wells - Phase 1B Rental Interest Subsidy	\$573,513
Madden Wells - 2A Rental Interest Subsidy	\$1,017,819
Madden Wells – 2C Interest Subsidy/Note 1	\$2,195,528
Madden Wells – Phase 2c Taxable Note Payments	\$629,880

“**Available Project Funds**” has the meaning defined for such phrase in Section 4.07(g).

“**Business Day**” means any day other than Saturday, Sunday or a legal holiday in the State.

“**Certificate**” means the Certificate of Completion of Construction described in Section 7.01.

“**Change Order**” means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) as described in Section 3.02, Section 3.03, Section 3.04, and Section 3.07, respectively.

“**CHA**” means the Chicago Housing Authority, an Illinois municipal corporation.

“**City**” has the meaning defined in the Agreement preamble.

“**City Contract**” has the meaning defined in Section 8.01(o).

“**City Council**” means the City Council of the City of Chicago as defined in the Recitals.

“**City Funds**” means the funds described in Section 4.03(b).

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

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

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

“**Construction Contract**” means collectively those certain contracts to be entered into between Developer Parties and the General Contractor (as defined below) providing for construction of the Project.

“**Construction Program**” has the meaning defined in Section 10.03.

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

“**Davis-Bacon Act**” shall mean 40 U.S.C. Section 276a et seq.

“**Developer Parties**” means, collectively, Oakwood Shores 3-1 Owner, and the TCBDS;
“**Developer Party**” means any one of the Developer Parties.

“**Declaration of Restrictive Covenants**” means that certain Declaration of Restrictive Covenants, dated as the date hereof for the benefit of and agreed to by the HUD, acting by and through its Secretary, between the CHA and Oakwood Shores 3-1 Owner.

“**DOH**” shall mean the City’s Department of Housing and any successor agencies.

“**DPD**” has the meaning defined in the Agreement preamble and any successor agencies.

“**EDS**” shall mean the City’s Economic Disclosure Statement and Affidavit, on the City’s then-current form, whether submitted in paper or via the City’s online submission process.

“**Employer(s)**” has the meaning defined in Section 10.

“**Environmental Laws**” means 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 (as defined below).

“Equity” means funds of Developer Parties (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount set forth in Section 4.01, 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” means that certain Escrow Agreement establishing a construction escrow, entered into on the date hereof by the Title Company (or an affiliate of the Title Company), one or more of the Developer Parties, lenders providing Lender Financing, other parties, and/or the City.

“Event of Default” has the meaning defined in Section 15.

“Existing Materials” shall mean the Hazardous Materials and other environmental conditions described in any SRP reports existing on the Property prior to or as of the Closing Date.

“Extended Use Agreement” means that certain Low-Income Housing Tax Credit Extended Use Agreement for the Project, dated as of the date hereof, between Oakwood Shores 3-1 Owner and the Illinois Housing Development Authority.

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

“General Contractor” means the general contractor(s) hired by Developer Parties under Section 6.01.

“Governmental Charge” has the meaning defined in Section 8.18(a).

“Ground Lease” shall mean a ground lease for the Property for a period not less than 65 years between the CHA and TCBDS, as assigned, assumed and amended by and among CHA, Oakwood Shores 3-1 Owner, and TCBDS.

“Hazardous Materials” means 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.

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

"Human Rights Ordinance" has the meaning defined in Section 10.01(a).

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" has the meaning defined in Section 5.16(g).

"Incremental Taxes" means 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 for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof.

"Indemnitee" and **"Indemnitees"** have the respective meanings defined in Section 13.01.

"Lender Financing" means funds borrowed by Developer Parties from lenders and irrevocably available to pay for costs of the Project, in the amount stated in the Project Budget.

"MBE(s)" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit C-2, as described in Section 10.03.

"MBE/WBE Program" has the meaning defined in Section 10.03.

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

"NFR Letter" shall mean a comprehensive, residential "no further remediation" letter issued by IEPA pursuant to the Site Remediation Program.

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

"Permitted Liens" means those liens and encumbrances against the buildings in the Project and/or the Project stated in Exhibit G.

"Permitted Mortgage" has the meaning defined in Section 16.01.

"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)" has the meaning defined in Section 4.05.

"Procurement Program" has the meaning defined in Section 10.03.

"Project" has the meaning defined in the recitals.

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

"Property" has the meaning defined in the recitals.

"RAP Approval Letter" has the meaning defined in Section 11.

"Redevelopment Area" has the meaning defined in the recitals.

"Redevelopment Plan" has the meaning defined in the recitals.

"Redevelopment Project Costs" means redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget stated in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Remediation Documents" shall mean all documents submitted to the IEPA under the Site Remediation Program, as amended or supplemented from time to time, including, without limitation, a Comprehensive Site Investigation Report ("CSIR"), Remedial Objectives Report, and Remedial Action Plan, and Remedial Action Completion Report and any and all related correspondence, data and other information by an environmental engineer based on the results of any previously completed Phase I and Phase II environmental site assessments, as applicable with respect to the Property.

"Remediation Work" means all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the terms and conditions of the Remedial Action Plan Approval Letter for the Property issued by the IEPA (as defined above), the Remediation Documents (as defined above), all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

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

"Senior Lender" shall mean BMO Harris Bank N.A., a national banking association.

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

"SRP" means the State of Illinois Site Remediation Program, as codified at 415 ILCS 5/58, et seq., as amended from time to time, for the environmental remediation of the Property undertaken by the Developer Parties and overseen by the IEPA, upon completion of which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer Parties.

"State" means the State of Illinois as defined in the recitals.

“Survey” means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

“Term of the Agreement” shall mean the period commencing on the Closing Date and ending on the date that is the thirty (30) year anniversary of the issuance of the Certificate.

“TIF Adoption Ordinance” has the meaning stated in the recitals.

“TIF Bonds” has the meaning defined for such term in the recitals.

“TIF Bond Ordinance” has the meaning stated in the recitals.

“TIF Bond Proceeds” has the meaning stated in the recitals.

“TIF Ordinances” has the meaning stated in the recitals.

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

“TIF-Funded Improvements” means 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, as needed, subject to the terms of this Agreement, and (iv) are stated in Exhibit D.

“Title Company” means Title Services Midwest LLC.

“Title Policy” means a leasehold title insurance policy in the most recently revised ALTA or equivalent form, showing Oakwood Shores 3-1 Owner 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 Project related to Lender Financing, if any, issued by the Title Company.

“WARN Act” means 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.** Developer Parties shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: no later than six (6) months after the Closing Date, and (ii) complete redevelopment construction no later than twenty-four (24) months of the commencement of construction.

3.02 **Scope Drawings and Plans and Specifications.** Developer Parties have delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved them. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to DPD as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and all applicable Federal, State and local laws, ordinances and regulations. Developer Parties will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to 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 Parties have furnished to DPD, and DPD has approved, a Project Budget which is Exhibit C-1, showing total costs for the Project in an amount not less than \$16,054,842. The Developer Parties hereby certify to the City that together with the City Funds (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer Parties will promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval as provided in Section 3.04.

3.04 **Change Orders.** All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by the Developer Parties to DOH pursuant to the ATS Manual. The Developer Parties 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 Parties of DOH written approval, which shall not be unreasonably withheld, conditioned or delayed. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect and also shall contain a provision requiring compliance with the policies and procedures outlined in the ATS Manual. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer Parties.

3.05 **DPD/DOH Approval.** Any approval granted by DPD and/or DOH under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by DPD and/or DOH under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, or investment quality of the Project.

3.06 **Other Approvals.** Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer Parties' obligations to comply with the

provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer Parties shall not commence construction of the Project until Developer Parties have obtained all necessary permits and approvals (including but not limited to DPD'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 and Survey Updates.** After the Closing Date, the Developer Parties shall provide DPD with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring DPD's written approval under Section 3.04). Developer must also deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer Parties' MBE/WBE Commitment). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer Parties acceptable to DPD to address and cure such shortfall. At Project completion, Developer Parties shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 **Inspecting Agent or Architect.** The independent agent or architect (other than Developer Parties' architect) selected by the lender providing Lender Financing will also act as the inspecting agent or architect for DPD for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect must be promptly paid by Developer. The inspecting agent or architect will perform periodic inspections with respect to the Project, providing written certifications with respect thereto to DPD, prior to requests for disbursements for costs related to the Project.

3.09 **Barricades.** Developer Parties have installed (or shall install) a construction barricade of a type and appearance satisfactory to the City and which barricade was constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. DPD 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.** Developer Parties will erect in a conspicuous location on the Property during the Project a sign of commercially reasonable size and style, 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 any other pertinent, non-confidential information regarding Developer Parties and the Project in the City's promotional literature and communications.

3.11 **Utility Connections.** Developer Parties may connect all on-site water, sanitary, storm and sewer lines constructed as a part of the Project to City utility lines existing on or near the perimeter of the Property, provided Developer Parties first comply 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, Developer Parties are obligated to pay only those building, permit, engineering, tap on, and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City.

SECTION 4. FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$16,054,842 to be applied in the manner stated in the Project Budget and funded from the sources identified in Exhibit C-1.

4.02 **Developer Parties' Funds.** Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 **City Funds.**

(a) **Uses of City Funds.** City Funds may only be used to pay directly or reimburse the Developer Parties for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit D 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(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to Developer Parties hereunder prior to the issuance of a Requisition Form pursuant to Section 4.03(c).

(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 up to \$2,000,000 of City funds (the "**City Funds**") from Available Incremental Taxes to pay for or reimburse the Developer Parties for the costs of the TIF-Funded Improvements; provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Two Million Dollars (\$2,000,000); and provided further, that the \$2,000,000 to be derived from Available Incremental Taxes, if any, shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs and the City has been reimbursed from Available Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

The Developer Parties acknowledge and agree that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$2,000,000 is contingent upon the fulfillment of the conditions set forth above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer Parties pursuant to Section 4.01 hereof shall increase proportionately.

(c) **Disbursement of City Funds.** Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.04, Section 4.07, and Section 5 hereof, the City shall disburse the City Funds in three (3) payments as follows:

- (i) The first installment of City Funds in the amount of \$650,000 shall be paid upon the completion of 33% of the construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation;
- (ii) The second installment of City Funds in the amount of \$650,000 shall be paid

upon the completion of 66% of the construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with supporting documentation with required supporting documentation;

- (iii) The third installment of City Funds in the amount of \$700,000 shall be paid upon the completion of 100% of the construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation **and** upon issuance of the Certificate.

4.04 **Construction Escrow; Requisition Form.** The City and the Developer Parties hereby agree to enter into the Escrow Agreement. All disbursements of Project funds shall be made through the funding of draw requests with respect thereto, or as otherwise set forth pursuant to the Escrow Agreement and this Agreement. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement. The Developer shall submit a Requisition Form to DPD prior to each disbursement of City Funds per Section 4.03 above and DPD shall respond to Developer's Requisition Form within forty-five (45) days. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per month (or as otherwise permitted by DPD). DPD shall approve disbursements of the City Funds from the Escrow. If required, the Developer shall meet with DPD upon request to discuss the Requisition Forms previously delivered. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

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

(a) Prior Expenditures. Only those expenditures made by Developer Parties with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "**Prior Expenditure(s)**"). DPD has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit F) as a Prior Expenditure as of the date hereof. Exhibit F states the prior expenditures approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer Parties by the City with City Funds, but shall reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer Parties under Section 4.01.

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 **Preconditions of Disbursement.** Prior to each disbursement of City Funds hereunder, one or more of the Developer Parties shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by one or more of the Developer Parties to DPD 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 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 Parties have 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 Agreement are true and correct and the Developer Parties are in compliance with all covenants contained herein;

(e) the Developer Parties have received no notice and have 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 any of the Developer Parties pursuant to this Agreement. The Developer Parties hereby agree that, if the Project is not In Balance, the Developer Parties shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit 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 Parties 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 Parties. In addition, the Developer Parties 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 and/or the Escrow Agreement.

4.08 **Conditional Grant.** The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer Parties' compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed upon the Developer Parties' noncompliance with the provisions of this Agreement as provided in Sections 7.03 and 15.02 hereof.

4.09 **Sale or Transfer of the Property or Project by Developer Parties.**

(a) **Prior to the Date of Issuance of the Certificate.** Subject to Sections 4.05(a) and 16.01 below, Developer Parties must obtain the prior approval of the City for any sale or transfer to an entity that is not a Developer Party of any part of the Property or the Project prior to the issuance of the Certificate. Such approval by the City will be subject to the reasonable discretion requirement stated in Section 18.19.

(b) **Sales of Assets or Equity.** For purposes of this Section 4.09, the phrase: "sale or transfer of any part of the Property or Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of the Developer's assets or equity. The foregoing restrictions of this Section 4.09 do not apply to: (i) transfers of the Ground Lease; (ii) any dedications or easements required by the subdivision or applicable law; and (iii) transfers or pledges made to secure Lender Financing.

SECTION 5. CONDITIONS PRECEDENT

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.01 **Project Budget.** Developer Parties will have submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer Parties will have submitted to DPD, and DPD will have approved, the Scope Drawings and Plans and Specifications as provided in Section 3.02.

5.03 **Other Governmental Approvals.** Developer Parties will have secured or applied for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to DPD.

5.04 **Financing.**

(a) Developer Parties will have furnished evidence acceptable to the City that Developer Parties have Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 and Exhibit C-1, which are sufficient to complete the Project and satisfy their obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer Parties will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer Parties as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01 and Exhibit C-1) to complete the Project.

(b) Prior to the Closing Date, Developer Parties will deliver to DPD a copy of the Escrow Agreement. The Escrow Agreement must provide that DPD will receive copies of all construction draw request materials submitted by Developer Parties after the date of this Agreement.

(c) Any financing liens against the Property and Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in Section 7.02(b) of this Agreement under a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

(d) The City agrees that the Developer Parties may collaterally assign their respective interests in this Agreement to any of their collective or respective lenders if any such lenders require such collateral assignment.

5.05 **Acquisition and Title.** On the Closing Date, Developer Parties will furnish the City with a copy of the Title Policy for the Property, showing Oakwood Shores 3-1 Owner as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit G and will evidence the recording of this Agreement under the provisions of Section 8.17. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (i.e., Zoning 3.1 plans and specifications) with parking, contiguity, location, access, and survey. The Developer Parties have provided to DPD on or prior to the Closing Date certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer Parties, at their own expense, will have provided the City with current searches under the names of each of the entities comprising Developer Parties showing no liens against Developer Parties, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax lien search
Cook County Clerk	UCC search
Cook County Clerk	Fixtures search
Cook County Clerk	Federal tax lien search
Cook County Clerk	State tax lien search
Cook County Clerk	Memoranda of judgments search
U.S. District Court (N.D. IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.07 **Surveys.** Developer Parties will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Developer Parties, at their own expense, will have insured the Property and the Project as required under Section 12. Prior to the Closing Date, certificates required under Section 12 evidencing the required coverages will have been delivered to DPD.

5.09 **Opinions of Developer Parties' Counsel.** On the Closing Date, Developer Parties will furnish the City with an opinion of counsel, substantially in the form of Exhibit H, with such changes as may be required by or acceptable to Corporation Counsel. If any Developer Party has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in Exhibit H, such opinions shall be obtained by such Developer Party from its general corporate counsel.

5.10 **Evidence of Prior Expenditures.** Developer Parties will have provided evidence satisfactory to DPD of the Prior Expenditures as provided in Section 4.05.

5.11 **Financial Statements.** The Developer Parties shall provide Financial Statements to DPD for their most recent fiscal year, and the most recent available audited or unaudited interim financial statements.

5.12 **Additional Documentation.** Developer Parties will have provided documentation to DPD, satisfactory in form and substance to DPD with respect to current employment matters including the reports described in Section 8.06, and copies of any ground leases or operating leases and other tenant leases executed by either Developer Party for leaseholds in the Project, if any.

5.13 **Environmental.** The Developer Parties have provided the City with a Phase I Environmental Site Assessment ("**Phase I ESA**") compliant with ASTM E-1527-13 for the Property prior to and conducted, or updated, within 180 days prior to the conveyance of the Property. The Developer Parties have provided a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. The Phase I ESA for the Property identified Recognized Environmental Conditions ("**RECs**"). A previously conducted Comprehensive Site Investigation Report ("**CSIR**") identified contamination above residential remediation objectives as determined by Title 35, Part 742 of the Illinois Administrative Code. The Developer Parties have enrolled the Property (or any portion thereof) in the IEPA's SRP. The Developer Parties shall perform an additional CSIR, or other site investigations, per IEPA direction to ascertain the presence of any environmental impacts that may be associated with the RECs. The Developer Parties shall provide the City with a final comprehensive residential NFR Letter with respect to the Property, signed by the IEPA upon issuance thereof. If the Developer Parties are unable to obtain a final comprehensive NFR Letter with respect to the Property prior to closing, the Developer Parties shall provide to the City Remediation Documents and/or evidence of AIS or IEPA's approval of the plans detailed in the Remediation Documents prior to closing.

5.14 **Entity Documents; Economic Disclosure Statement.** Each Developer Party shall provide a copy of its articles or certificate of incorporation or organization containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which it is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other organizational documentation as the City has requested.

Each of Developer Parties has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer Parties further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding

acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer Parties and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 **Litigation.** Developer Parties will provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving Developer Parties or any Affiliate of Developer Parties 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) Prior to entering into an agreement with any contractor for construction of the Project, the Developer Parties shall solicit bids from one or more qualified contractors eligible to do business with the City and shall submit all bids received to DPD for its inspection and written approval. For the TIF-Funded Improvements, the Developer Parties shall select the contractor submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer Parties selects any contractor 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. The Developer Parties shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the Project shall be provided to DPD within five (5) Business Days of the execution thereof. The Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by the City and all requisite permits have been obtained.

6.02 **Construction Contract.** Prior to the execution thereof, Developer Parties must deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to work on the Project in accordance with Section 6.01 above, for DPD's prior written approval. The Developer Parties shall ensure that its General Contractor adheres to the policies and procedures outlined in the ATS Manual. Following execution of such contract by Developer Parties, the General Contractor and any other parties thereto, Developer Parties must deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 **Performance and Payment Bonds.** Prior to commencement of construction of any work in the public way, Developer Parties will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better. The City will be named as obligee or co-obligee on such bond.

6.04 **Employment Opportunity.** Developer Parties will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the 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 this Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

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

6.06 **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 Construction Worker Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.** Upon the Developer Parties' written request following the completion of the construction of the Project in accordance with the terms of this Agreement, including compliance with Section 11 (Environmental), DPD shall issue to the Developer Parties a Certificate, in recordable form certifying that the Developer Parties have fulfilled their obligation to complete the Project in accordance with the terms of this Agreement. In accordance with Section 11, the Developer Parties acknowledge and agree that the City will not permit occupancy and will not issue a Certificate until the IEPA has issued, the Developer Parties have recorded with the Cook County Clerk, and AIS has approved, a final comprehensive residential NFR Letter for the Property.

DPD shall respond to the Developer Parties' written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the

measures which must be taken by the Developer Parties in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures, and the City will respond in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate. Each Developer Party acknowledges and understands that the City will not issue a Certificate until the City's Monitoring and Compliance unit has determined in writing that the Developer Parties are in complete compliance with all requirements in this Agreement.

7.02 Effect of Issuance of Certificate; Continuing Obligations.

(a) 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 Developer Parties' obligation to complete such activities have been satisfied. After the issuance of the 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 must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.06 (Employment Opportunity), Section 8.18 (Real Estate Provisions), and Section 8.19 (Affordability Requirements) as covenants that run with the leasehold estate 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. The other executory terms of this Agreement that remain after the issuance of the Certificate will be binding only upon each Developer Party or a permitted assignee of such Developer Party who, as provided in Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of such Developer Party's rights under this Agreement and assume such Developer Party's liabilities hereunder.

7.03 Failure to Complete. If Developer Parties fail to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies, subject in each case to Section 15 hereof:

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available under Section 4.01, Developer Parties will 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 Parties, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status, if any, of any TIF Bonds.

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

of the Agreement, DPD will provide Developer Parties, at their written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER PARTIES.

8.01 **General.** The Developer Parties represent, warrant and covenant, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) each of the Developer Parties 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;

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

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

(d) Oakwood Shore 3-1 Owner shall acquire and shall maintain a good, indefeasible and merchantable leasehold interest in the Property (and a fee interest in all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.18 hereof);

(e) the Developer Parties are now and for the Term of the Agreement shall remain solvent and able to pay their debts as they mature;

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

(g) the Developer Parties have and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary for Oakwood Shores 3-1 Owner to conduct their business and to construct, complete and operate the Project;

(h) the Developer Parties are 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 any one of the Developer Parties is a party or by which any one of the Developer Parties is bound;

(i) the Financial Statements, 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 Parties, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of any one of the Developer Parties since the date of such Developer Parties most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer Parties shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or pursuant to the terms of the Ground Lease or in accordance with Section 4.09; (3) enter into any transaction outside the ordinary course of the Developer Parties' business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing for the Project); or (5) enter into any transaction that would cause a material and detrimental change to the Developer Parties' 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 of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; 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) Developer Parties have not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with any one of the Developer Parties in violation of Chapter 2-156-120 of the Municipal Code of the City; and

(m) none of the Developer Parties nor any Affiliate of the Developer Parties is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

8.02 Covenant to Redevelop. Upon DPD's approval of the Scope Drawings and Plans and Specifications as provided in Section 3.02, and DPD's approval of the Project Budget as provided in Section 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer Parties will redevelop the Property in compliance with this Agreement, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Developer.

The covenants set forth in this Section 8.02 will run with the leasehold estate and will be binding upon any transferee of the Property, or a portion thereof, unless terminated in whole or in part by

the City, acting through DPD, pursuant to a written instrument executed pursuant to Section 7.02 and recorded against the Property, or any portion thereof.

8.03 **Redevelopment Plan.** Developer Parties represent that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

8.04 **Use of City Funds.** City Funds disbursed to Developer Parties will be used by Developer Parties solely to pay for or reimburse Developer Parties for their payment for the TIF-Funded Improvements as provided in this Agreement. If the City pays any of the City Funds to TCBDS, it shall be required to loan or contribute the City Funds to Oakwood Shores 3-1 Owner, to reimburse the Oakwood Shores 3-1 Owner for the costs of TIF-Funded Improvements or directly pay for the costs of the TIF-Funded Improvements.

8.05 **Other Bonds.** At the request of the City, Developer Parties will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) TIF Bonds or other bonds ("**Bonds**") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements; provided, however, that any such amendments will not have a material adverse effect on Developer Parties or the Project; provided, further, that the proceeds of TIF Bonds issued on a tax-exempt basis cannot be used as a source of City Funds or to repay the City Funds. Developer Parties will 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 its preparation of an offering statement with respect thereto.

8.06 **Employment Opportunity; Progress Reports.**

(a) Developer Parties covenant and agree to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 and Section 10.

(b) Developer Parties will deliver to the City written progress reports by draw, when the Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget), 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, Developer Parties will also deliver a plan to DPD which will outline, to DPD's satisfaction, the manner in which Developer Parties will correct any shortfall.

8.07 **Employment Profile.** The Developer Parties shall submit, and contractually obligate and cause the General Contractor (and the General Contractor shall, in turn, use reasonable efforts to cause its subcontractors) to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.08 **Prevailing Wage.** The Developer Parties covenant and agree to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the federal government pursuant to the Davis-Bacon Act, to all their respective employees working on constructing the Project or

otherwise completing the TIF-Funded Improvements. All such contracts will 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 federal prevailing wage rates are revised, the revised rates will apply to all such contracts. Upon the City's request, Developer Parties will provide the City with copies of all such contracts entered into by any Developer Party or the General Contractor to evidence compliance with this Section 8.08.

8.09 **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of a Developer Party 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. Developer Parties will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to an Affiliate by a Developer Party and reimbursement to such Developer Party for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.10 **No Conflict of Interest.** Pursuant to Section 5/11-74.4-4(n) of the Act, each Developer Party 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 Developer Parties with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in any Developer Party, the Property, the Project or any other property in the Redevelopment Area.

8.11 **Disclosure of Interest.** None of the Developer Parties' counsel has direct or indirect financial ownership interest in a Developer Party, the Property, or any other aspect of the Project.

8.12 **Financial Statements.** The Developer Parties shall obtain and provide to DPD Financial Statements for the most current fiscal year ended December 31st and each December 31st thereafter for the Term of the Agreement. In addition, the Developer Parties shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.13 **Insurance.** Solely at their own expense, Developer Parties will comply with all provisions of Section 12 hereof.

8.14 **Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, and subject to subsection (b) below, Developer Parties agree to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Project, or any fixtures that are or may become attached thereto and which are owned by a Developer Party, which create, may create, or appear to create a lien upon all or any portion of the Project; provided however, that if such Non-Governmental Charges may be paid in installments, Developer Parties 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. Developer Parties will furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other evidence satisfactory to DPD, evidencing payment of the Non-Governmental

Charges in question.

(b) Right to Contest. Developer Parties will have the right, before any delinquency occurs:

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

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer 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 Charges and all interest and penalties upon the adverse determination of such contest.

8.15 Developer's Liabilities. No Developer Party will enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Each Developer Party will immediately notify DPD of any and all events or actions which may materially affect such party's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related to this Agreement or the Project.

8.16 Compliance with Laws. To the best of each Developer Party's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project. Upon the City's request, Developer Parties will provide evidence satisfactory to the City of such current compliance.

8.17 Recording and Filing. Developer Parties will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and 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 Cook County, Illinois. Developer Parties will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer Parties will 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.** Subject to subsection (ii) below, Developer Parties agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer Parties, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer Parties or all or any portion of the Property or the Project. "**Governmental Charge**" means 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 Developer Parties, the Property, or the Project, including but not limited to real estate taxes.

(ii) **Right to Contest.** Developer Parties have 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 transfer or forfeiture of the Property. No such contest or objection will be deemed or construed in any way as relieving, modifying or extending Developer Parties' covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of a Developer Party's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(i) Developer Parties will demonstrate to DPD's satisfaction that legal proceedings instituted by Developer Parties contesting or objecting to a Governmental Charge will conclusively operate to prevent or remove a lien against, or the sale or transfer 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) Developer Parties will furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD may require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer 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 Parties' Failure to Pay Or Discharge Lien.** If Developer Parties fail to pay or contest any Governmental Charge or to obtain discharge of the same as required by this Section 8.18, Developer Parties will advise DPD thereof in writing, at which time DPD may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer Parties under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly

disbursed to DPD by Developer Parties. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer Parties fail to pay any Governmental Charge, the City, in its sole discretion, may require Developer Parties to submit to the City audited Financial Statements at Developer Parties' own expense.

8.19 **Affordable Housing Covenant.** Developer Parties agree and covenant to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of the Extended Use Agreement and the Declaration of Restrictive Covenants shall govern the terms of Developer Parties' obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

- (a) The Project shall be operated and maintained solely as residential rental housing;
- (b) Eight (8) of the units in the Project shall be leased at market-rate rents;
- (c) Nine (9) of the units in the Project shall have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low-Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low-Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.
- (d) Thirteen (13) of the units in the Project shall have monthly rents not in excess of sixty percent (60%) of the maximum allowable income for a Low-Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low-Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.
- (e) As used in this Section 8.19, the following terms have the following meanings:
 - (i) "**Family**" shall mean one or more individuals, whether or not related by blood or marriage; and
 - (ii) "**Low-Income Families**" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.
- (e) The covenants set forth in this Section 8.19 shall run with the leasehold estate and be binding upon any transferee.

(f) The City and the Developer Parties may enter into a separate agreement to implement the provisions of this Section 8.19;

8.20 **Job Readiness Program.** If requested by the City, Developer Parties will use their best efforts to encourage its tenants at the Project to participate in job readiness programs established by the City to help prepare individuals to work for businesses located within the Redevelopment Area.

8.21 **Broker's Fees.** Developer Parties have no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.22 **No Business Relationship with City Elected Officials.** Developer Parties acknowledge receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer Parties have read and understands such provision. Under Section 2-156-030(b) of the Municipal Code, 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 official has a "**Business Relationship**" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of 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. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. Developer Parties hereby represent and warrant 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 thereby.

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

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

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS 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 PARTIES' EMPLOYMENT OBLIGATIONS

10.01 **Employment Opportunity.** Developer Parties, on behalf of themselves and their successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer Parties operating on the Project (collectively, with Developer Parties, such parties are defined herein as the “**Employers,**” and individually defined herein as an “**Employer**”) to agree, that for the Term of this Agreement with respect to Developer Parties 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 must 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 setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, must 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 will comply with all applicable 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 State Human Rights Act, 775 ILCS 5/1-101 et. seq. (2002 State Bar Edition, as amended), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, will 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 will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project, and will 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 will 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 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

10.02 City Resident Construction Worker Employment Requirement.

(a) Developer Parties agree for themselves and their successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer Parties, their General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer Parties, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

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

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

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

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of DPD in triplicate, which will 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.

(f) Upon 2 Business Days prior written notice, Developer Parties, the General Contractor and each subcontractor will provide full access to their employment records related to the Construction of the Project to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer Parties, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the Construction of the Project for

a period of at least three (3) years after final acceptance of the work constituting the Project.

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

(h) Good faith efforts on the part of Developer Parties, 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) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When work at the Project is completed, in the event that the City has determined that Developer Parties have failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual residents of the City 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 undertaken by Developer Parties (and specifically excluding any tenant improvements which are not undertaken by Developer Parties) (the product of .0005 x such aggregate hard construction costs) (as the same will be evidenced by approved contract value for the actual contracts) will be surrendered by Developer Parties 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 will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer Parties, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer Parties pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer Parties must surrender damages as provided in this paragraph.

(j) Nothing herein provided will 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.

(k) Developer Parties will 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 Developer Parties' MBE/WBE Commitment. The Developer Parties agree 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. of the Municipal Code (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq. of the Municipal Code (the "**Construction Program**," and collectively with the Procurement Program, the

“**MBE/WBE Program**”), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit C-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, the Developer Parties (and any party to whom a contract is let by Developer Parties in connection with the Project) shall be deemed a “contractor” and this Agreement (and any contract let by Developer Parties 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 of the Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720 of the Municipal Code, Developer Parties MBE/WBE commitment may be achieved in part by Developer Parties’ status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer Parties) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer Parties 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 an MBE and a WBE shall not be credited more than once with regard to Developer Parties’ MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730 of the Municipal Code, Developer Parties shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

Developer Parties hereby represent and warrant to the City that Developer Parties have conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws (taking into account the anticipated issuance and applicability of any NFR Letters(s) issued or to be issued with respect to the Property), this Agreement and all Exhibits, the Scope Drawings, the Plans and Specifications and all amendments thereto, the TIF Bond Ordinance, if any, and the Redevelopment Plan.

The Phase I ESA for the Property identified Recognized Environmental Conditions ("RECs"). A previously conducted Comprehensive Site Investigation Report ("CSIR") identified contamination above residential remediation objectives as determined by Title 35, Part 742 of the Illinois Administrative Code. The Developer Parties have enrolled the Property (or any portion thereof) in the IEPA's SRP. The Developer Parties shall perform an additional CSIR, or other site investigations, per IEPA direction to ascertain the presence of any environmental impacts that may be associated with the RECs.

The Developer Parties acknowledge and agree that it may not commence construction on the Property until the IEPA issues a Remedial Action Plan Approval Letter ("**RAP Approval Letter**") for the Property. The Developer Parties shall provide to the City the RAP Approval Letter, any Remediation Documents, and evidence of IEPA's approval of the plans detailed in the Remediation Documents as soon as they are available.

Upon receipt of the RAP Approval Letter for the Property, the Developer Parties covenant and agree to complete all Remediation Work necessary to obtain a final comprehensive residential No Further Remediation Letter (“**NFR Letter**”) for the Property using all reasonable means. The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP documents and any changes thereto, and the Developer Parties’ estimate of the cost to perform the Remediation Work. The Developer Parties shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the final comprehensive residential NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property. The Developer Parties shall promptly transmit to the City copies of all environmental-related documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer Parties acknowledge and agree that the City will not permit occupancy and will not issue a Certificate until the IEPA has issued, the Developer has recorded with the Cook County Clerk, and the City has approved, a final comprehensive residential NFR Letter for the Property. If the Developer Parties fail to obtain the final comprehensive NFR Letter within six (6) months of the submission of the Remedial Action Completion Report to the IEPA, then the City shall have the right to record a notice of default of this RDA against the Property. The Developer Parties must abide by the terms and conditions of the Final Comprehensive residential NFR letter.

Without limiting any other provisions hereof, Developer Parties agree to indemnify, defend and hold the City (except with respect to Existing Materials and any gross negligence or wanton or willful misconduct by 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 Developer Parties: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from all or any portion of the Property, or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer Parties or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

(v) All Risk /Builders Risk

When Developer Parties undertake any construction, including improvements, betterments, and/or repairs, the Developer Parties 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 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 Parties 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 Parties must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer Parties 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 Parties is not a waiver by the City of any requirements for the Developer Parties to obtain and maintain the specified coverages. The Developer Parties shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer Parties 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 Parties and Contractors.

The Developer Parties 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 Parties in no way limit the Developer Parties' 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 Parties 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 Parties are 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 Parties must require Contractor and subcontractors to provide the insurance required herein, or Developer Parties may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer Parties unless otherwise specified in this Agreement.

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

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

SECTION 13. INDEMNIFICATION

13.01 **General Indemnity.** Each of Developer Parties agrees to severally, but not jointly, indemnify, pay 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 (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of:

- (i) Such Developer Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (ii) Such Developer Party's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project feature or improvement; or
- (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Developer Party or any of its Affiliates or any of their respective agents, employees, contractors or persons acting under the control or at the request of such Developer Party or any of its Affiliates; or
- (iv) a Developer Party's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (v) any act or omission by such Developer Party or any of its Affiliates.

provided, however, that no Developer Party shall have any 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, such Developer Party will contribute the maximum portion that it is permitted to pay and satisfy under 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 will survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer Parties will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer Parties' loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer Parties' offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer Parties' expense. No Developer Party will pay for salaries or fringe benefits of auditors or examiners. Developer Parties must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by a Developer Party with respect to the Project.

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

SECTION 15. DEFAULT AND REMEDIES

15.01 **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Sections 15.03, will constitute an "**Event of Default**" by a Developer Party, as applicable, hereunder:

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

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

(c) the making or furnishing by a Developer Party 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 when made;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by a Developer Party to create, any lien or other encumbrance upon the Property or the Project, 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 a Developer Party or for the liquidation or reorganization of a Developer Party, or alleging that a Developer Party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of a Developer Party'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 a Developer Party; provided, however, that if such commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

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

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

(h) the occurrence of an event of default under the Lender Financing, if any, which default is not cured within any applicable cure period;

(i) the dissolution of Developer Parties; or

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

(k) prior to the expiration of the Term of the Agreement, the sale or transfer of a majority of the ownership interests of the Developer Parties without the prior written consent of the City, except that such party's investor member may sell its membership interest in such party without the prior written consent of the City, and the investor member of Oakwood Shores Phase 3-1 Owner may replace the managing member of that entity in accordance with the Amended and Restated Operating Agreement of Oakwood Shores Phase 3-1 Owner with a managing member that is reasonably acceptable to the City.

For purposes of Section 15.01(j) hereof, a natural person with a material interest in a Developer Party is one owning in excess of thirty-three percent (33%) of such party's (or such party's ultimate parent entity's) issued and outstanding ownership shares or interest.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer Parties are or shall be parties and/or 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. Without limiting the generality of the foregoing, with respect to Events of Defaults by a Developer Party prior to the issuance of a Certificate, the City shall be entitled to seek reimbursement of City Funds from Developer Parties.

15.03 Curative Period.

(a) In the event a Developer Party fails to perform a monetary covenant which it is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless the applicable party has failed to perform such monetary covenant within 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 a Developer Party fails to perform a non-monetary covenant which it is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless the applicable party (or the non-defaulting Developer Party) has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the applicable party will 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.

(b) 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 they shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(i) 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: (a) the expiration of the cure period, if any, granted to the Developer Parties with respect to such monetary default; or (b) receipt by the Lenders of such notice from the City; and

(ii) 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: (a) the expiration of the cure period, if any, granted to the Developer Parties with respect to such non-monetary default; or (b) receipt of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by the Lenders 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.

SECTION 16. MORTGAGING OF THE PROJECT

16.01 **Mortgaging of the Project.** All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G (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 a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof without obtaining the prior written consent of the City is referred to herein as a “**New Mortgage.**” Any mortgage or deed of trust that a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City including any mortgage listed on Exhibit G is referred to herein as a “**Permitted Mortgage.**” It is hereby agreed by and between the City and the Developer Parties as follows:

(a) If a mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of such Developer Party's interest hereunder in accordance with Section 18.14 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the leasehold estate specified in Section 7.02.

(b) If any mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by 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 a Developer Party's interest hereunder in accordance with Section 18.14 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of a "Developer Party" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of a Developer Party's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of such Developer Party which occurred prior to the time such party succeeded to the interest of such Developer Party under this Agreement, in which case such Developer Party will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of such Developer Party's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the leasehold estate specified in Section 7.02.

(c) Prior to the issuance by the City to Developer Parties of a Certificate under Section 7 hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of DPD. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the leasehold estate. After the issuance of a Certificate, consent of the Commissioner of DPD is not required for any such New Mortgage.

SECTION 17: NOTICES

17.01 **Notices.** All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (C) be given at the following respective addresses:

- If to the City: City of Chicago
Department of Planning and Development
Attn: Commissioner
121 North LaSalle Street, Room 1000
Chicago, IL 60602
- With copies to: City of Chicago
Corporation Counsel
Attn: Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602
- If to a Developer Party: Oakwood Shores 3-1 Owner LLC
c/o The Community Builders, Inc.
185 Dartmouth Street
Boston, MA 02116
Attn: General Counsel
- And to: TCB Development Services LLC
c/o The Community Builders, Inc.,
185 Dartmouth Street
Boston, MA 02116
Attn: General Counsel
- And to: The Community Builders, Inc.
135 South LaSalle Street, Suite 3350
Chicago, IL 60603
Attn: Will Woodley
- With copies to: Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attn: Paul Davis, Esq.
- And to: DLA Piper
444 West Lake Street Suite 900
Chicago, Illinois 60606
Attn: Robert H. Goldman
- And to: Red Stone Equity – Fund 65 Limited Partnership

c/o Red Stone Equity Partners, LLC
1100 Superior Avenue, Suite 1640
Cleveland, OH 44114
Attn: General Counsel

With a copy to: Nixon Peabody LLP
Exchange Place
~~53 State Street~~
Boston, MA 02109
Attn: Roger W. Holmes

or at such other address or telecopier/fax number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 **Developer Party Requests for City or DPD Approval.** Any request under this Agreement for City or DPD approval submitted by a Developer Party will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer Parties to request City or DPD approval;
- (c) if applicable, note in bold type that failure to respond to such Developer Party's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DPD;
- (d) if applicable, state the outside date for the City's or DPD's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of such Developer Party's request.

SECTION 18. ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan. For purposes of this Agreement, Developer Parties are only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 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 Parties (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 Parties affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer Parties by more than ninety (90) days.

18.02 **Entire Agreement.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter.

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

18.04 **Further Assurances.** Developer Parties and City each agree 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, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will 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 will 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, will constitute a waiver of any of 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 must not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will 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. Nothing contained in this Agreement, nor any act of the City or the Developer Parties, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer Parties.

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

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 **Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.11 **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

18.12 **Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, 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 will be in form and content satisfactory to the City.

18.14 **Assignment.** The Developer Parties may not sell, assign or otherwise transfer their interest in this Agreement in whole or in part without the written consent of the City, other than as promised in Section 4.09; provided, however, that the Developer Parties may collaterally assign their respective interests in this Agreement to any of its lenders identified to the City as of the Closing Date, or to any lenders identified after the Closing Date and approved by the City, if any such lenders require such collateral assignment. Any successor in interest to the Developer Parties 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, 8.19, 8.20 and 8.24 hereof, for the Term of the Agreement. The Developer Parties consent to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 **Binding Effect.** This Agreement shall be binding upon the Developer Parties, the

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

18.16 **Force Majeure.** Neither the City nor Developer Parties nor any successor in interest to either of them will 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, war, terrorism, 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 will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 **Exhibits and Schedules.** All of the exhibits and schedules attached hereto are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.18 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2002 State Bar Edition, as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

18.20 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a

duty to.”

18.21 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding Business Day.

18.22 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

18.23 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

18.24 **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party 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.

18.25 **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 attorneys’ fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the City is determined to be the prevailing party in an action for enforcement. This includes, subject to any limits under applicable law, reasonable attorneys’ fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys’ 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.

18.26 **Debarment Certification.** Failure by the Developer Parties or any controlling person of either, as defined in Section 1-23-010 of the Municipal Code, thereof to maintain eligibility to do business with the City as required by Section 1-23-030 of the Municipal Code shall be grounds for termination of this Agreement and the transactions contemplated thereby.

18.27 **Inspector General and Legislative Inspector General.** It is the duty of the Developer Parties, any subgrantee, bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any such subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. The Developer Parties represent that they understand and will abide by all provisions of Chapter 2-56 of the Municipal Code and that the Developer Parties will inform subcontractors of this provision and require their compliance.

It is the duty of the Developer Parties, any subgrantee, bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of the Developer Parties, any such subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the

Municipal Code. The Developer Parties represent that they understand and will abide by all provisions of Chapter 2-55 of the Municipal Code and that the Developer Parties will inform subcontractors of this provision and require their compliance.

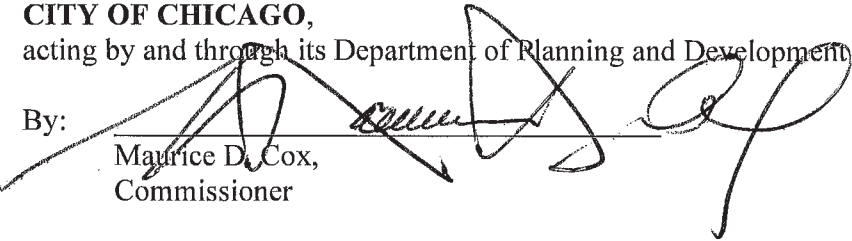
18.28 **Faircloth-to-RAD Conversion.** The parties acknowledge that the Project is in HUD's Faircloth-to-RAD Program and has received the Rental Assistance Demonstration ("RAD") Conversion Conditional Approval ("RCCA") to convert the public housing units within the Project to RAD assisted units subject to certain conditions. In connection with the Faircloth-to-RAD conversion process, the City will be required and agrees to subordinate this Agreement to the RAD documents. Accordingly, the parties agree to work in good faith to amend the financing documents, (including without limitation, the ground lease, loan documents, regulatory agreements, and the Borrower's organizational documents) as necessary to reflect conversion to RAD assisted units and to enter into such other subordination and other agreements as are customarily required by HUD and CHA. For the avoidance of doubt, the public housing units within the Project are and will continue to be assisted under the CHA Mixed Finance Amendment and will not convert to RAD assistance unless the conditions under the RCCA are completed and approved by HUD and CHA.

[The remainder of this page is intentionally left blank and the signature page follows]

Signature page to Oakwood Shores 3-1 Owner LLC Redevelopment Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on or as of the Closing Date.

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

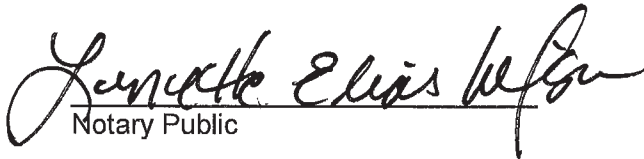
By:  _____
 Maurice D. Cox,
 Commissioner

NOTARY CERTIFICATION

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, LYNETTE ELIAS WILSON, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Maurice D. Cox, Commissioner of the Department of Planning and Development of the City of Chicago, Illinois, an Illinois municipal corporation, on behalf of the corporation (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 20__.


 Notary Public

My Commission Expires June 9, 2026

(SEAL)

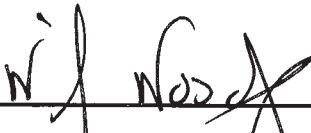
LYNETTE ELIAS WILSON
 Official Seal
 Notary Public - State of Illinois
 My Commission Expires Jun 9, 2026

[OWNER'S SIGNATURE PAGE TO FOLLOW]

Signature page to Oakwood Shores 3-1 Owner LLC Redevelopment Agreement

OAKWOOD SHORES 3-1 OWNER LLC,
an Illinois limited liability company

By: OAKWOOD SHORES 3-1 MM LLC,
an Illinois limited liability company,
its Manager

By: 
Name: William Woodley
Title: Authorized Agent

NOTARY CERTIFICATION

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 William Woodley, personally known to me to be the Authorized Agent of Oakwood Shores 3-1 MM LLC, an Illinois limited liability company (the "Manager") and sole manager of Oakwood Shores 3-1 Owner LLC (the "Owner"), an Illinois limited liability company, 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 (s)he signed and delivered the said instrument as his/her free and voluntary act, and as the free and voluntary act and deed of the Manager and of the Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 22nd day of August, 2022.

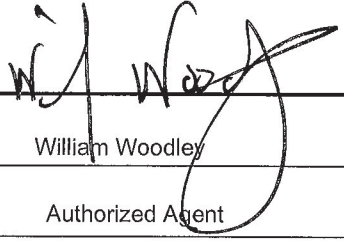

Notary Public



Signature page to Oakwood Shores 3-1 Owner LLC Redevelopment Agreement

TCB DEVELOPMENT SERVICES LLC,
an Illinois limited liability company

By: THE COMMUNITY BUILDERS, INC.,
d/b/a TCB NFP Illinois, Inc.,
a Massachusetts nonprofit corporation,
its sole member

By: 
Name: William Woodley
Title: Authorized Agent

NOTARY CERTIFICATION

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 William Woodley, personally known to me to be the Authorized Agent of The Community Builders, Inc., d/b/a TCB NFP Illinois, Inc., a Massachusetts nonprofit corporation (the "Sole Member") and sole member of TCB Development Services LLC, an Illinois limited liability company ("TCBDS"), 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 (s)he signed and delivered the said instrument as his/her free and voluntary act, and as the free and voluntary act and deed of the Sole Member and of TCBDS, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 22nd day of August, 2022.


Notary Public



EXHIBIT A

REDEVELOPMENT AREA

[NOT ATTACHED FOR RECORDING PURPOSES]

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. CHICAGO, IL 60602-1220
CHICAGO, IL 60602-1220

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. CHICAGO, IL 60602-1220
CHICAGO, IL 60602-1220

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. CHICAGO, IL 60602-1220
CHICAGO, IL 60602-1220

EXHIBIT B

LEASEHOLD LEGAL DESCRIPTION

FOR OAKWOOD SHORES 3-1 REDEVELOPMENT AGREEMENT

PARCEL 1:

PARCEL 1A:

THE LEASEHOLD ESTATE EVIDENCED BY THAT CERTAIN GROUND LEASE DATED SEPTEMBER 29, 2022 WITH A 65 YEAR TERM BEGINNING SEPTEMBER 29, 2022 AND TERMINATING SEPTEMBER 28, 2087 ENTERED INTO BY THE CHICAGO HOUSING AUTHORITY AS LESSOR AND TCB DEVELOPMENT SERVICES LLC AS LESSEE, AND ASSIGNED AND ASSUMED AND AMENDED BY ASSIGNMENT, ASSUMPTION AND AMENDMENT OF GROUND LEASE, BETWEEN TCB DEVELOPMENT SERVICES LLC AND OAKWOOD SHORES 3-1 OWNER LLC AND JOINED IN BY THE CHICAGO HOUSING AUTHORITY WITH RESPECT TO THE DEMISED LAND, DESCRIBED AS FOLLOWS:

LOTS 72, 73, 74, 75, 76, 77, 78 AND 79 IN OAKWOOD SHORES PHASE 2, BEING A RESUBDIVISION OF VARIOUS LOTS AND PARTS OF LOTS IN VARIOUS SUBDIVISIONS AND RESUBDIVISIONS TOGETHER WITH VACATED ROADS AND VACATED ALLEYS IN PART OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 11, 2007 AS DOCUMENT NUMBER 0734522111, IN COOK COUNTY, ILLINOIS.

PARCEL 1B:

OWNERSHIP, SUBJECT TO ARTICLES 5, 10 AND 14 OF THE AFORESAID GROUND LEASE AGREEMENT, OF THE IMPROVEMENTS NOW LOCATED ON, OR HEREAFTER ERECTED ON, PARCEL 1A.

PERMANENT REAL ESTATE INDEX NUMBERS: 17-34-422-012-0000 THROUGH 17-34-422-019-0000

COMMON ADDRESS: 616-630 EAST PERSHING ROAD, CHICAGO, ILLINOIS 60653

EXHIBIT C-1

PROJECT BUDGET

<u>SOURCES:</u>	Pershing only
1st Mortgage Lender	\$ 1,630,706
CHA Loan	\$ 3,500,477
IHDA Loan	\$ 2,426,903
TIF	\$ 1,176,471
ComEd Energy Grant	\$ 100,371
Seller Note (accrued soft interest)	\$ 103,164
IL Donation Tax Credit Equity	\$ 476,385
LIHTC Equity	\$ 6,610,895
General Partner Equity	\$ 59
Deferred Developer Fee	\$ 29,412
Total Sources	\$ 16,054,842

<u>USES:</u>	
Land Acquisition	\$ 38

<u>Hard Costs</u>	
Construction	\$ 12,243,852
Const Contingency	\$ 606,659
Total Hard Costs	\$ 12,850,511

		\$ -
<u>Soft Costs</u>		\$ -
Architect	3.3% of hard costs	\$ 419,461
Engineering	0.5% of hard costs	\$ 62,529
Loan Origination	of loan	\$ 103,023
Legal	1.7% of total costs	\$ 265,882
Marketing	0.0% of total costs	
Construction Loan Interest	2.3% of total costs	\$ 370,588
Environmental Reports	0.5% of total costs	\$ 77,353
Reserves	2.3% of total costs	\$ 361,758
Tax Credit Issuer Fees	0.4% of total costs	\$ 71,092
Bond Issuance Costs	0.0% of total costs	\$ -
Developer Fee	4.5% of total costs	\$ 728,727
Other soft costs	4.6% of total costs	\$ 743,879
Total Soft Costs		<u>\$ 3,204,292</u>
Total Uses		<u>\$ 16,054,842</u>

EXHIBIT C-2

MBE/WBE BUDGET

MBE/WBE BUDGET	Project Total
Project Hard Costs	\$ 20,814,549
Project Soft Costs (Arch., Eng, soil testing)	<u>\$ 839,383</u>
Project MBE/WBE Total Budget	<u>\$ 21,653,932</u>
<hr/>	
Project MBE Total at 26%	\$ 5,630,022
<u>Project WBE Total at 6%</u>	<u>\$ 1,299,236</u>
Total Pershing-only MBE	\$ 3,311,777.87
Total Pershing-only WBE	\$ 764,256.43

EXHIBIT D

TIF-FUNDED IMPROVEMENTS

<u>Category</u>	<u>TIF Eligible Cost - Pershing only**</u>
TIF-eligible Land Acquisition	\$ 38
Public Works or Site Improvements	\$ -
Affordable Housing Unit Hard Costs	\$ 5,470,585
Other Hard Construction Costs	
Environmental Remediation	\$ 164,094
Eligible soft costs related to construction	\$ -
Eligible Professional Fees	\$ -
Relocation	\$ -
Developer Fee	\$ 699,315
	\$ -
Soft Interest (can only count if not counting affordable hard costs)	\$ -
Total for Pershing-only building	\$ 6,334,033

**Notwithstanding the total of TIF eligible costs, the TIF assistance to be provided by the City shall not exceed 2m.

EXHIBIT E

Intentionally Omitted

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
128 N. CLARE ST. ROOM 120
CHICAGO, ILL. 60610

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
128 N. CLARE ST. ROOM 120
CHICAGO, ILL. 60610

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
128 N. CLARE ST. ROOM 120
CHICAGO, ILL. 60610

EXHIBIT F

APPROVED PRIOR EXPENDITURES

None.

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. DEARBORN ST., ROOM 120
CHICAGO, IL 60601-3337

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. DEARBORN ST., ROOM 120
CHICAGO, IL 60601-3337

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. DEARBORN ST., ROOM 120
CHICAGO, IL 60601-3337

EXHIBIT G

PERMITTED LIENS

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

COOK COUNTY CLERK OFFICE
RECORDS & CLERK
118 N. LAKE ST. ROOM 110
CHICAGO, ILL. 60601

COOK COUNTY CLERK OFFICE
RECORDS & CLERK
118 N. LAKE ST. ROOM 110
CHICAGO, ILL. 60601

COOK COUNTY CLERK OFFICE
RECORDS & CLERK
118 N. LAKE ST. ROOM 110
CHICAGO, ILL. 60601

EXHIBIT H

OPINION OF DEVELOPER PARTIES' COUNSEL

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

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

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

I have acted as counsel to _____, an Illinois limited liability company (the "_____") and _____, an Illinois limited liability company, ("_____") in connection with the acquisition of certain land and the construction of certain facilities thereon located in the _____ Project Area (the "Project"). In that capacity, I 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 _____, _____ and the City of Chicago (the "City"); and

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

In addition to the foregoing, I have examined:

(a) the original or certified, conformed or photostatic copies of (1) the Owner's (i) Articles of Organization, (ii) operating agreement, (iii) By-Laws, if any, (iv) the certificate of good standing, and (v) records of all members' proceedings relating to the Project; and (2) Sponsor's (i) Articles of Incorporation (ii) By-Laws, if any, (iii) the certificate of good standing, and (v) records of all board of directors' proceedings relating to the Project; and

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

In all such examinations, I have assumed the genuineness of all signatures (other than those of the Owner and Sponsor), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photo static copies.

Based on the foregoing, it is my opinion that:

1. The Owner is a limited liability company, duly organized and validly existing under the laws of its state of formation, 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 limited liability company 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. Sponsor is, duly organized, validly existing and in good standing under the laws of its state of incorporation, 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 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. Owner and Sponsor have full right, power and authority to execute and deliver the Documents to which they are a party and to perform their obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Owner's operating agreement, 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 my knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Owner or Sponsor is a party or by which Owner or its properties is bound. To the best of my 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 Owner or Sponsor 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 Owner or Sponsor.

4. Each of the Documents to which Owner or Sponsor is a party has been duly executed and delivered by a duly authorized officer of the Owner or Sponsor, as applicable, and each such Document constitutes the legal, valid and binding obligation of the Owner or Sponsor 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. To the best of my knowledge after diligent inquiry, no judgments are outstanding against Owner or Sponsor nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Owner or Sponsor or affecting the Owner or Sponsor or its property, or seeking to restrain or enjoin the performance by the Owner or Sponsor of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of my knowledge after diligent inquiry, the Owner or Sponsor 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 Owner or, Sponsor or its business.

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

7. To the best of my knowledge after diligent inquiry, all of the assets of the Owner or Sponsor are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

8. The execution, delivery and performance of the Documents by the Owner or Sponsor 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.

9. To the best of my knowledge after diligent inquiry, Owner or Sponsor own or possess or is licensed or otherwise have 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.

10. 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.

I am admitted to practice in the State of Illinois and I 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 Owner's and Sponsor's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

By: _____
Name: _____

EXHIBIT I

Intentionally Omitted

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 1210
CHICAGO, ILLINOIS 60610

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 1210
CHICAGO, ILLINOIS 60610

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 1210
CHICAGO, ILLINOIS 60610

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this ____ day of _____.

My commission expires: _____

COOK COUNTY CLERK OFFICE
JUL 10 2011 10:10 AM
120 W. WASHINGTON ST. (6th FL)
CHICAGO, IL 60601-1001

COOK COUNTY CLERK OFFICE
JUL 10 2011 10:10 AM
120 W. WASHINGTON ST. (6th FL)
CHICAGO, IL 60601-1001

COOK COUNTY CLERK OFFICE
JUL 10 2011 10:10 AM
120 W. WASHINGTON ST. (6th FL)
CHICAGO, IL 60601-1001

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MEETING OF THE
JOINT REVIEW BOARD

Re: Madden/Wells Tax Increment Financing Program
Redevelopment Plan and Project Amendment No. 1

Videoconference
Via Zoom

Thursday, October 6, 2022
10:11 a.m.

BOARD MEMBERS:

Beth O'Reilly, Chairperson, Park District
Trasjuan Creed, Chicago Public Schools
John Zukosky, City Colleges of Chicago
Tricia Marino Ruffolo, Cook County
Kara Breems, City of Chicago
Michael Brown, CMAP
Lisa J. Shepherd, Public Member

PRESENT:

Ryan Slattery, Department of Planning and Development
JoAnn Worthy, Department of Planning and Development
Elena Caminer, S.B. Friedman
Geoffrey Dickinson, S.B. Friedman

Reported by: Nick D. Bowen
CSR No. 084-001661

1 CHAIRPERSON O'REILLY: Okay. My name is Beth
2 O'Reilly. I'd like to open this meeting, but to
3 begin with, I'd like to have the JRB members
4 introduce themselves, please.

5 MR. ZUKOSKY: I'll start. John Zukosky with
6 City Colleges.

7 MS. RUFFOLO: Tricia Marino Ruffolo with Cook
8 County.

9 MS. CREED: Tracey Creed, Chicago Public
10 Schools.

11 MS. BREEMS: Kara Breems, City of Chicago.

12 MR. BROWN: Michael Brown with CMAP.

13 CHAIRPERSON O'REILLY: Okay. Is that
14 everyone, Ryan?

15 MR. SLATTERY: Yeah.

16 CHAIRPERSON O'REILLY: Okay. Great.

17 And the purpose of this meeting is
18 the convening of the Joint Review Board in which we
19 will hear several presentations for amendments to
20 existing TIFs.

21 For the record, my name is Beth
22 O'Reilly. I am the representative of the Chicago
23 Park District, which, under Section 11-74.4-5 of
24 the Tax Increment Allocation Redevelopment Act, is

1 one of the statutorily designated members of the
2 Joint Review Board.

3 Until the election of a chairperson,
4 I will moderate this Joint Review Board meeting.

5 For the record, this will be a
6 meeting to review the proposed Amendment No. 1 to
7 the Madden/Wells Tax Increment Financing District.
8 The date of this meeting was announced at and set
9 by the Community Development Commission of the City
10 of Chicago at its meeting of September 13th, 2022.
11 Notice of this meeting of the Joint Review Board
12 was also provided by certified mail to each taxing
13 district represented on the board, which includes
14 the Chicago Board of Education, the Chicago
15 Community Colleges District 508, Chicago Park
16 District, Cook County, the City of Chicago, and one
17 public member. Public notice of this meeting was
18 also posted as of Tuesday, October 4th, in various
19 locations throughout City Hall.

20 The first order of business will be
21 to elect our public member for this Joint Review
22 Board. With us today is Lisa J. Shepherd.

23 Are you on the call, Lisa?

24 MS. SHEPHERD: Yes.

1 CHAIRPERSON O'REILLY: Great. Are you
2 familiar with the --

3 MS. SHEPHERD: Good morning.

4 CHAIRPERSON O'REILLY: Good morning. Are you
5 familiar with the boundaries of the Madden/Wells
6 TIF Amendment No. 1?

7 MS. SHEPHERD: I'm somewhat familiar with
8 that, yes.

9 CHAIRPERSON O'REILLY: Okay. Great. And for
10 the record, would you please give -- state your
11 address for your primary residence?

12 MS. SHEPHERD: My address is 3711 South
13 Vincennes Avenue, Chicago, Illinois, 60613.

14 CHAIRPERSON O'REILLY: Thank you.

15 Ms. Shepherd, are you willing to
16 serve as the public member for the Joint Review
17 Board for the Madden/Wells TIF Amendment No. 1?

18 MS. SHEPHERD: Yes, ma'am.

19 CHAIRPERSON O'REILLY: Thank you.

20 I will entertain a motion that Lisa
21 J. Shepherd be selected as the public member. Is
22 there a motion?

23 MR. ZUKOSKY: So moved.

24 CHAIRPERSON O'REILLY: Great. Thank you.

1 Is there a second?

2 MS. CREED: I second. This is Tracey Creed.

3 CHAIRPERSON O'REILLY: Thank you.

4 All in favor, please vote by saying
5 aye.

6 (Chorus of ayes.)

7 All opposed, please vote by saying
8 no.

9 (No response.)

10 Let the record reflect that Lisa J.
11 Shepherd has been selected as the public member for
12 the proposed Madden/Wells TIF Amendment No. 1.

13 Our next order of business is to
14 select a chairperson for this Joint Review Board.

15 Are there any nominations?

16 MS. RUFFOLO: I nominate you, Beth O'Reilly.

17 CHAIRPERSON O'REILLY: Oh. Why thank you,
18 Tricia.

19 Are there any other nominations?

20 (No response.)

21 Let the record reflect that there
22 were no other nominations.

23 All in favor of the nomination,
24 please vote by saying aye.

1 (Chorus of ayes.)

2 All opposed, please vote by saying
3 no.

4 (No response.)

5 Let the record reflect that Beth
6 O'Reilly has been elected as chairperson and will
7 now serve as chairperson for the remaining of --
8 remainder of this meeting.

9 As I mentioned, this meeting we will
10 review the plan for the proposed Amendment No. 1 to
11 the Madden/Wells TIF by the City of Chicago.

12 Staff of the City's Department
13 of Planning and Development, Law, and other
14 departments have reviewed this plan amendment which
15 was introduced to the City's Community Development
16 Commission on September 13th, 2022.

17 We will listen to a presentation by
18 the consultants on the plan. Following the
19 presentation, we can address any questions that the
20 members may have for the consultants or City staff.

21 Following the question period for
22 the board members, I will call upon members of the
23 public who have used raise-your-hand feature to be
24 recognized. However, due to the capacity

1 limitations of the available technology, a limit
2 of 15 members of the public may be called upon to
3 speak and will be limited to three minutes each.

4 An amendment to the TIF Act requires
5 us to base our recommendation to approve or
6 disapprove the proposed Madden/Wells TIF amendment
7 on the basis of the area and the plan satisfying
8 the plan requirements, the eligibility criteria
9 defined in the TIF Act, and objectives of the TIF
10 Act.

11 If the board approves the plan,
12 the board will issue an advisory nonbinding
13 recommendation by the vote of the majority of the
14 members present and voting. Such recommendation
15 shall be submitted to the City within 30 days
16 after the board meeting. Failure to submit such
17 recommendation shall be deemed to constitute
18 approval by the board. If the board disapproves of
19 the proposed plan, the board must issue a written
20 report describing why the plan and area fail to
21 meet one or more of the objectives of the TIF Act
22 and both the plan requirement and the eligibility
23 criteria of the TIF Act.

24 The City will then have 30 days to

1 resubmit a revised plan. The board and the City
2 must also confer during this time to try to resolve
3 the issues that led to the board's disapproval. If
4 such issues cannot be resolved or if the revised
5 plan is disapproved, the City may proceed with the
6 plan, but the plan can only be approved with three-
7 fifths of the vote of City Council excluding
8 positions of members that are vacant and those
9 members that are ineligible to vote because of
10 conflicts of interest.

11 We will now hear the presentation on
12 Madden/Wells TIF Amendment No. 1. The consultant
13 on this project is S.B. Friedman Development
14 Advisors, LLC.

15 Is it going to be planning or the
16 consultant?

17 MR. SLATTERY: It's going to be me.

18 CHAIRPERSON O'REILLY: Okay.

19 MR. SLATTERY: Go ahead and share my screen.
20 You guys can see this okay? Yeah. Okay.

21 Good morning, all. My name is Ryan
22 Slattery. I'm the project manager for this TIF
23 amendment. I'm with the Department of Planning and
24 Development.

1 As Beth mentioned, here with me
2 today is S.B. Friedman, Elena Caminer and Geoff
3 Dickinson.

4 The proposed -- the purpose of this
5 meeting is to discuss the amendment for the Madden/
6 Wells Tax Increment Financing District. The main
7 purpose for why we're here today is to extend the
8 TIF district for an additional 12-year period to
9 allow for further redevelopment within the project
10 area. Also, we are proposing to expand the
11 boundaries to include vacant lands to the west and
12 Ellis Park. As part of this extension process, we
13 will amend the termination date from December 31st,
14 2026 to December 31st, 2038. We'll revise the
15 budget, update the land use plan, and make minor
16 changes to the plan language prior to receiving
17 Council approval.

18 The Madden/Wells TIF is generally
19 bounded by 37th Street to the north, Lake Park
20 Avenue to the east, Oakwood Boulevard to the south,
21 and Vincennes Avenue to the west. The entire of
22 the TIF area measures 38 -- or 98 acres.

23 The added area, as you can see in
24 the hatch, includes areas to the west to Rhodes

1 Avenue and to the north to Browning Avenue.

2 In order to establish a TIF
3 district, the TIF state acts -- state act requires
4 that certain eligibility factors are legally
5 demonstrated in the area as blighting to be
6 present. For vacant land, there are two paths for
7 blighting eligibility. The first path requires two
8 of six factors to be present to a meaningful extent
9 and reasonably distributed throughout the area.
10 The second path requires at least one of six
11 possible factors that also needs to be present to
12 a meaningful extent and reasonably distributed
13 throughout the area.

14 After a thorough review, it was
15 determined that the vacant area exhibited both
16 paths of blighting factors. The two factor
17 requirement paths include lack of growth in EAV and
18 obsolete platting. The EAV growth for the expanded
19 area has been less than the growth of the city and
20 CPI for five of the last five years.

21 In the aerial map, you can see a
22 large lot in the northwest corner. That includes
23 multiple PINs that have no access to streets.

24 The added area also meets the one

1 factor eligibility as -- for vacant lands. A
2 flooding study indicated the runoff from 100
3 percent of the added area contributed --
4 contributed to flooding within the watershed.

5 The redevelopment plan included
6 general land use plan of the future development
7 within the TIF district. The entire area
8 identifies as mixed use, which generally includes
9 commercial, residential, institutional, open space,
10 and right of way.

11 Each of the TIF districts has a list
12 of goals and objectives. The general goal is to
13 reduce or eliminate the conditions that qualify the
14 area. And the objectives include sustain the
15 future development of the CHA Transformation
16 projects, improve infrastructure and parks, and
17 then create new job opportunities throughout the
18 redevelopment area.

19 TIF funds have been used -- have
20 been used successfully in many projects throughout
21 the area, primarily for the Oakwood Shores
22 community. TIF funds were also used for the dog
23 park at 3906 South Lake Park and Donoghue School
24 improvements.

1 In order to make future projects
2 a reality, the redevelopment plan includes a
3 budget -- an updated budget to capture the
4 increment that will be generated during the
5 additional 12 years of TIF. The expected increase
6 will be generate and -- will be generated and
7 expended is \$120 million. As you can see, if it's
8 expended as expected, majority of the funds for
9 this TIF are for affordable housing construction,
10 property assembly, and public infrastructure line
11 items.

12 We anticipate that the future TIF-
13 funded projects in the area will include continued
14 development of the Oakwood Shores community with
15 Oakwood Shores 31 in the process and future CHA
16 Transforation projects. That said, we also expect
17 for investment in the infrastructure and parks.

18 Thank you for your time, and we're
19 happy to -- S.B. Friedman and I are happy to answer
20 any questions you guys may have.

21 CHAIRPERSON O'REILLY: Sorry. Took me a
22 minute to unmute. Okay. Thank you for the
23 presentation, Ryan.

24 Based on the presentation, do any

1 members of the Joint Review Board have any
2 questions?

3 MR. ZUKOSKY: Beth, I have one. This is
4 John.

5 I'm always interested in what's
6 going on in the parks, of course, as I know you
7 are. And that park, are there any specific plans
8 at this point, or are we just creating more
9 capacity?

10 CHAIRPERSON O'REILLY: We are welcoming the
11 inclusion of the park into the TIF. So once that's
12 all said and done, we will certainly look to make
13 some investments there. I'm pretty sure Ellis Park
14 has a relatively new fieldhouse, but I need to
15 double check. I think that's where Williams is.

16 MR. ZUKOSKY: Yeah. Just to the north is the
17 arts and rec center for the Quad Cities. Or Quad
18 Communities. Sorry.

19 CHAIRPERSON O'REILLY: Yeah. So we love it
20 when the TIFs amend their boundaries to include
21 adjacencies to the parks because that is who uses
22 the parks. And as we all know, we're really
23 limited on capital resources.

24 MR. ZUKOSKY: Yeah.

1 CHAIRPERSON O'REILLY: Really pretty good at
2 getting TIF improvements in our facilities.

3 MR. ZUKOSKY: Well, I think that's one of
4 the advantages of having your expertise from the
5 planning department that you bring to the park
6 district. So it's great for the whole city.

7 CHAIRPERSON O'REILLY: I do have to say the
8 TIF investment has definitely increased since I've
9 been over here.

10 MR. ZUKOSKY: Yeah. Well, that's no
11 coincidence. But it's just capturing that.

12 CHAIRPERSON O'REILLY: Right.

13 MR. ZUKOSKY: I mean, it's available. And,
14 you know, everybody in Chicago benefits from that.
15 So my --

16 CHAIRPERSON O'REILLY: And actually all of --
17 you know, the sisters, like CTA and CPS, are also
18 benefitting from TIF investment in their facilities
19 as well, so ...

20 MR. ZUKOSKY: Yeah, they are. And we're
21 always -- you know, I scrutinize this always, of
22 course, for City Colleges facilities, but we're so
23 limited. But, you know, that's why we're here. So
24 anyway, thank you for bringing that to light.

1 CHAIRPERSON O'REILLY: No problem. Thanks
2 for your comment.

3 Are there any other questions from
4 the board?

5 (No response.)

6 Okay. Lisa Shepherd, do you have
7 any questions as representing the public member?

8 MS. SHEPHERD: Not at this time I don't.

9 CHAIRPERSON O'REILLY: Okay. Thank you.

10 Are there any members of the public
11 on this call, Ryan?

12 MR. SLATTERY: I don't see any.

13 CHAIRPERSON O'REILLY: Okay.

14 MR. SLATTERY: The attendee is also a member
15 of S.B. Friedman, so ...

16 CHAIRPERSON O'REILLY: Okay. Are there any
17 further questions?

18 (No response.)

19 If not, I will entertain a motion
20 that this Joint Review Board find that the proposed
21 Madden/Wells TIF Amendment No. 1 satisfies the
22 redevelopment plan requirements under the TIF Act,
23 the eligible criteria defined in Section 11-74.4-3
24 of the TIF Act, and the objectives of the TIF Act,

1 and that based on such findings approve such
2 proposed plan amendment under the TIF Act.

3 Is there a motion?

4 MS. BREEMS: So move. This is Kara Breems.

5 CHAIRPERSON O'REILLY: Thank you.

6 Is there a second for the motion?

7 MS. CREED: This is Tracey. I second it.

8 CHAIRPERSON O'REILLY: Great.

9 Is there any further discussion?

10 (No response.)

11 If not, all in favor, please vote by
12 saying aye.

13 (Chorus of ayes.)

14 Let the record reflect -- oh, sorry.
15 Any -- all opposed, please vote by saying no.

16 (No response.)

17 Let the record reflect that the
18 Joint Review Board's approval of the proposed
19 Madden/Wells TIF Amendment No. 1 under the TIF Act.

20 I would now like to adjourn the
21 Madden/Wells TIF Act Amendment No. 1 JRB meeting.

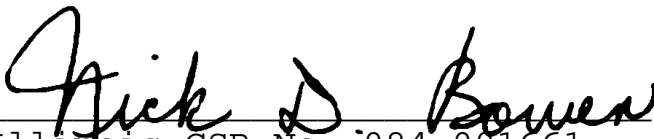
22 (The proceedings adjourned at
23 10:26 a.m.)
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REPORTER'S CERTIFICATE

I, Nick D. Bowen, do hereby certify that I reported in shorthand the proceedings of said hearing as appears from my stenographic notes so taken and transcribed under my direction.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Chicago, Illinois, this 25th day of October 2022.



Illinois CSR No. 084-001661

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CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2022

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT

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INDEPENDENT AUDITOR'S REPORT

The Honorable Brandon Johnson, Mayor
Members of the City Council
City of Chicago, Illinois

Opinion

We have audited the accompanying financial statements of the Madden/Wells Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Madden/Wells Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Chicago, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the financial statements of the Madden/Wells Redevelopment Project, City of Chicago, Illinois, are intended to present the financial position and the changes in financial position, of only that portion of the special revenue funds of the City of Chicago, Illinois that is attributable to the transactions of the Madden/Wells Redevelopment Project. They do not purport to, and do not, present the financial position of the City of Chicago, Illinois, as of December 31, 2022 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Chicago's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

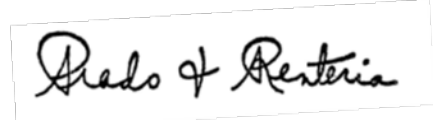
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Madden/Wells Redevelopment Project's basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 29, 2023

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

As management of the Madden/Wells 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, 2022. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT

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

Notes to the Financial Statements

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

Other Supplementary Information

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

Condensed Comparative Financial Statements

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

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$1,391,389 for the year. This was a decrease of 16 percent over the prior year. The change in net position produced an increase in net position of \$673,803. The Project's net position increased by 9 percent from the prior year making available \$8,006,772 of funding to be provided for purposes of future redevelopment in the Project's designated area.

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 8,081,993	\$ 7,679,477	\$ 402,516	5%
Total liabilities	<u>75,221</u>	<u>346,508</u>	<u>(271,287)</u>	-78%
Total net position	<u>\$ 8,006,772</u>	<u>\$ 7,332,969</u>	<u>\$ 673,803</u>	9%
Total revenues	\$ 1,181,160	\$ 1,666,530	\$ (485,370)	-29%
Total expenses	<u>507,357</u>	<u>575,972</u>	<u>(68,615)</u>	-12%
Changes in net position	<u>673,803</u>	<u>1,090,558</u>	<u>(416,755)</u>	-38%
Ending net position	<u>\$ 8,006,772</u>	<u>\$ 7,332,969</u>	<u>\$ 673,803</u>	9%

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2022

<u>ASSETS</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 6,261,425	\$ -	\$ 6,261,425
Property taxes receivable	1,803,687	-	1,803,687
Accrued interest receivable	16,881	-	16,881
Total assets	<u>\$ 8,081,993</u>	<u>\$ -</u>	<u>\$ 8,081,993</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 48,499	\$ -	\$ 48,499
Due to other City funds	26,722	-	26,722
Total liabilities	<u>75,221</u>	<u>-</u>	<u>75,221</u>
Deferred inflows	1,411,733	(1,411,733)	-
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>6,595,039</u>	(6,595,039)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 8,081,993</u>		
Net position:			
Restricted for future redevelopment project costs		<u>8,006,772</u>	<u>8,006,772</u>
Total net position		<u>\$ 8,006,772</u>	<u>\$ 8,006,772</u>

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

Total fund balance - governmental fund	\$ 6,595,039
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>1,411,733</u>
Total net position - governmental activities	<u>\$ 8,006,772</u>

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

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 1,558,588	\$ (167,199)	\$ 1,391,389
Interest income (loss)	<u>(210,229)</u>	<u>-</u>	<u>(210,229)</u>
Total revenues	1,348,359	(167,199)	1,181,160
Expenditures/expenses:			
Economic development projects	<u>507,357</u>	<u>-</u>	<u>507,357</u>
Excess of revenues over expenditures	841,002	(841,002)	-
Change in net position	-	673,803	673,803
Fund balance/net position:			
Beginning of year	<u>5,754,037</u>	<u>1,578,932</u>	<u>7,332,969</u>
End of year	<u><u>\$ 6,595,039</u></u>	<u><u>\$ 1,411,733</u></u>	<u><u>\$ 8,006,772</u></u>

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

Net change in fund balance - governmental fund	\$ 841,002
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>(167,199)</u>
Change in net position - governmental activities	<u><u>\$ 673,803</u></u>

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

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In November 2002, the City of Chicago (City) established the Madden/Wells Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

The financial statements present only the activities of the Madden/Wells Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2022 and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(b) *Accounting Policies*

The accounting policies of the Project are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(c) *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) and the governmental fund financial statements (i.e., the balance sheet and the statement of governmental fund revenues, expenditures and changes in fund balance) report information on the Project. See Note 1(a).

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

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

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

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

(e) *Assets, Liabilities and Net Position*

Cash and Investments

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

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

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are recognized at amortized cost. In 2022, due to fair value adjustments, investment income is showing a loss.

Deferred Inflows

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

Capital Assets

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

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(f) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

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

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. Refer to Note 2 for reimbursements paid to the developer.

Note 2 – Tax Abatement Payments

Under the terms of the redevelopment agreements, the Project paid the developers \$232,929 during the year ended December 31, 2022.

Note 3 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance either directly to a developer or indirectly through a financing intermediary under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2022, the Project has various outstanding service and construction projects with encumbrances for approximately \$23,020.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
MADDEN/WELLS 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	\$ 100,077
Costs of the construction of public works or improvements	174,351
Costs of interest incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project	<u>232,929</u>
	<u><u>\$ 507,357</u></u>



INDEPENDENT AUDITOR'S REPORT

The Honorable Brandon Johnson, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Madden/Wells Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2022, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 29, 2023.

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 Madden/Wells Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Prado & Renteria

June 29, 2023

INTERGOVERNMENTAL AGREEMENTS

FY 2022

FY 2022

Name of Redevelopment Project Area:

Madden/Wells

A list of all intergovernmental agreements in effect in FY 2022 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
IGA - CPD - Dog Park	Improvements to park	\$38,235	