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# 2014 Annual Report

## Western Avenue/Rock Island Redevelopment Project Area

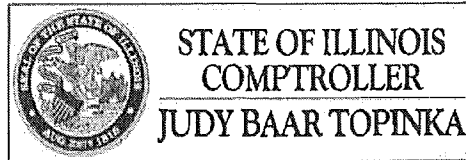


Pursuant to 65 ILCS 5/11-74.4-5(d)

*JUNE 30, 2015*

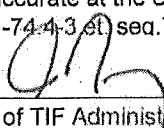
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**FY 2014  
ANNUAL TAX INCREMENT FINANCE  
REPORT**



Name of Municipality: City of Chicago Reporting Fiscal Year: **2014**  
 County: Cook Fiscal Year End: **12 /31/2014**  
 Unit Code: 016/620/30

| TIF Administrator Contact Information |                                  |                     |   |
|---------------------------------------|----------------------------------|---------------------|---|
| First Name:                           | <u>Andrew J.</u>                 | Last Name:          | <u>Mooney</u>   |
| Address:                              | <u>City Hall, 121 N. LaSalle</u> | Title:              | <u>Administrator</u>  |
| Telephone:                            | <u>(312) 744 0025</u>            | City:               | <u>Chicago, IL</u> Zip: <u>60602</u>  |
| Mobile                                | <u>n/a</u>                       | E-mail              | <u>TIFReports@cityofchicago.org</u>   |
| Mobile Provider                       | <u>n/a</u>                       | Best way to contact | <input checked="" type="checkbox"/> Email <input type="checkbox"/> Phone<br><input type="checkbox"/> Mobile <input type="checkbox"/> Mail |

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of \_\_\_\_\_  
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]  
  
 Written signature of TIF Administrator \_\_\_\_\_ Date June 30, 2015

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

| FILL OUT ONE FOR EACH TIF DISTRICT             |                 |                 |
|--|-----------------|-----------------|
| Name of Redevelopment Project Area             | Date Designated | Date Terminated |
| 24th/Michigan                                  | 7/21/1999       | 7/21/2022       |
| 26th and King Drive                            | 1/11/2006       | 12/31/2030      |
| 35th and Wallace                               | 12/15/1999      | 12/31/2023      |
| 35th/Halsted                                   | 1/14/1997       | 12/31/2021      |
| 35th/State                                     | 1/14/2004       | 12/31/2028      |
| 43rd/Cottage Grove                             | 7/8/1998        | 12/31/2022      |
| 45th/Western Industrial Park Conservation Area | 3/27/2002       | 12/31/2014      |
| 47th/Ashland                                   | 3/27/2002       | 12/31/2026      |
| 47th/Halsted                                   | 5/29/2002       | 12/31/2026      |
| 47th/King Drive                                | 3/27/2002       | 12/31/2026      |
| 47th/State                                     | 7/21/2004       | 12/31/2028      |
| 49th Street/St. Lawrence Avenue                | 1/10/1996       | 12/31/2020      |
| 51st/Archer                                    | 5/17/2000       | 12/31/2024      |
| 51st/Lake Park                                 | 11/15/2012      | 12/31/2036      |
| 53rd Street                                    | 1/10/2001       | 12/31/2025      |
| 60th and Western                               | 5/9/1996        | 5/9/2019        |
| 63rd/Ashland                                   | 3/29/2006       | 12/31/2030      |
| 63rd/Pulaski                                   | 5/17/2000       | 12/31/2024      |
| 67th/Cicero                                    | 10/2/2002       | 12/31/2026      |
| 67th/Wentworth                                 | 5/4/2011        | 12/31/2035      |
| 69th/Ashland                                   | 11/3/2004       | 12/31/2028      |
| 71st and Stony Island                          | 10/7/1998       | 10/7/2021       |
| 73rd/University                                | 9/13/2006       | 12/31/2030      |
| 79th and Cicero                                | 6/8/2005        | 12/31/2029      |

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

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

Reporting Fiscal Year: **2014**  
 Fiscal Year End: 12 / 31 / **2014**

|  |            |            |
|--|------------|------------|
| 79th Street Corridor                         | 7/8/1998   | 7/8/2021   |
| 79th Street/Southwest Highway                | 10/3/2001  | 12/31/2025 |
| 79th/Vincennes                               | 9/27/2007  | 12/31/2031 |
| 83rd/Stewart                                 | 3/31/2004  | 12/31/2028 |
| 87th/Cottage Grove                           | 11/13/2002 | 12/31/2026 |
| 95th and Western                             | 7/13/1995  | 7/13/2018  |
| 95th Street and Stony Island                 | 5/16/1990  | 12/31/2014 |
| 105th/Vincennes                              | 10/3/2001  | 12/31/2025 |
| 107th Halsted                                | 4/2/2014   | 12/31/2038 |
| 111th Street/Kedzie Avenue Business District | 9/29/1999  | 9/29/2022  |
| 119th and Halsted                            | 2/6/2002   | 12/31/2026 |
| 119th/I-57                                   | 11/6/2002  | 12/31/2026 |
| 126th and Torrence                           | 12/21/1994 | 12/21/2017 |
| 134th and Avenue K                           | 3/21/2008  | 12/31/2014 |
| Addison Corridor North                       | 6/4/1997   | 6/4/2020   |
| Addison South                                | 5/9/2007   | 12/31/2031 |
| Archer Courts                                | 5/12/1999  | 12/31/2023 |
| Archer/ Central                              | 5/17/2000  | 12/31/2024 |
| Archer/Western                               | 2/11/2009  | 12/31/2033 |
| Armitage/Pulaski                             | 6/13/2007  | 12/31/2031 |
| Austin Commercial                            | 9/27/2007  | 12/31/2031 |
| Avalon Park/South Shore                      | 7/31/2002  | 12/31/2026 |
| Avondale                                     | 7/29/2009  | 12/31/2033 |
| Belmont/Central                              | 1/12/2000  | 12/31/2024 |
| Belmont/Cicero                               | 1/12/2000  | 12/31/2024 |
| Bronzeville                                  | 11/4/1998  | 12/31/2022 |
| Bryn Mawr/Broadway                           | 12/11/1996 | 12/11/2019 |
| Calumet Avenue/Cermak Road                   | 7/29/1998  | 7/29/2021  |
| Calumet River                                | 3/10/2010  | 12/31/2034 |
| Canal/Congress                               | 11/12/1998 | 12/31/2022 |
| Central West                                 | 2/16/2000  | 12/31/2024 |
| Chicago/ Kingsbury                           | 4/12/2000  | 12/31/2024 |
| Chicago/Central Park                         | 2/27/2002  | 12/31/2026 |
| Chicago Lakeside Development – Phase 1 (USX) | 5/12/2010  | 12/31/2034 |
| Cicero/Archer                                | 5/17/2000  | 12/31/2024 |
| Clark Street and Ridge Avenue                | 9/29/1999  | 9/29/2022  |
| Clark/Montrose                               | 7/7/1999   | 7/7/2022   |
| Commercial Avenue                            | 11/13/2002 | 12/31/2026 |
| Devon/Sheridan                               | 3/31/2004  | 12/31/2028 |
| Devon/Western                                | 11/3/1999  | 12/31/2023 |
| Diversey/Narragansett                        | 2/5/2003   | 12/31/2027 |
| Division/Homan                               | 6/27/2001  | 12/31/2025 |

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

Reporting Fiscal Year: **2014**  
 Fiscal Year End: 12 / 31 / **2014**

|  |            |            |
|--|------------|------------|
| Drexel Boulevard   | 7/10/2002  | 12/31/2026 |
| Edgewater/ Ashland                                       | 10/1/2003  | 12/31/2027 |
| Elston/Armstrong Industrial Corridor                     | 7/19/2007  | 12/31/2031 |
| Englewood Mall   | 7/10/1996  | 7/10/2019  |
| Englewood Neighborhood                                   | 6/27/2001  | 12/31/2025 |
| Ewing Avenue   | 3/10/2010  | 12/31/2034 |
| Forty-first Street and Dr. Martin Luther King, Jr. Drive | 7/13/1994  | 12/31/2018 |
| Foster California  | 4/2/2014   | 12/31/2038 |
| Fullerton/ Milwaukee                                     | 2/16/2000  | 12/31/2024 |
| Galewood/Armitage Industrial                             | 7/7/1999   | 7/7/2022   |
| Goose Island   | 7/10/1996  | 7/10/2019  |
| Greater Southwest Industrial Corridor (East)             | 3/10/1999  | 12/31/2023 |
| Greater Southwest Industrial Corridor (West)             | 4/12/2000  | 12/31/2024 |
| Harlem Industrial Park Conservation Area                 | 3/14/2007  | 12/31/2031 |
| Harrison/Central   | 7/26/2006  | 12/31/2030 |
| Hollywood/Sheridan                                       | 11/7/2007  | 12/31/2031 |
| Homan-Arthington   | 2/5/1998   | 2/5/2021   |
| Humboldt Park Commercial                                 | 6/27/2001  | 12/31/2025 |
| Irving Park/Elston                                       | 5/13/2009  | 12/31/2033 |
| Irving/Cicero  | 6/10/1996  | 12/31/2020 |
| Jefferson Park Business District                         | 9/9/1998   | 9/9/2021   |
| Jefferson/ Roosevelt                                     | 8/30/2000  | 12/31/2024 |
| Kennedy/Kimball  | 3/12/2008  | 12/31/2032 |
| Kinzie Industrial Corridor                               | 6/10/1998  | 6/10/2021  |
| Kostner Avenue   | 11/5/2008  | 12/31/2014 |
| 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/ Kedzie   | 2/16/2000  | 12/31/2024 |
| Lawrence/Broadway  | 6/27/2001  | 12/31/2025 |
| Lawrence/Pulaski   | 2/27/2002  | 12/31/2026 |
| Lincoln Avenue   | 11/3/1999  | 12/31/2023 |
| Lincoln-Belmont-Ashland                                  | 11/2/1994  | 12/31/2018 |
| Little Village East                                      | 4/22/2009  | 12/31/2033 |
| Little Village Industrial Corridor                       | 6/13/2007  | 12/31/2031 |
| Madden/Wells   | 11/6/2002  | 12/31/2026 |
| Madison/Austin Corridor                                  | 9/29/1999  | 12/31/2023 |
| Michigan/Cermak  | 9/13/1989  | 12/31/2013 |
| Midway Industrial Corridor                               | 2/16/2000  | 12/31/2024 |
| Midwest  | 5/17/2000  | 12/31/2024 |
| Montclare  | 8/30/2000  | 12/31/2024 |
| Montrose/Clarendon                                       | 6/30/2010  | 12/31/2034 |
| Near North   | 7/30/1997  | 7/30/2020  |
| Near South   | 11/28/1990 | 12/31/2014 |

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

Reporting Fiscal Year: **2014**  
 Fiscal Year End: 12 / 31 / **2014**

|  |            |            |
|--|------------|------------|
| North Branch (North)   | 7/2/1997   | 12/31/2021 |
| North Branch (South)   | 2/5/1998   | 2/5/2021   |
| North Pullman  | 6/30/2009  | 12/31/2033 |
| North-Cicero   | 7/30/1997  | 7/30/2020  |
| Northwest Industrial Corridor                                    | 12/2/1998  | 12/2/2021  |
| Ogden/Pulaski  | 4/9/2008   | 12/31/2032 |
| Ohio/Wabash  | 6/7/2000   | 12/31/2024 |
| Pershing/King  | 9/5/2007   | 12/31/2031 |
| Peterson/Cicero  | 2/16/2000  | 12/31/2024 |
| Peterson/Pulaski   | 2/16/2000  | 12/31/2024 |
| Pilsen Industrial Corridor                                       | 6/10/1998  | 12/31/2022 |
| Portage Park   | 9/9/1998   | 9/9/2021   |
| Pratt/Ridge Industrial Park Conservation Area                    | 6/23/2004  | 12/31/2028 |
| Pulaski Corridor   | 6/9/1999   | 6/9/2022   |
| Randolph and Wells   | 6/9/2010   | 12/31/2034 |
| Ravenswood Corridor  | 3/9/2005   | 12/31/2029 |
| Read-Dunning   | 1/11/1991  | 12/31/2015 |
| River South  | 7/30/1997  | 7/30/2020  |
| River West   | 1/10/2001  | 12/31/2025 |
| Roosevelt/Canal  | 3/19/1997  | 12/31/2021 |
| Roosevelt/Cicero   | 2/5/1998   | 2/5/2021   |
| Roosevelt/Racine   | 11/4/1998  | 12/31/2022 |
| Roosevelt/Union  | 5/12/1999  | 5/12/2022  |
| Roosevelt-Homan  | 12/5/1990  | 12/31/2014 |
| Roseland/Michigan  | 1/16/2002  | 12/31/2026 |
| Sanitary Drainage and Ship Canal                                 | 7/24/1991  | 12/31/2015 |
| South Chicago  | 4/12/2000  | 12/31/2024 |
| South Works Industrial   | 11/3/1999  | 12/31/2023 |
| Stevenson/Brighton   | 4/11/2007  | 12/31/2031 |
| Stockyards Annex   | 12/11/1996 | 12/31/2020 |
| Stockyards Southeast Quadrant Industrial                         | 2/26/1992  | 2/26/2015  |
| Stony Island Avenue Commercial and Burnside Industrial Corridors | 6/10/1998  | 12/31/2034 |
| Touhy/Western  | 9/13/2006  | 12/31/2030 |
| Washington Park  | 10/8/2014  | 12/31/2038 |
| Weed/Fremont   | 1/8/2008   | 12/31/2032 |
| West Irving Park   | 1/12/2000  | 12/31/2024 |
| West Pullman Industrial Park Conservation Area                   | 3/11/1998  | 12/31/2014 |
| West Woodlawn  | 5/12/2010  | 12/31/2034 |
| Western Avenue North   | 1/12/2000  | 12/31/2024 |
| Western Avenue Rock Island                                       | 2/8/2006   | 12/31/2030 |
| Western Avenue South   | 1/12/2000  | 12/31/2024 |
| Western/Ogden  | 2/5/1998   | 2/5/2021   |
| Wilson Yard  | 6/27/2001  | 12/31/2025 |
| Woodlawn   | 1/20/1999  | 1/20/2022  |

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]  
FY 2014**

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

|   | No | Yes |
|---|----|-----|
| Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)]<br><b>If yes, please enclose the amendment labeled Attachment A</b>  | X  |     |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)]<br><b>Please enclose the CEO Certification labeled Attachment B</b>  |    | X   |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)]<br><b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>  |    | X   |
| Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]<br><b>If yes, please enclose the Activities Statement labeled Attachment D</b>                   |    | X   |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)]<br><b>If yes, please enclose the Agreement(s) labeled Attachment E</b>   | X  |     |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)]<br><b>If yes, please enclose the Additional Information labeled Attachment F</b>   | X  |     |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)]<br><b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>           | X  |     |
| Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)]<br><b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>   | X  |     |
| Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)]<br><b>If yes, please enclose the Official Statement labeled Attachment I</b>  | X  |     |
| Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)]<br><b>If yes, please enclose the Analysis labeled Attachment J</b>   | X  |     |
| Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)<br><b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>  |    | X   |
| Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)]<br><b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>   |    | X   |
| A list of all intergovernmental agreements in effect in FY 2014, 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)]<br><b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b> |    | X   |

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

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

FY 2014

TIF NAME: Western Avenue/Rock Island Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ 5,741,477

| Revenue/Cash Receipts Deposited in Fund During Reporting FY:              | Reporting Year | Cumulative*   | % of Total |
|---|----------------|---------------|------------|
| Property Tax Increment  | 160,698        | \$ 10,372,421 | 99%        |
| State Sales Tax Increment   |                |               | 0%         |
| Local Sales Tax Increment   |                |               | 0%         |
| State Utility Tax Increment   |                |               | 0%         |
| Local Utility Tax Increment   |                |               | 0%         |
| Interest  | 17,033         | 78,645        | 1%         |
| Land/Building Sale Proceeds   |                |               | 0%         |
| Bond Proceeds   |                |               | 0%         |
| Transfers from Municipal Sources  |                |               | 0%         |
| Private Sources   |                |               | 0%         |
| Other (identify source _____; if multiple other sources, attach schedule) |                |               | 0%         |

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

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** 177,731

**Cumulative Total Revenues/Cash Receipts** \$ 10,451,066 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** 2,080,601

**Distribution of Surplus** -

**Total Expenditures/Disbursements** 2,080,601

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** (1,902,870)

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 3,838,607

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

**Total Amount Designated (Carried forward from Section 3.3)** \$ 3,838,607







## SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)

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|--|--|------|
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|  |  |      |
|  |  |      |
|  |  |      |
|  |  | \$ - |

15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY

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|--|--|------|
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|  |  |      |
|  |  |      |
|  |  |      |
|  |  | \$ - |

16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY

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|--|--|------|
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|  |  |      |
|  |  |      |
|  |  |      |
|  |  | \$ - |

TOTAL ITEMIZED EXPENDITURES

|  |  |              |
|--|--|--------------|
|  |  | \$ 2,080,601 |
|--|--|--------------|

**Section 3.2 B**

**FY 2014**

**TIF NAME:** Western Avenue/Rock Island Redevelopment Project Area

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

| <b>Name</b>                          | <b>Service</b>         | <b>Amount</b> |
|--------------------------------------|------------------------|---------------|
| Beverly Area Planning Association    | Professional Service   | \$12,480      |
| SomerCor 504, Inc.                   | Rehabilitation Program | \$307,250     |
| Jacobs Engineering Group Inc.        | Public Improvement     | \$75,385      |
| Chicago Department of Transportation | Public Improvement     | \$21,433      |
| Chicago Park District                | Development            | \$1,646,888   |

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

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

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

FY 2014

TIF NAME: Western Avenue/Rock Island Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 3,838,607

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

Total Amount Designated for Obligations \$ - \$ -

|   |  |              |
|---|--|--------------|
| <b>2. Description of Project Costs to be Paid</b> |  |              |
| Restricted for future redevelopment project costs |  | \$ 3,838,607 |
|   |  |              |
|   |  |              |
|   |  |              |
|   |  |              |
|   |  |              |
|   |  |              |
|   |  |              |
|   |  |              |

Total Amount Designated for Project Costs \$ 3,838,607

**TOTAL AMOUNT DESIGNATED** \$ 3,838,607

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

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

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

**FY 2014**

**TIF NAME: Western Avenue/Rock Island Redevelopment Project Area**

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

  X   **No property was acquired by the Municipality Within the Redevelopment Project Area**

## SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2014

TIF NAME: Western Avenue/Rock Island Redevelopment Project Area

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

|  |                        |  |  |
|--|------------------------|--|--|
| Check here if <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area: _____                          |                        |  |  |
| <b>ENTER</b> total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*. |                        |  | <u>2</u>                                   |
| <b>TOTAL:</b>  | <b>11/1/99 to Date</b> | <b>Estimated Investment for Subsequent Fiscal Year</b> | <b>Total Estimated to Complete Project</b> |
| Private Investment Undertaken  | \$ -                   | \$ -   | \$ 3,656,995                               |
| Public Investment Undertaken   | \$ 795,846             | \$ 245,000   | \$ 1,400,000                               |
| Ratio of Private/Public Investment   | 0                      |  | 2 30/49                                    |

|   |                        |           |              |
|---|------------------------|-----------|--------------|
| <b>Project 1:</b><br><b>Small Business Improvement Fund (SBIF) **</b> | Project is Ongoing *** |           |              |
| Private Investment Undertaken   |                        |           | \$ 2,100,000 |
| Public Investment Undertaken  | \$ 795,846             | \$ 70,000 | \$ 1,050,000 |
| Ratio of Private/Public Investment                                    | 0                      |           | 2            |

|  |                        |            |              |
|--|------------------------|------------|--------------|
| <b>Project 2:</b><br><b>CPMOK Properties</b> | Project is Ongoing *** |            |              |
| Private Investment Undertaken                |                        |            | \$ 1,556,995 |
| Public Investment Undertaken                 |                        | \$ 175,000 | \$ 350,000   |
| Ratio of Private/Public Investment           | 0                      |            | 4 13/29      |

|  |   |  |   |
|--|---|--|---|
| <b>Project 3:</b>                                |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 4:</b>                                |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 5:</b>                                |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

|  |   |  |   |
|--|---|--|---|
| <b>Project 6:</b>                                |   |  |   |
| Private Investment Undertaken (See Instructions) |   |  |   |
| Public Investment Undertaken                     |   |  |   |
| Ratio of Private/Public Investment               | 0 |  | 0 |

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

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

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

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

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

\*\* Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator or to the ultimate grantee as each ultimate grantee's work is approved under the program.

\*\*\* As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

**General Notes**

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

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

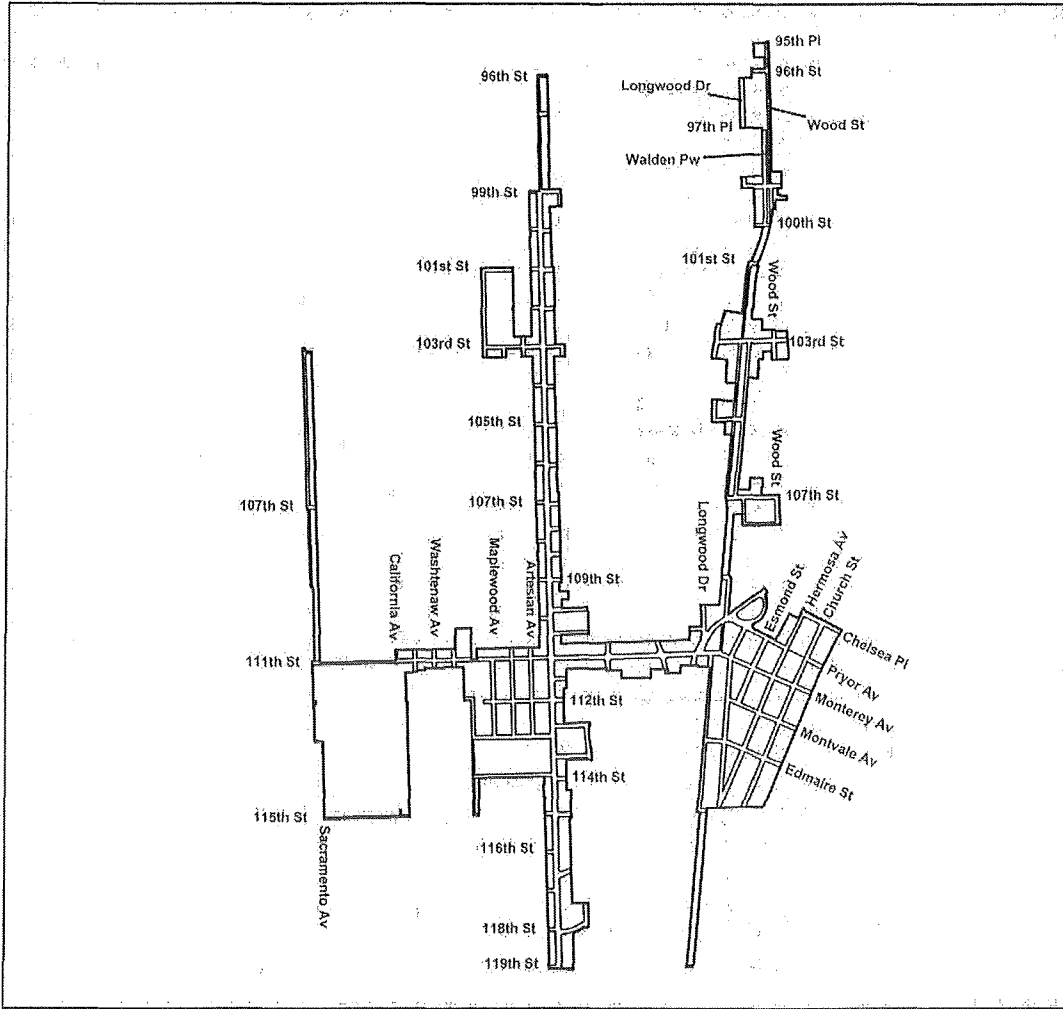
(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999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

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





# Western Avenue/Rock Island Redevelopment Project Area 2014 Annual Report



STATE OF ILLINOIS)

) SS

**Attachment B**

COUNTY OF COOK )

CERTIFICATION

TO:

Leslie Geissler Munger  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Jesse Ruiz  
Interim Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

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

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

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

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

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

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

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS/11-74.4-1 et seq., (the "Act") with regard to the Western Avenue/Rock Island Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

**Attachment B**


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

2. During the preceding fiscal year of the City, being January 1 through December 31, 2014, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

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

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

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2015.

Handwritten signature of Rahm Emanuel in black ink, written over a horizontal line.

Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW  
CITY OF CHICAGO

June 30, 2015

**Attachment C**

Leslie Geissler Munger  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Jesse Ruiz  
Interim Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

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

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

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Bureau Chief  
Cook County Bureau of Economic Dev.  
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South Cook County Mosquito Abatement  
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Harvey, Illinois 60426

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

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

Re: Western Avenue/Rock Island  
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

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

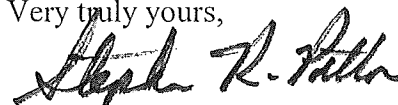
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

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

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton  
Corporation Counsel

**SCHEDULE 1**

(Exception Schedule)

No Exceptions

Note the following Exceptions:

**ATTACHMENT D**

**Activities Statement**

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

| <b><u>Name of Project</u></b> |
|-------------------------------|
| CPMOK Properties              |



Doc#: 1408535298 Fee: \$190.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 03/08/2014 02:21 PM Pg: 1 of 77

8932345 Honor DI 2/12

S:\SHARED\Finance\Gaynor New Housing & Econ Dev\CPMOK Properties\RD\Arda 11.doc

This agreement was prepared by and after recording return to:  
Michael L. Gaynor  
City of Chicago Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602

CPMOK PROPERTIES REDEVELOPMENT AGREEMENT

This CPMOK Properties Redevelopment Agreement (this "Agreement") is made as of this 20th day of February, 2014, by among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), CPMOK Properties, LLC, an Illinois limited liability company (the "Company"), Standard Bank & Trust Company, an Illinois banking corporation (the "Trust Trustee"), not personally but solely as trustee of Trust #13608 under trust agreement dated November 27, 1992 (the "Trust"), Christian Pappas, an individual (the "Plan Trustee"), not personally but solely as trustee of the Christian Pappas Profit Sharing Plan (also known as the Chris Pappas Profit Sharing Plan) (the "Plan"), and Christian Pappas, an individual, the sole and managing member of the Company, the sole beneficiary of the Trust and the sole participant in the Plan ("Chris"). The Company, the Trust, the Plan and Chris shall be known collectively herein as the "Developer." The Trust Trustee executes this Agreement solely as the trustee of the Trust, which is the owner of the 10900 Property described in Recital D below. The Plan Trustee executes this Agreement solely as trustee of the Plan, which is the owner of the 10906 Property described in Recital D below.

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

Box 400-CTCC

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"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 February 8, 2006: (1) approving a redevelopment plan (the "Redevelopment Plan," published at pages 69482 through 69612 of the Journal of Proceedings of the City Council of the City for said date) for the Western Avenue/Rock Island Redevelopment Project Area (the "Redevelopment Area"); (2) designating the Area as a Redevelopment Project Area pursuant to the Act; and (3) adopting tax increment allocation financing for the Area (the "TIF Adoption Ordinance") (items (1)-(3) collectively referred to herein as the "TIF Ordinances"). The Redevelopment Area is legally described in Exhibit A hereto.

D. The Project: The Trust has previously purchased certain property located within the Redevelopment Area at 10900 South Western Avenue, Chicago, Illinois 60643 and legally described on Exhibit B hereto (the "10900 Property"), which 10900 Property was purchased before to the designation of the Area on February 8, 2006. The Plan has previously purchased certain property located within the Redevelopment Area at 10906 South Western Avenue, Chicago, Illinois 60643 and legally described on Exhibit B hereto (the "10906 Property"), which 10906 Property was purchased after the designation of the Area on February 8, 2006. The purchase of the 10906 Property shall be known herein as the "Acquisition." The 10900 Property and the 10906 Property shall be known collectively herein as the "Property." Within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete construction of an approximately 4,500 square foot commercial building with approximately 20 parking spaces (the "Facility") thereon. The 10900 Property shall be leased by the Trust to the Company, the 10906 Property shall be leased by the Plan to the Company, and the Facility shall be owned by the Company. Pursuant to a lease dated as of March 3, 2011 (the "Lease") between the Company and Home Run Inn Pizza Express, Inc., an Illinois corporation (the "Operator"), the Company shall lease the completed Facility for a term of 10 years to the Operator, which will operate the Facility as a restaurant. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The Facility and Project shall include the environmentally-friendly "green" elements listed in Exhibit D hereto. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Redevelopment Plan.

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

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

## SECTION 1. RECITALS

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

## SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Act" shall have the meaning set forth in the Recitals hereof.

"Actual residents of the City" shall mean persons domiciled within the City.

"Acquisition" shall have the meaning set forth in the Recitals hereof.

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

"Annual Compliance Report" shall mean a signed report from the Developer to the City (a) itemizing each of the Developer's obligations under the Agreement during the preceding calendar year, (b) certifying the Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) [intentionally omitted]; (2) [intentionally omitted]; (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) compliance with the occupancy covenant (Section 8.20); (7) [intentionally omitted]; and (8) compliance with all other executory provisions of the Agreement.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

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

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

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

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

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

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

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

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

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

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

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

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

"Escrow" shall mean the escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement establishing an escrow, to be entered into as of the date hereof by a bank or other financial institution as escrow agent, the Developer and the Developer's lender(s) (or otherwise regarding the Lender Financing).

"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Facility" shall have the meaning set forth in the Recitals hereof.

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

"General Contractor" shall mean the general contractor(s) hired by the Developer for the Project. For purposes of this Agreement, the Company is the General Contractor. Any reference herein (including but not limited to Section 10 hereof) to the General Contractor shall mean the Company.

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

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

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

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Lease" shall have the meaning set forth in the Recitals hereof.

"Lender Financing" shall mean funds borrowed by [the Developer] from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof. As of the date hereof no Lender Financing is secured by an Existing Mortgage on the Property.

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

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

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

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

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

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

"Operator" shall have the meaning set forth in Recital F above but shall also include any replacement operator of the Facility approved by the City.

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

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

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

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

"Project" shall have the meaning set forth in the Recitals hereof.

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

"Property" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

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

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

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

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM [land title] [urban] survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2030).

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bonds" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Proceeds" shall have the meaning set forth in the Recitals hereof.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean [Chicago Title Insurance Company].

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

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

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

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

### SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than January 1, 2011; and (ii) complete construction and lease the Facility to the Operator pursuant to the Lease who will conduct business operations therein no later than December 13, 2012.

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

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$1,556,995. The Developer hereby certifies to the City that (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. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the Facility by more than 5%; (b) a change in the use of the Property and Facility to a use other than a restaurant operated by the Operator; (c) a delay in the completion of the Project by more than six months; or (d) Change Orders, alone or in the aggregate, increasing the

Project Budget by more than 10%. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). Each contract between the Company and any subcontractor shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than \$25,000.00 each, to an aggregate amount of \$100,000.00, do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the Company's and each subcontractor's bonding as required hereunder; provided, however, that the Developer has previously [commenced] [completed] demolition of the existing facility on the 10906 Property pursuant to a demolition permit issued by the City.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). The Developer 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. An independent agent or architect (other than the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder.

3.09 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. 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. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name,

photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$1,556,995, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

|  |    |             |
|--|----|-------------|
| Equity (subject to <u>Sections 4.03(b) and 4.06</u> )  | \$ | \$1,206,995 |
| Lender Financing                                       | \$ | 0           |
| Estimated City Funds (subject to <u>Section 4.03</u> ) | \$ | 350,000*    |
| ESTIMATED TOTAL  |    | \$1,556,995 |

\*City Funds will be "bridged" during Project construction by additional Equity and/or Lender Financing in the aggregate amount of \$350,000.

4.02 Developer 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 reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

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

| <u>Source of City Funds</u>                   | <u>Maximum Amount</u> |
|---|-----------------------|
| Incremental Taxes and/or<br>TIF Bond Proceeds | \$350,000             |



provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$350,000 or 22.5% of the actual total Project costs, and provided further, that the \$350,000 to be derived from Incremental Taxes and/or TIF Bond proceeds, 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:

(i) The amount of the Incremental Taxes deposited into the Western Avenue/Rock Island TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) Installments of Disbursements of City Funds. Subject to the terms and conditions hereof, the City Funds shall be requisitioned by the Developer and disbursed by the City in the following amounts at the following times (or in such amounts and at such times as may be otherwise approved by the City, including increasing the number of disbursements but decreasing the amounts thereof and/or extending the disbursement schedule):

|           |   |
|-----------|---|
| Amount    | Requisition Time                              |
| \$175,000 | Issuance of Certificate                       |
| \$87,500  | First Anniversary of Issuance of Certificate  |
| \$87,500  | Second Anniversary of Issuance of Certificate |

Provided, however, that the amount of the City Funds shall (i) be reduced by 50¢ for every \$1 that the Project Budget exceeds the actual final costs of the Project, and (ii) not exceed the lesser of \$350,000 or 22.5% of the actual total Project costs.

4.04 Escrow; Requisition Form. (a) The City must receive copies of any draw requests and related documents submitted to the escrow agent or disbursements under the Escrow Agreement.

(b) (i) Along with the Developer's request for a Certificate pursuant to Section 7.01 hereof and (ii) on the first and second anniversaries of the City's issuance of the Certificate, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. The Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

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

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

Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) Purchase of Property. A portion of the purchase price of the Property, exclusive of transaction costs, in an amount not to exceed \$305,000, shall be reimbursed to the Developer from City Funds pursuant to Section 4.03(c) as a TIF-Funded Improvement.

(c) City Fee. Annually, the City may allocate an amount not to exceed 5% of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

(d) 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 \$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 pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

**4.07 Preconditions of Disbursement.** Prior to each disbursement of City Funds hereunder, the Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer 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 a portion of the actual cost of the Acquisition;

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

(c) [intentionally omitted];

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

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

(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.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of

such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Ordinances and/or this Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

## SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

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

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Trust as the named insured with respect to the 10900 Property and the Plan as the insured with respect to the 10906 Property. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the 10906 Property and 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 Clean Title. The Developer, at its own expense, has provided the City with searches under Chris' and the Company's respective names as follows:

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

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

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

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

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

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

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

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

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audit(s).

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles or Certificate of Organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement of the Company; and such other corporate documentation as the City

has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

5.16 Trust and Plan. The Developer has provided the City with certified copies of the Trust and the Plan.

5.17 Lease. The Developer has provided the City with a certified copy of the Lease. The Developer certifies that the Operator is not in default and owes no outstanding amounts under the Lease. The Developer has provided the City with a written statement from the Operator that the Company is not in default and owes no outstanding amounts under the Lease.

5.18 Certification regarding Due Diligence Deliveries. The Developer certifies, represents and warrants to the City that all certifications, statements, affidavits and other items heretofore furnished to the City by or on behalf of the Developer in connection with this Agreement (collectively, the "Due Diligence Deliveries"): (i) were true, accurate and complete as of the date furnished to the City, and (ii) continue to be true, accurate and complete as of the date hereof. The foregoing Due Diligence Deliveries shall include without limitation all certifications or other statements made by the Developer relating to the due organization and valid existence of the Developer or the authority to execute and deliver, and perform all obligations under, this Agreement.

## SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with any subcontractor for construction of the Project, the Developer shall solicit bids from qualified contractors eligible to do business with the City of Chicago. (i) For the TIF-Funded Improvements, the Developer shall select the subcontractor submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the amount of the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds (unless otherwise approved by DPD). (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects any subcontractor who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof (unless otherwise approved by DPD) (unless otherwise approved by DPD). Photocopies of all 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. The Developer and the subcontractors shall not begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained; provided, however, that the Developer has previously [commenced] [completed] demolition of the existing facility on the 10906 Property pursuant to a demolition permit issued by the City.

(b) [intentionally omitted]

6.02 [intentionally omitted]

6.03 [intentionally omitted]

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

6.05 Other Provisions. In addition to the requirements of this Section 6, each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

## SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon (a) completion of the construction of the Project in accordance with the terms of this Agreement (including but not limited to Exhibit D hereto), (b) commencement of operations at the Facility by the Operator pursuant to the Lease, and (c) the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

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

Those covenants specifically described at Sections 8.02, 8.19 and 8.20 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

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

(c) the right to seek reimbursement of the City Funds from the Developer.

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

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

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate the Trust, the Plan, the Company's Articles of Organization or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound, including but not limited to the Trust, the Plan and the Lease;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, (i) the Trust shall maintain good, indefeasible and merchantable fee simple title to the 10900 Property (and all improvements thereon), and (ii) the Plan shall maintain good, indefeasible and merchantable fee simple title to the 10906 Property (and all improvements thereon), in both instances 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 8.15 hereof);

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

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

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

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound;

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) [intentionally omitted]; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner 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;

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

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

(n) prior to the tenth anniversary of the issuance of a Certificate, the Developer shall not, without the prior written consent of DPD, sell, transfer, convey, lease (except for the Lease) or otherwise directly or indirectly dispose of all or substantially all of its assets or all or any portion of



the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) or the beneficial or other interest in the Trust or the Plan except for (i) in the ordinary course of business, or (ii) to a wholly-owned subsidiary of the Developer. DPD's consent to such a sale, transfer, conveyance, lease or other disposal is predicated on a new owner's (i) ability to demonstrate the financial capacity together with the experience needed to operate the Facility and (ii) written agreement to assume all surviving responsibilities and covenants applicable to the Developer hereunder. After the tenth anniversary of the issuance of a Certificate and prior to the expiration of the Term hereof, the Developer shall give DPD 30 days advance written notice of any such intended sale, transfer, conveyance, lease or other disposal; and

(o) prior to the tenth anniversary of the issuance of a Certificate, the Developer shall provide the City with copies of all amendments to the Lease, the Trust and/or the Plan, subject to all other terms and conditions of this Agreement.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section 8.02 shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

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

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

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

8.06 Job Creation and Retention. (a) Prior to the Closing Date, the Developer shall meet with the Workforce Solutions unit of DPD ("Workforce Solutions") to discuss the Project. (b) The Developer shall send a letter (copying DPD) to the Operator (and any other future tenant(s) of the Facility) describing the programs established by the City and available through Workforce Solutions for the purpose of helping prepare individuals to work for businesses located within the Area. (c) The Developer shall use its best efforts to facilitate meetings between Workforce Solutions and the Operator (and any other future tenant(s) of the Facility approved by the City pursuant hereto).

8.07 Employment Opportunity, Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City monthly written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

8.08 Employment Profile. The Developer shall submit, and contractually obligate and cause any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.09 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer to evidence compliance with this Section 8.09.

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

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

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Company's fiscal year ended December 31, 2012 and each December 31 thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements for the Company as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); 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 shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

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

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

## 8.19 Real Estate Provisions.

### (a) Governmental Charges.

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

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer 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, shall be promptly disbursed to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the minimum assessed value of the Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; (B) Exhibit K sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

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

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

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

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 Occupancy. The Developer shall maintain occupancy of the Facility by a fully operational restaurant (or another use approved by the City) on an annual basis for 10 years from the date of issuance of a Certificate. The City has the right to discontinue disbursements of City

Funds if the Developer fails to comply with this Section 8.20. In the first year after the issuance of a Certificate that the Developer is not in compliance with this Section 8.20, there shall be no disbursement of City Funds. In any second year after the issuance of a Certificate that the Developer is not in compliance with this Section 8.20, the City may declare the Developer in default and elect to terminate the Agreement and any subsequent anticipated disbursements of City Funds. Years in which the Developer is not in compliance with this Section 8.20 shall not count towards the 10-year compliance period required by this Section 8.20. The covenant set forth in this Section 8.20 shall run with the land and be binding upon any transferee.

8.21 [intentionally omitted]

8.22 [intentionally omitted]

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

8.24 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Company and Chris 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.

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

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

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

## SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex,

national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such

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

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

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

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

## SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs,

expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of 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 must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

(i) the dissolution of the Developer or the death of any natural person who owns a material interest in the Developer;

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

(k) prior to the tenth anniversary of the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City.

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

**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 are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Funds paid. 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 damages, injunctive relief or the specific performance of the agreements contained herein.

**15.03 Curative Period.** In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary



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

#### SECTION 16. MORTGAGING OF THE PROJECT

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

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

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

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

#### SECTION 17. NOTICE

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

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

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

If to the Developer: CPMOK Properties, LLC  
141 West Jackson, Suite 4236  
Chicago, Illinois 60604  
Attention: Chris Pappas

With Copies To: Ralph DeAngelis, Esq.  
267 Churchill Place  
Clarendon Hills, Illinois 60514

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

#### SECTION 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

18.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.10 Severability. If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinances shall prevail and control.

18.12 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.13 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, 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.

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 and 8.23 hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

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

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

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

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

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

**18.23. Land Trust Exculpation.** This Agreement is executed by the Trust Trustee, not personally but as trustee as aforesaid in the exercise power and authority conferred upon and vested in it as such Trust Trustee and said Trust Trustee hereby warrants that it possesses full power and authority to execute this instrument and it is expressly understood and agreed that nothing herein shall be construed as creating any liability on the Trust Trustee personally to perform any covenant either express or implied herein. No personal liability shall be asserted or be enforceable against the Trust Trustee by reason of the covenants, statements, representatives or warranties contained in this instrument.

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


CPMOK PROPERTIES, LLC,  
an Illinois limited liability company

  
By: \_\_\_\_\_  
Name: Christian Pappas  
Its: Sole and Managing Member

STANDARD BANK & TRUST COMPANY,  
not personally but solely as trustee of Trust #13608  
under trust agreement dated November 27, 1992

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

  
CHRISTIAN PAPPAS, an individual,  
not personally but solely as trustee  
of the Christian Pappas Profit Sharing Plan  
(also known as the Chris Pappas Profit Sharing Plan)

  
CHRISTIAN PAPPAS, an individual,  
as participant in the Christian Pappas Profit Sharing Plan  
(also known as the Chris Pappas Profit Sharing Plan)  
and as beneficiary of Standard Bank & Trust Company Trust #13608  
under trust agreement dated November 27, 1992

CITY OF CHICAGO,  
an Illinois municipal corporation

By: \_\_\_\_\_  
Name: Andrew J. Mooney  
Its: Commissioner  
Department of Planning and Development

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

CPMOK PROPERTIES, LLC,  
an Illinois limited liability company

By: \_\_\_\_\_  
Name: Christian Pappas  
Its: Sole and Managing Member

STANDARD BANK & TRUST COMPANY,  
not personally but solely as trustee of Trust #13608  
under trust agreement dated November 27, 1992

By: Patricia Ralphson  
Name: Patricia Ralphson  
Its: AVP & TO

This instrument is signed, sealed and delivered by STANDARD BANK AND TRUST COMPANY, solely in its capacity as Trustee as aforesaid. Any and all duties, obligations and liabilities of the Trustee hereunder are to be performed by said STANDARD BANK AND TRUST COMPANY only as such Trustee. Any claims, demands and liabilities which may at any time be asserted against the Trustee hereunder shall be paid, collected or satisfied against only the property or assets in the possession of said STANDARD BANK AND TRUST COMPANY as Trustee as aforesaid, and the said STANDARD BANK AND TRUST COMPANY does not undertake, nor shall it have any personal or individual liability or obligation of any nature whatsoever by virtue of the execution and delivery hereof, nor shall STANDARD BANK AND TRUST COMPANY, either individually or as Trustees, be under any duty or obligation to sequester the rents, issues and profits arising from the property described or any other property which it may hold under the terms and conditions of said Trust Agreement.

CHRISTIAN PAPPAS, an individual,  
not personally but solely as trustee  
of the Christian Pappas Profit Sharing Plan  
(also known as the Chris Pappas Profit Sharing Plan)

CHRISTIAN PAPPAS, an individual,  
as participant in the Christian Pappas Profit Sharing Plan  
(also known as the Chris Pappas Profit Sharing Plan)  
and as beneficiary of Standard Bank & Trust Company Trust #13608  
under trust agreement dated November 27, 1992

CITY OF CHICAGO,  
an Illinois municipal corporation

By: \_\_\_\_\_  
Name: Andrew J. Mooney  
Its: Commissioner  
Department of Planning and Development

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

CPMOK PROPERTIES, LLC,  
an Illinois limited liability company

By: \_\_\_\_\_  
Name: Christian Pappas  
Its: Sole and Managing Member


STANDARD BANK & TRUST COMPANY,  
not personally but solely as trustee of Trust #13608  
under trust agreement dated November 27, 1992

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
CHRISTIAN PAPPAS, an individual,  
not personally but solely as trustee  
of the Christian Pappas Profit Sharing Plan  
(also known as the Chris Pappas Profit Sharing Plan)

\_\_\_\_\_  
CHRISTIAN PAPPAS, an individual,  
as participant in the Christian Pappas Profit Sharing Plan  
(also known as the Chris Pappas Profit Sharing Plan)  
and as beneficiary of Standard Bank & Trust Company Trust #13608  
under trust agreement dated November 27, 1992

CITY OF CHICAGO,  
an Illinois municipal corporation

By:  \_\_\_\_\_  
Name: Andrew J. Mooney  
Its: Commissioner  
Department of Planning and Development



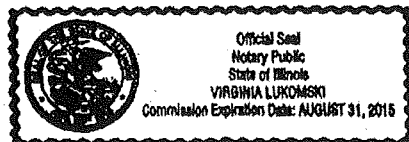
This DOCUMENT is executed by STANDARD BANK & TRUST COMPANY, not personally but as Trustee under Trust No. 13608 as aforesaid, in the exercise of power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing in said document contained shall be construed as creating any liability on said Trustee personally to pay any indebtedness accruing thereunder, or to perform any covenants, either expressed or implied, including but not limited to warranties, indemnifications, and hold harmless representations in said Document (all such liability if any, being expressly waived by the parties hereto and their respective successors and assigns) and that so far as said Trustee is concerned, the owner of any indebtedness or right accruing under said Document shall look solely to the premises described therein for the payment or enforcement thereof, it being understood that said Trustee merely hold legal title to the premises described therein and has no control over the management thereof or the income therefrom, and has no knowledge respecting any factual matter with respect to said premises, except as represented to it by the beneficiary or beneficiaries of said trust. Inevent of conflict between the terms of this rider and of the agreement to which it is attached, on any questions of apparent liability or obligation resting upon said Trustee, the provisions of this rider shall be controlling.

STATE OF ILLINOIS  
COUNTY OF COOK

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY, THAT Patricia Ralphson of STANDARD BANK & TRUST COMPANY and Donna Diviero of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such AVP and ATO respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said ATO did also then and there acknowledge that ~~XHE~~/she, as custodian of the corporate seal of said Bank, did affix the said corporate seal of said Bank to said instrument as ~~XHS~~/her own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 18th day of February, 2014

  
Notary Public



STATE OF ILLINOIS )  
                                  ) SS  
COUNTY OF COOK )

I, FANNY YUEN, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Christian Pappas, personally known to me to be the sole and managing member of CPMOK Properties, LLC, an Illinois limited liability company (the "Company"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the members of the Company, as his free and voluntary act and as the free and voluntary act of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 1<sup>st</sup> day of February, 2014

[Signature]  
\_\_\_\_\_  
Notary Public

My Commission Expires 8-17-2014

(SEAL) 

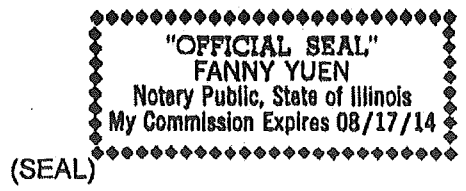
STATE OF ILLINOIS )  
                                  ) SS  
COUNTY OF COOK )

I, Fanny Yuen, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Christian Pappas, personally known to me to be the trustee of the Christian Pappas Profit Sharing Plan (also known as the Chris Pappas Profit Sharing Plan), 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 as the Plan Trustee, as his free and voluntary act and as the free and voluntary act of the Plan Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 14th day of February, 2014.

Fanny Yuen  
Notary Public

My Commission Expires 8-17-2014



STATE OF ILLINOIS )  
                                  ) SS  
COUNTY OF COOK )

I, FANNY YUEN, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Christian Pappas, 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, as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 11th day of February 2014

Fanny Yuen  
Notary Public



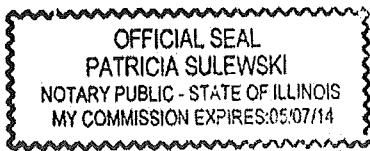
My Commission Expires 8-17-2014

(SEAL)

STATE OF ILLINOIS )  
                          ) SS  
COUNTY OF COOK )

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

GIVEN under my hand and official seal this 20<sup>th</sup> day of February, 2014



Patricia Sulewski  
Notary Public

My Commission Expires 5/7/14

EXHIBIT A  
REDEVELOPMENT AREA  
(see attached)

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

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d. if the Area is qualified as a "conservation area", the combination of the factors necessary to qualify the Area as a redevelopment project area on that basis is detrimental to the public health, safety, morals or welfare, and the Area may become a blighted area.

SECTION 4. Area Designated. The Area is hereby designated as a redevelopment project area pursuant to Section 5/11-74.4-4 of the Act.

SECTION 5. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 6. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed  
on page 69627 of this *Journal*.]

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

*Exhibit "A".*  
(To Ordinance)

*Western Avenue/Rock Island Tax Increment  
Financing Legal Description.*

Those parts of Sections 12, 13 and 24 in Township 37 North, Range 13 East of the Third Principal Meridian, and Sections 7, 18 and 19 in Township 37 North, Range 14 East of the Third Principal Meridian described, as follows:

beginning at the centerline of South Western Avenue and the centerline of West 96<sup>th</sup> Street; thence east (north, south, east and west are approximate directions and for the purposes of this legal are not meant to be cardinal directions, they are to follow street lines, centerlines, alley lines, lot lines, et cetera, and all their

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extensions thereof) along the centerline of West 96<sup>th</sup> Street, also being a south line of the 95<sup>th</sup>/Western T.I.F. District, to the extension of the east line of the first alley east of South Western Avenue; thence southerly along the east line of said alley to the north line of Lot 12 in Block 2, in John Jensen and Son's Beverly Highlands, recorded per Document T258206; thence west along said north line of Lot 12 extended to the centerline of said alley; thence south along the centerline of said alley to the north line of West 99<sup>th</sup> Street; thence east along the north line of West 99<sup>th</sup> Street to the east line of South Claremont Avenue; thence south along the east line of South Claremont Avenue to the south line of Lot 9 in Block 2 extended east in Preble's Ridge View Subdivision, recorded per Document 1504806; thence west along the south line of said Lot 9 to the centerline of the first alley east of South Western Avenue; thence south along the centerline of said alley to the north line of an east/west dedicated alley extended east; thence east along said north line of said alley to the east line of the first alley east of South Western Avenue; thence south along the east line of said alley to the north line of West 101<sup>st</sup> Street; thence east along the north line of West 101<sup>st</sup> Street to the extension of the first alley east of South Western Avenue and south of West 101<sup>st</sup> Street; thence south along the east line of said alley to the north line of West 103<sup>rd</sup> Street as widened; thence east along the north line of West 103<sup>rd</sup> Street as widened to the extension of the east line of South Claremont Avenue; thence south along the east line of South Claremont Avenue to the south line of the first alley south of West 103<sup>rd</sup> Street; thence west along the south line of said alley to the east line of the first alley east of South Western Avenue; thence south along the east line of said alley to the north line of West 105<sup>th</sup> Street; thence south to the south line of West 105<sup>th</sup> Street and the east line of the first alley east of South Western Avenue; thence south along the east line of said alley to the north line of the first alley north of West 107<sup>th</sup> Street; thence east along the north line of said alley to the east line of Lot 12 extended north in Block 4 in Jernberg's Subdivision, recorded per Document 1293095; thence south along the east line of Lot 12 in Block 4 to the north line of West 107<sup>th</sup> Street; thence south to the northeast corner of Lot 1 in the resubdivision of Lots 16 to 21 in Block "S" of Morgan Park, recorded per Document 2039956; thence south along the east line of the resubdivision of Lots 16 to 21 in Block "S" of Morgan Park and the east line of the resubdivision of Lots 50 to 55 in Block "S" of Morgan Park, recorded per Document 2043315 to the centerline of West 108<sup>th</sup> Place; thence continuing south along the east line of Lots 72 and 77 in the resubdivision of Block "S" of the resubdivision of the Blue Island Land and Building Company of certain lots and blocks in Morgan Park, Washington Heights, recorded per Document 106694 to the south line of West 109<sup>th</sup> Street; thence west along the south line of West 109<sup>th</sup> Street to a line 15 feet east of the west line of Lot 73 in the resubdivision of Lots 6 to 16 and the north 90 feet of Lots 1 to 5, inclusive, in Block "L" of the resubdivision of the Blue Island Land and Building Company of certain lots and blocks in Morgan Park, Washington Heights recorded per Document 106693; thence south along said 15 foot east line to the north line of Lot 64 in resubdivision of Lots 6 to 16; thence east along the north line of said Lot 64 to the northeast corner of Lot 64; thence south



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along the east line of Lots 64, 63 and 60 to the southeast corner of Lot 60; thence west along the south line of Lot 60 to the northeast corner of Lot 57; thence south along the east line of Lot 57 to the north line of West 110<sup>th</sup> Street; thence east along the north line of West 110<sup>th</sup> Street to the point of curve in the south line of Lot 49; thence southeasterly to the northeast corner of Lot 47; thence south along the east line of Lots 47 and 24 to the south line of West 110<sup>th</sup> Place; thence west along the south line of West 110<sup>th</sup> Place to a line 20 feet west of the east line of Lot 3; thence south along said 20 foot west line to the south line of Lot 3 in the resubdivision of Lots 6 to 16; thence east to the southeast corner of Lot 19 in resubdivision of Block "N", recorded per Document 1060979; thence north along the east line of said Lot 19 to the north line of West 110<sup>th</sup> Place; thence east along the north line of West 110<sup>th</sup> Place to the west line of South Longwood Avenue; thence north along the west line of South Longwood Avenue to the north line of Lot 1 extended west, in subdivision of Lot 12 in Block 15 of Washington Heights, recorded per Document 736577; thence east along the north line of said Lot 1 to the westerly line of the C.R.I. and P. Railroad; thence northerly along the westerly line of the C.R.I. and P. Railroad to the southeast corner of Lot 1 in the subdivision of Lot 1 recorded per Document 1234103; thence west along the south line of said lot to the southwest corner of said lot; thence north along the west line of said lot to the northwest corner of said lot; thence northwesterly to the southeast corner of Lot 25 in W. M. Baker's Subdivision, recorded per Document 667479, also being the westerly line of South Walden Parkway; thence northeasterly along the westerly line of South Walden Parkway to the southerly line of Lot 4 in aforesaid W. M. Baker's Subdivision; thence westerly along the southerly line of Lot 4 to the southwesterly corner of Lot 4; thence northeasterly along the westerly line of Lots 3 and 4 in said W. M. Baker's Subdivision and continuing northeasterly along the westerly line of the resubdivision of Lots 1 and 2 in Block 3 in W. M. Baker's Subdivision, recorded per Document 14347107 to the south line of West 105<sup>th</sup> Street; thence west along the south line of West 105<sup>th</sup> Street to the west line of South Longwood Drive; thence northerly along the curved westerly line of South Longwood Drive to the northeast corner of Lot 1 in the aforesaid W. M. Baker's Subdivision; thence easterly to the northwest corner of Lot 27 in Washington Park, Chas. Hopkinson's Subdivision, recorded per Document 97901; thence easterly to the northeasterly corner of Lot 17; thence northerly along the westerly line of South Walden Parkway, to a line 10 feet northerly of the southerly line of Lot 10 in aforesaid Washington Park, Chas. Hopkinson's Resubdivision; thence westerly along said 10 foot northerly line to the westerly line of Lot 10; thence northerly to the northwesterly corner of Lot 3, also being the southeast corner of the resubdivision of Lot 42 in Block 1 in C. Hopkinson's Resubdivision recorded per Document 4648179; thence westerly along the south line of said subdivision to the westerly line of South Longwood Drive; thence northerly along the westerly curved line of South Longwood Drive to the south line of West 103<sup>rd</sup> Street; thence northerly to the north line of West 103<sup>rd</sup> Street and the west line of South Longwood Drive; thence northerly along the westerly line of South Longwood Drive to the northeasterly corner of Lot 2 in Robert C.

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Givens Subdivision, recorded per Document 3781116; thence easterly to the northwesterly corner of Lot 16 in Barnard's Subdivision, recorded per Document 1103904; thence east along the north line of Lot 16 to the easterly lines of Parcels 25-7-412-053, 25-7-412-054, 25-7-412-051; thence northeast along the easterly line of said parcels to the northerly line of Lot 20 in said Barnard's Subdivision; thence easterly along the northerly lines of Lots 20 and 7 to the westerly line of South Walden Parkway; thence northerly along the westerly line of South Walden Parkway and extended to the northerly line of West 101<sup>st</sup> Street; thence east along the north line of West 101<sup>st</sup> Street to the westerly line of the alley east of South Longwood Drive; thence northerly along the curved westerly line of said alley to the south line of West 100<sup>th</sup> Street; thence west along the south line of West 100<sup>th</sup> Street to the west line of the first alley east of South Longwood Drive (north of West 100<sup>th</sup> Street) extended south; thence north along the west line of said alley to the south line of West 99<sup>th</sup> Street; thence west along the south line of West 99<sup>th</sup> Street to the west line of South Longwood Drive; thence northerly to the north line of West 99<sup>th</sup> Street and South Longwood Drive; thence north along the west line of South Longwood Drive to a line 31 feet north of the south line of Lot 15, extended west in Block 12 in Walden Addition to Washington Heights, recorded per Document 1115422; thence east along said 31 foot north line to the west line of the first alley east of South Longwood Drive; thence north along the west line of said alley to the north line of Orlando J. Buck's Subdivision, recorded per Document 4090049, extended west; thence east along the north line of Orlando J. Buck's Subdivision to the west line of South Walden Parkway; thence north along the west line of South Walden Parkway to the south line of a 20 foot east/west alley in block 7 in said Walden Addition to Washington Heights; thence west along south line of said east/west alley to the west line of South Longwood Drive; thence north along the west line of South Longwood Drive to the south line of Lot 23 in Block 6, extended west in aforesaid Walden Addition to Washington Heights; thence east along the south line of said Lot 23 to the west line of the north/south alley in Block 6; thence north along the west line of said alley to the north line of West 96<sup>th</sup> Street; thence east along the north line of West 96<sup>th</sup> Street to the west line of South Wood Street; thence north along the west line of South Wood Street to the southeast corner of Lot 8 in Block 1 in Dore's Subdivision, recorded per Document 196222; thence west to the southwest corner of Lot 8; thence north to the northwest corner of Lot 5, also the southeast corner of Lot 9 in the subdivision of Lots 21, 22, 23 and 24 in Block 1 in Dore's Subdivision, recorded per Document 1440885; (the following four (4) courses are contiguous with the 95<sup>th</sup>/ Western T.I.F. District) thence north along the line between Lots 4 and 9 to the southwest corner of Lot 3 in said Dore's Subdivision; thence east along the south line of Lot 3 to the centerline of the C.R. I. and P. Railroad; thence north along the centerline of said railroad to the extension of the centerline of the first alley east of said railroad and south of West 95<sup>th</sup> Street; thence east along said centerline of alley to the east line of South Wood Street (east of said railroad); thence south along the east line of South Wood Street to the north line of the first alley north of West 99<sup>th</sup> Street; thence east

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along the north line of said alley to the east line of Parcel 25-7-217-068 and extended north; thence south along the east line of said parcel and extended south to the south line of West 99<sup>th</sup> Street; thence west along the south line of West 99<sup>th</sup> Street to the east line of Parcel 25-7-404-063; thence south along the east line of said parcel to the southeast corner of said parcel; thence east along the south line of Parcel 25-7-404-064 to the southeast corner of said parcel, also being the west line of Parcel 25-7-404-005; thence south along the west line of said Parcel 25-7-404-005 to the southwest corner of said parcel, also being the north line of Parcel 25-7-404-065; thence east along the north line of said Parcel 25-7-404-065 to the northeast corner of said parcel; thence south along the east line of said parcel to the southeast corner of said Parcel 25-7-404-065; thence west along said south line of said parcel to the east line of the following Parcels: 25-7-404-030, 25-7-404-031 and 25-7-404-032; thence south along the east line of said parcels and extended to the south line of West 99<sup>th</sup> Place, also known as West Beverly Glen; thence west along the south line of West 99<sup>th</sup> Place to the northwest corner of Parcel 25-7-405-001; thence south along the west line of aforesaid parcel to the easterly line of the C. R. I. and P. Railroad; thence southwesterly along the curved easterly right-of-way of the C. R. I. and P. Railroad to the south line of West 101<sup>st</sup> Street; thence east along the south line of West 101<sup>st</sup> Street to the northwest corner of Lot 1 in Barnhart's Tracy Subdivision recorded per Document T204020; thence southerly along the west lines of Lots 1 through 16 in said Barnhart's Tracy Subdivision, to the southwest corner of Lot 16; thence east along the south line of Lot 16 to the northeast corner of Lot 17; thence south to the southeast corner of Lot 20, also being the northwest corner of Emma J. Graham's Subdivision recorded per Document 4956627; thence east along the north line of Emma J. Graham's Subdivision to the east line of South Wood Street; thence south along the east line of South Wood Street to a line 133 feet north of the north line of West 103<sup>rd</sup> Street; thence east along said line 133 feet north, to the west line of Lot 5 in Norton's Subdivision of the west half of Lot 15 and 16 in Block 4 in Blue Island Land and Building Company's Subdivision, recorded per Document 1621596; thence south along said west line of Lot 5 to the north line of West 103<sup>rd</sup> Street; thence east along the north line of West 103<sup>rd</sup> Street to the east line of Lot 13 extended north in Washington Heights, Clark's Subdivision, recorded per Document 2022179; thence south along said east line of Lot 13 to a point on the east line of Lot 13, 165.4 feet south of the northeast corner of Lot 13; thence west along said 165.4 feet south line to the west line of South Wood Street; thence north along the west line of South Wood Street to the south line of the first alley south of West 103<sup>rd</sup> Street; thence west along the south line of said alley to the northeast corner of Lot 9 in Murray's Tracy Addition, recorded per Document 5190645; thence south along the east line of Lot 9 in aforesaid Murray's Tracy Addition to the southeast corner of Lot 9; thence west along the south line of Lot 9 to the northeast corner of Parcel 25-18-201-016; thence south along the east line of Parcels 25-18-201-016; 25-18-201-017; 25-18-201-026; thence west along the south line of said parcel to the east line

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of Lot 8 in said Erastus A. Bernhard's Subdivision; thence south along the east line of Lot 8 to the south line of West 104<sup>th</sup> Street; thence west along the south line of West 104<sup>th</sup> Street to the east line of South Hale Avenue; thence southerly along the east line of South Hale Avenue to the northwest corner of Lot 45 in said Erastus A. Barnard's Subdivision; thence easterly along the north line of Lot 45 to the westerly line of the first alley east of South Hale Avenue; thence northerly along the westerly line of said alley to the north line of Lots 20 and 21 extended west; thence east along said north line of Lots 20 and 21, and extended in aforesaid Erastus A. Barnard's Subdivision to the northwest corner of Lot 1 in Lightfield Subdivision recorded per Document T248429; thence south along the west line of Lots 1, 2, 3 and 4 and extended to the north line of Lot 11 in said Lightfield Subdivision; thence west to the northwest corner of Lot 11 in said Lightfield Subdivision; thence south along the west line of Lot 11 to the north line of West 107<sup>th</sup> Street; thence east along the north line of West 107<sup>th</sup> Street to the east line of South Wood Street; thence south along the east line of South Wood Street to the south line of West 107<sup>th</sup> Place extended east; thence west along the south line of West 107<sup>th</sup> Place to the west line of South Hale Avenue; thence north along the west line of South Hale Avenue to a line 10 feet north of the south line of Lot 3 in Washington Heights, recorded per Document 39778; thence west along said 10 foot line to the east line of the first alley west of South Hale Avenue; thence southerly along said alley to the north line of West 108<sup>th</sup> Street; then southeasterly to the south line of South 108<sup>th</sup> Street and the east line of South Hale Avenue; thence southerly along the easterly line of South Hale Avenue to the northerly line of West Prospect Avenue; thence northeasterly along the northerly line of West Prospect Avenue to the intersection of the extension of a 376 foot radius being the westerly line of Block 50 in aforesaid Washington Heights; thence southeasterly along the extended 376 foot radius to the point of curve in Lot 6 in Block 50 in aforesaid Washington Heights; thence continuing along the 376 foot radius being the westerly line of Block 50 to the point of reverse curve in Lot 15 in Block 50; thence continuing along the reverse curve with a radius of 44.8 feet to the northerly line of West Pryor Avenue; thence southeasterly along the northerly line of West Pryor Avenue to the northwesterly line of the alley in Block 49; thence northeasterly along the northwesterly line of said alley to the extension of the northeasterly line of Lot 6 in Block 49 in aforesaid Washington Heights; thence southeasterly along the northeasterly line of Lot 6 to the northwesterly line of South Hermosa Avenue; thence northeasterly along the northwesterly line of South Hermosa Avenue to the northeasterly line of West Wood Street; thence southeasterly to the southeasterly line of South Hermosa Avenue and the northeasterly line of West Chelsea Place; thence southeasterly along the northeasterly line of West Chelsea Place to the northwesterly line of South Vincennes Avenue; (the following three (3) courses are contiguous with a westerly line of the 119<sup>th</sup> and I-57 T.I.F. District); thence southwesterly along the northwesterly line of South Vincennes Avenue to the north line of West 115<sup>th</sup> Street; thence west along the north line of West 115<sup>th</sup> Street to the easterly line to C. R. I. and P. Railroad; thence southerly along the easterly line of

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the C. R. I. and P. Railroad to the centerline of West 119<sup>th</sup> Street also being the south line of the southeast quarter of Section 19; thence west along the centerline of West 119<sup>th</sup> Street to the extension of the westerly line of the first alley east of South Hale Avenue; thence northerly along the westerly line of said alley to the south line of West 115<sup>th</sup> Street; thence west along the south line of West 115<sup>th</sup> Street to the westerly line of South Hale Avenue north of West 115<sup>th</sup> Street, extended south; thence northerly along the westerly line of South Hale Avenue to the southeast corner of Lot 10 in subdivision of Lots 1 to 4 in Block 72 of the Blue Island Land and Building Company's Subdivision recorded per Document 13445; thence westerly along the southerly line of Lots 9 and 10 in said subdivision to the easterly line of South Longwood Drive; thence northwesterly to the northeast corner of Lot 6 in subdivision of the north 281.5 feet of Lots 2 and 3 in Block 1 in Morgan Park recorded per Document 921208; thence west along the north line of Lot 6 to a point 200 feet east of the northwest corner of Lot 6, said point also being the northeast corner of Parcel 25-19-103-001; thence southerly along the easterly line of said parcel to the southeast corner of said parcel; thence west along the south line of Parcel 25-19-103-001 to the westerly line of South Hoyne Avenue; thence northerly along the westerly line of South Hoyne Avenue to the south line of Parcel 25-19-102-020; thence west along south line of said parcel to the northwest corner of Parcel 25-19-102-021 also being a point on the east line of Parcel 25-19-102-015; thence south along the east line of said parcel and continuing along the east line of Parcel 25-19-102-016 to the southeast corner of Parcel 25-19-102-016; thence west along a line 334.5 feet south of the south line of West 111<sup>th</sup> Street to the southwest corner of Parcel 25-19-102-013; thence north along the west line of aforesaid parcel to the southeast corner of Lot 5 in Owner's Division of Lot 7 (except the south 134.5 feet thereof) in Block "T" recorded per Document 8886102; thence west along the south line of Lot 5 to the west line of South Bell Avenue; thence north along the west line of South Bell Avenue to the southeast corner of Lot 1 in Washburn's Resubdivision of Block "K" recorded per Document 131805; thence west to the southwest corner of Lot 14 in aforesaid Washburn Resubdivision; thence south to the southeast corner of Lot 49 in aforesaid Washburn Resubdivision; thence west to the southwest corner of Lot 49 in aforesaid Washburn Resubdivision; thence south to the southeast corner of Lot 55 in aforesaid Washburn Resubdivision; thence southerly to a point on the south line of West 112<sup>th</sup> Street, said point being 5 feet east of the northwest corner of Lot 9 in resubdivision of Lots 16 to 25 in the north half of Lots 14 and 15 all in Block "E" of Blue Island Land and Building Company's Resubdivision, recorded per Document 127986; thence south on line 5 feet east of the west line of Lot 9 to the south line of Lot 9; thence west along the south line of Lot 9 to the southwest corner of Lot 9 also the northwest corner of Lot 17; thence south along the west line of Lot 17 to the north line of West 112<sup>th</sup> Place; thence east along the north line of West 112<sup>th</sup> Place to the westerly line of South Oakley Avenue; thence easterly to a point on the easterly line of South Oakley Avenue, 15 feet south of the north line of Lot 10 in Buten and Hamilton's Subdivision of Lots 12 to 21 in Block "F" of the Blue Island Land and Building Company's

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Resubdivision recorded per Document 116496; thence southerly along the easterly line of South Oakley Avenue to the extension of the south line of West 113<sup>th</sup> Place extended east across South Oakley Avenue; thence west along the south line of West 113<sup>th</sup> Place to the northeast corner of Lot 13 in resubdivision of the south half of Lots 14 and 15, Lots 6 to 13 and the north 57 feet of Lots 4 and 5 all in Block "E" of Blue Island Land and Building Company's Resubdivision, recorded per Document 127986; thence south along the east line of Lots 13 and 28 and the west line of Lot 34 to the southwest corner of Lot 34 in said Resubdivision; thence east along the south line of said Lot 34 and Lot 35 to the northeast corner of Lot 4 in subdivision of original Lots 1, 2 and 3, recorded per Document 1272083; thence south along the east line of Lots 4, 5, 6 and 7 and their extension to the south line of West 115<sup>th</sup> Street; thence west along the south line of West 115<sup>th</sup> Street to the northeast corner of Lot 59 in Walker's Resubdivision recorded per Document 932920; thence south to a point on the east line of Lot 55 in said subdivision, said point being the northwest corner of Parcel 25-19-308-051; thence east along the north line of said parcel to the east line of South Oakley Avenue; thence south along the east line of South Oakley Avenue to the southerly line of West 118<sup>th</sup> Street; thence westerly along the southerly line of West 118<sup>th</sup> Street to the northeast corner of Lot 47 in said Walker's Resubdivision; thence south along the east line of Lots 37 through 47, both inclusive, to the centerline of West 119<sup>th</sup> Street; thence westerly to the centerline of West 119<sup>th</sup> Street and the centerline of South Western Avenue; thence westerly to the centerline of West 119<sup>th</sup> Street and the west line of the first north/south alley west of South Western Avenue, extended south; thence north along the west line of said alley to the south line of West 115<sup>th</sup> Street; thence north to a point on the north line of West 115<sup>th</sup> Street, 128.10 feet west of the east line of Lot 5 in Block 8 in O. A. Boque's Addition to Morgan Park Subdivision recorded per Document 127177 also being the east line of Parcel 24-24-225-065; thence north along a line 128.10 feet west of the east line of Lot 5 to the north line of Lot 5; thence east along the north line of Lot 5 to a line 122.34 feet west of the east line of Lot 4; thence north along said line 122.34 feet west to the north line of Lot 4; thence west along the north line of said Lot 4 to the west line of the north/south alley in Block 8; thence north along the west line of the north/south alley in Block 8 and the north/south alley in John J. Mack's Resubdivision of Lots 1 and 2 in Block 8, recorded per Document 14709534 and said alley extended to the north line of the east/west alley in John J. Mack's Resubdivision; thence east along north line of said east/west alley to the west line of Lot 6; thence north along the west line of Lots 4, 5 and 6 to the south line of West 114<sup>th</sup> Street; thence west along the south line of West 114<sup>th</sup> Street to the east line of the B. & O. Railroad; thence south along the east line of the B. & O. Railroad to the centerline of West 115<sup>th</sup> Street; thence west along the centerline of 115<sup>th</sup> Street to the west line of South Rockwell Street; thence north along the west line of South Rockwell Street to the south line of West 112<sup>th</sup> Street; thence west along the south line of West 112<sup>th</sup> Street to the west line extended to the first alley west of South Rockwell Street; thence north along the west line of said alley to

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the southeast corner of Lot 4 in Block 1 in Jane F. Taylor's Subdivision, recorded per Document 1170316; thence west along the south line of Lot 4 in Block 1 to the west line of South Talman Avenue; thence north along the west line of South Talman Avenue to a line 12 feet north of the south line of Lot 45 in Block 2 in aforesaid Jane F. Taylor's Subdivision; thence west along said 12 foot north line to the east line of the alley in Block 2; thence south along the east line of said alley to the south line of Lot 4 in Block 2 extended east; thence west along the south line of Lot 4 to the west line of South Washtenaw Avenue; thence north along the west line of South Washtenaw Avenue to the south line of Lot 2 in Block 3 in Oviatt's Subdivision recorded per Document 115289; thence west along the south line of Lot 2 to the southwest corner of Lot 2 and the northeast corner of Lot 22; thence south along the east line of Lot 22 to a line 10 feet north of the south line of Lot 22; thence west along said 10 foot north line to the east line of South Fairfield Avenue; thence south along the east line of South Fairfield Avenue to a line 20 feet south of the north line of Lot 4 in Block 4 in aforesaid Oviatt's Subdivision; thence west along said 20 foot south line to the west line of Lot 4; thence south along the east line of Lots 13 to 21 to the north line of West 112<sup>th</sup> Street; thence west along the north line of West 112<sup>th</sup> Street to the extension of the west line of the north/south alley in Block 2 in James and Marshall's Subdivision, recorded per Document 2957416; thence south along the west line of said alley to the south line of West 112<sup>th</sup> Street; thence east along the south line of West 112<sup>th</sup> Street to the east line of said north/south alley in Block 2; thence south along the east line of said alley to the south line of West 113<sup>th</sup> Street; thence west along the south line of West 113<sup>th</sup> Street to the northeast corner of Lot 24 in Block 12 in Oviatt's Subdivision recorded per Document 115289; thence south to the southeast corner of Lot 13 in Block 12; thence south to the south line of West 114<sup>th</sup> Street, also being the northeast corner of Parcel 24-24-220-035; thence south along the east line of Parcel 24-24-220-035 to the southeast corner; thence east along the north line of Parcel 24-24-220-036 to the northeast corner; thence south along the east line of Parcel 24-24-220-036 to the southeast corner; thence west along the south line of said parcel to the northeast corner of Parcel 24-24-220-040; thence south to the southeast corner of Parcel 24-24-220-038, also being the southwest corner of Parcel 24-24-220-028; thence east along the south line of Parcel 24-24-220-028 to the northwest corner of Parcel 24-24-220-015; thence south along the west line of Parcel 24-24-220-015 and extended to the centerline of West 115<sup>th</sup> Street; thence west along the centerline of West 115<sup>th</sup> Street to the east line of the C. G. T. & W. Railroad; thence north along the east line of the G. T. W. Railroad to the centerline of West 113<sup>th</sup> Street extended; thence west along the centerline of West 113<sup>th</sup> Street to the west line of South Sacramento Avenue extended; thence north along the west line of South Sacramento Avenue to the south line of the first alley south of West 115<sup>th</sup> Street; (the following three (3) courses are contiguous with the 111<sup>th</sup> Street/Kedzie T.I.F. District) thence continuing north along the west line of South Sacramento Avenue to the north line of West 111<sup>th</sup> Street; thence east along the north line of West 111<sup>th</sup> Street to the west line of the C. G. T. and W. Railroad; thence north along the west line

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of the C. G. T. and W. Railroad to the north line of West 110<sup>th</sup> Street, also known as Patrick Court; thence continuing north along the west line of the C. G. T. and W. Railroad to the south line of West 109<sup>th</sup> Street; thence west along the south line of West 109<sup>th</sup> Street to the west line of South Sacramento Avenue extended; thence north along the west line of South Sacramento Avenue to the south line of West 107<sup>th</sup> Street; thence west along the south line of West 107<sup>th</sup> Street to the west line of South Sacramento Avenue extended south; thence north along the west line of South Sacramento Avenue to the north line of West 103<sup>rd</sup> Street; thence east along the north line of West 103<sup>rd</sup> Street to the west line of the C. G. T. and W. Railroad; thence south along said west line of C. G. T. and W. Railroad to the centerline of West 103<sup>rd</sup> Street; thence east along the centerline of West 103<sup>rd</sup> Street to the east line of the C. G. T. and W. Railroad; thence south along said east line of the C. G. T. and W. Railroad to the centerline of West 111<sup>th</sup> Street; thence east along the centerline of West 111<sup>th</sup> Street to the west line of South California Avenue; thence north along the west line of South California Avenue to the north line of the first alley north of West 111<sup>th</sup> Street; thence east along the north line of said alley to the southwest corner Lot 9 in Block 16 in the F. F. Oviatt's Subdivision recorded per Document 115240; thence north along the west lines of Lots 3, 4, 5, 6, 7, 8 and 9 and extended to the north line of the first alley south of West 110<sup>th</sup> Street; thence east along the north line of said alley to the west line of the B. & O. Railroad; thence south along the west line of the B. & O. Railroad to the centerline of West 111<sup>th</sup> Street; thence east along the centerline of West 111<sup>th</sup> Street to the east line of the B. & O. Railroad; thence south along the east line of the B. & O. Railroad to the south line of West 111<sup>th</sup> Street; thence east along the south line of West 111<sup>th</sup> Street to the east line of South Rockwell Street extended south; thence north along the east line of South Rockwell Street to the north line of the first alley north of West 111<sup>th</sup> Street; thence east along the north line of said alley to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the northeast corner of Lot 29 in Block 5 in Premieres Addition to Morgan Park Subdivision recorded per Document 1214278; thence east along said north line of Lot 29 extended to the centerline of the first alley west of South Western Avenue; thence north along the centerline of said alley to a line 9 feet north of the south line of Lot 13 in Block 5 in Premieres Addition to Morgan Park; thence west along said line 9 feet north of the south line of Lot 13 to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the southeast corner of Lot 43 in Block 5 in Premieres Addition to Morgan Park; thence east along the south line of Lot 43 extended east to the centerline of said alley; thence north along said centerline to the south line of West 108<sup>th</sup> Street; thence west along the south line of West 108<sup>th</sup> Street to the west line of the north/south alley extended south in Block 4 in Premieres Addition to Morgan Park; thence north along the west line of said alley to the north line of West 107<sup>th</sup> Street; thence west along the north line of West 107<sup>th</sup> Street to the southwest corner of Lot 16 in Block 1 in Rueter and Companies Morgan Park Manor, recorded per Document 7662035; thence north along the west line of said Lot 16 to the north



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line of the first alley north of West 107<sup>th</sup> Street; thence east along north line of said alley to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the bend point in the east line of Lot 31 in Block 1 in Arthur Dunas Beverly Hills Manor Subdivision, recorded per Document 764818; thence northwesterly along the chamfered northeast corner of Lot 31 to the south line of the first alley south of West 103<sup>rd</sup> Street; thence west along the south line of said alley to the west line of South Artesian Avenue; thence north along the west line of South Artesian Avenue to the south line of West 103<sup>rd</sup> Street as widened; thence west along south line of West 103<sup>rd</sup> Street as widened to the east line of South Campbell Avenue; thence south along the east line of South Campbell Avenue to the south line of the first alley south of West 103<sup>rd</sup> Street; thence west along the south line of said alley to the west line of South Maplewood Avenue; thence north along the west line of South Maplewood Avenue to the north line of West 101<sup>st</sup> Street extended west; thence east along the north line of West 101<sup>st</sup> Street to the east line of the first alley west of South Artesian Avenue; thence south along the east line of said alley to the north line of the first alley north of West 103<sup>rd</sup> Street; thence east along the north line of said alley to the west line of the first alley west of South Western Avenue; thence north along the west line of said alley to the northeast corner of Lot 33 in Block 1 in O. Reuter & Co.'s Beverly Hills Third Edition recorded per Document 7916570; thence east along the north line of Lot 33 extended east to the centerline of the first alley west of South Western Avenue; thence north along the centerline of said alley to the centerline of West 99<sup>th</sup> Street; thence east along the centerline of West 99<sup>th</sup> Street to the centerline of South Western Avenue; thence north along the centerline of South Western Avenue to the point of beginning, all as shown on the Western Avenue/Rock Island T.I.F. Map, in Cook County Illinois.

*Exhibit "B".*

*Street Boundaries Of The Area.*

The area is located within the Beverly and Morgan Park communities and is generally bounded on the east by the alley right-of-way of South Western Avenue, on the west by the alley right-of-way west of South Western Avenue, on the north by West 96<sup>th</sup> Street and on the south by West 119<sup>th</sup> Street extending west along West 111<sup>th</sup> Street to South Sacramento Avenue; and extending east along West 111<sup>th</sup> Street/Monterey Avenue to South Vincennes Avenue; north along the Rock Island Railroad tracks to West 95<sup>th</sup> Place and south along the Rock Island Railroad tracks to West 115<sup>th</sup> Street.

EXHIBIT B  
PROPERTY  
(see attached)

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

**PARCEL 1:**

**LOT 1, AND THE NORTH 14 FEET OF LOT 2 IN SOUTHTOWN, A RESUBDIVISION OF LOTS 1 TO 9, 16 TO 24 INCLUSIVE IN BLOCK 1, LOTS 1 TO 9 AND 16 TO 24 IN BLOCK 2 AND LOTS 1 TO 32 IN BLOCK 3, LOTS 1 TO 28 IN BLOCK 4, LOTS 5 TO 28 IN BLOCK 5, LOTS 1 TO 32 IN BLOCK 6, LOTS 7 TO 19 IN BLOCK 7 AND LOTS 7 TO 19 IN BLOCK 8 IN FIREMAN'S INSURANCE COMPANY ADDITION TO MORGAN PARK IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

**PARCEL 2:**

**LOT 2 (EXCEPT THE NORTH 14.0 FEET THEREOF) AND ALL OF LOT 3 IN SOUTHTOWN, A RESUBDIVISION OF LOTS 1 TO 9, 16 TO 24, INCLUSIVE IN BLOCK 1, LOTS 1 TO 9 AND 16 TO 24 IN BLOCK 2, LOTS 1 TO 32 IN BLOCK 3, LOTS 1 TO 28 IN BLOCK 4, LOTS 5 TO 28 IN BLOCK 5, LOTS 1 TO 32 IN BLOCK 6, LOTS 7 TO 19 IN BLOCK 7, LOTS 7 TO 19 IN BLOCK 8, IN FIREMAN'S INSURANCE COMPANY ADDITION TO MORGAN PARK IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

**PINS**

**24-13-423-017-0000  
24-13-423-019-0000  
24-13-423-078-0000  
24-13-423-079-0000**

*Address: 10900-10906 S. Western Ave.,  
Chicago, IL 60643*

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

(see attached\*)

\*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the lesser of \$350,000 or 22.5% of the Project Budget.

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

CPMOK Properties LLC - TIF Funded Improvements  
Exhibit C

|                                   |                      |
|-----------------------------------|----------------------|
| <i>Demolition</i>                 | \$ 21,961.00         |
| <i>Excavation &amp; Site Work</i> | \$ 50,000.00         |
| <i>Construction Loan Interest</i> | \$ 20,000.00         |
| <i>Acquisition</i>                | \$ 305,000.00        |
|                                   | <u>\$ 396,961.00</u> |

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

EXHIBIT D

GREEN ELEMENTS

(see attached)

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

## Home Run Inn – Beverly

### Green Building highlights

1. Selected location of development close to public transportation (less than 1 mile from 2 metra stops & multiple CTA bus stations)
2. Filter portion of rainwater falling on parking lot with a vegetative filter strip and delay peak discharge into the storm sewer
3. Install rain barrel to capture rainfall water from the roof
4. Reduce use of potable water for landscape irrigation by using captured rainwater
5. Install extensive green roof over areas of roof to help reduce urban heat island effect
6. Coat remainder of roof with solar reflective coatings to help reduce urban heat island effect
7. Install baffles on parking lot lights to minimize light pollution
8. Ask the city to approve installation of bike racks along public way to encourage bicycling
9. Install electric hand dryers to reduce paper waste
10. Install self metering faucets in public restrooms to prevent waste of potable water
11. Use heat pumps as primary method for heating water, to reduce cooling load in kitchen & capture otherwise wasted energy
12. Use environmentally friendly refrigerants in cooling system
13. Provide trash area with a separate bin for collecting recyclables
14. Use materials extracted, processed or manufactured locally as possible
15. Perform building flush out before permanent occupancy to improve indoor air quality
16. Use low VOC adhesives, sealants, and paint to improve indoor air quality
17. Install high efficiency air filters in mechanical systems to improve indoor air quality
18. Install occupancy sensors in all areas of building to reduce electricity waste
19. Provide windows around the dining area to harvest daylight and reduce electricity use
20. Install energy efficient lighting to reduce electricity use
21. Plant trees in parking lot to provide shade and reduce urban heat island effect.

EXHIBITS E-F

[intentionally omitted]

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_



**EXHIBIT G**

**PERMITTED LIENS**

**1. Liens or encumbrances against the Property:**

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

**2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any: None.**

**COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_**

EXHIBIT H-1  
PROJECT BUDGET  
(see attached)

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

CPMOK Properties LLC - Project Budget  
Exhibit H1

|                                |    |                            |
|--------------------------------|----|----------------------------|
| Demolition                     | \$ | 21,961.00                  |
| Masonry                        | \$ | 140,000.00                 |
| Concrete                       | \$ | 49,531.00                  |
| Excavation                     | \$ | 50,000.00                  |
| Parking                        | \$ | 22,068.00                  |
| Landscape                      | \$ | 27,056.00                  |
| Electric                       | \$ | 54,000.00                  |
| Mechanical                     | \$ | 32,785.00                  |
| Plumbing                       | \$ | 44,000.00                  |
| Glazing                        | \$ | 23,950.00                  |
| Steel                          | \$ | 26,000.00                  |
| Roofing                        | \$ | 23,900.00                  |
| Framing                        | \$ | 30,000.00                  |
| <b>Construction Hard Costs</b> | \$ | <b>545,251.00</b>          |
| Allowance                      | \$ | 34,000.00                  |
| Construction Loan Interest     | \$ | 20,000.00                  |
| Architect                      | \$ | 15,600.00                  |
| Construction Management        | \$ | 50,000.00                  |
| Real Estate Fees               | \$ | 44,000.00                  |
| Contractor Fees                | \$ | 175,000.00                 |
| Permitting                     | \$ | 20,000.00                  |
| Rental Equipment               | \$ | 8,144.00                   |
| Title Fees                     | \$ | 5,000.00                   |
| Property Taxes                 | \$ | 5,000.00                   |
| Soft Costs                     | \$ | 20,000.00                  |
| <b>Construction Soft Costs</b> | \$ | <b>396,744.00</b>          |
| <b>Acquisition</b>             | \$ | <b>615,000.00</b>          |
|                                | \$ | <b><u>1,556,995.00</u></b> |

COOK COUNTY  
RECORDED OF DEEDS  
SCANNED BY \_\_\_\_\_

EXHIBIT H-2  
MBE/WBE BUDGET  
(see attached)

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_

**CPMOK Properties LLC - MWBE Budget  
Exhibit H2**

|                                |                      |
|--------------------------------|----------------------|
| <b>Demolition</b>              | <b>\$ 21,961.00</b>  |
| <b>Masonry</b>                 | <b>\$ 140,000.00</b> |
| <b>Concrete</b>                | <b>\$ 49,531.00</b>  |
| <b>Excavation</b>              | <b>\$ 50,000.00</b>  |
| <b>Parking</b>                 | <b>\$ 22,068.00</b>  |
| <b>Landscape</b>               | <b>\$ 27,056.00</b>  |
| <b>Electric</b>                | <b>\$ 54,000.00</b>  |
| <b>Mechanical</b>              | <b>\$ 32,785.00</b>  |
| <b>Plumbing</b>                | <b>\$ 44,000.00</b>  |
| <b>Glazing</b>                 | <b>\$ 23,950.00</b>  |
| <b>Steel</b>                   | <b>\$ 26,000.00</b>  |
| <b>Roofing</b>                 | <b>\$ 23,900.00</b>  |
| <b>Framing</b>                 | <b>\$ 30,000.00</b>  |
| <b>Construction Hard Costs</b> | <b>\$ 545,251.00</b> |

**MBE (24%) \$ 130,860.24**

**WBE (4%) \$ 21,810.04**

**COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_**

EXHIBIT I  
APPROVED PRIOR EXPENDITURES

|                              |                    |
|------------------------------|--------------------|
| Architectural & Plans        | \$15,600           |
| Tenant Allowance             | \$34,000           |
| Construction Period Interest | \$20,000           |
| Demolition                   | \$21,961           |
| Hard Costs                   | \$523,290          |
| Soft Costs                   | \$327,144          |
| Acquisition                  | \$615,000          |
| <b>Total Prior Expenses</b>  | <b>\$1,556,995</b> |

|                              |                    |
|------------------------------|--------------------|
| Demolition,                  | 21,961             |
| Masonry ,                    | 140,000            |
| Concrete ,                   | 49,531             |
| Excavation ,                 | 50,000             |
| Parking ,                    | 22,068             |
| Landscape ,                  | 27,056             |
| Electric ,                   | 54,000             |
| Mechanical ,                 | 32,785             |
| Plumbing ,                   | 44,000             |
| Glazing ,                    | 23,950             |
| Steel ,                      | 26,000             |
| Roofing ,                    | 23,900             |
| Framing ,                    | 30,000             |
| Construction Hard Costs ,    | 545,251            |
| Allowance ,                  | 34,000             |
| Construction Loan Interest , | 20,000             |
| Architect ,                  | 15,600             |
| Construction Management ,    | 50,000             |
| Real Estate Fees ,           | 44,000             |
| Contractor Fees ,            | 175,000            |
| Permitting ,                 | 20,000             |
| Rental Equipment ,           | 8,144              |
| Title Fees ,                 | 5,000              |
| Property Taxes ,             | 5,000              |
| Soft Costs ,                 | 20,000             |
| Construction Soft Costs      | 396,744            |
| Acquisition                  | 615,000            |
|                              | <b>\$1,556,995</b> |

COOK COUNTY  
RECORDING & DEEDS  
SCANNED BY \_\_\_\_\_

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

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

City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Christian Pappas ("Chris") and CPMOK Properties, LLC, an Illinois limited liability company (the "Company"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Western Avenue/Rock Island Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) CPMOK Properties Redevelopment Agreement (the "Agreement") of even date herewith, executed by, among others, Chris, the Company 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, we have examined

- (a) the original or certified, conformed or photostatic copies of the Company's (i) Articles of Organization, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Company is qualified to do business, (iii) Operating Agreement, as amended to date, and (iv) records of all company proceedings relating to the Project; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of Chris and the Company), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign entity under the laws of every state in which the conduct of its

affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Chris and the Company have full right, power and authority to execute and deliver the Documents to which they are parties and to perform their obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Company's Articles of Organization or 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 our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Company is a party or by which the Company or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Chris or the Company is a party or by which they or any of their properties may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Company.

4. Each of the Documents to which the Company is a party has been duly executed and delivered by a duly authorized officer of the Company, and each such Document constitutes the legal, valid and binding obligation of the Company, 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 our knowledge after diligent inquiry, no judgments are outstanding against Chris or the Company, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Chris or the Company or affecting Chris or the Company or their properties, or seeking to restrain or enjoin the performance by Chris or the Company of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, neither Chris nor the Company is 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 Chris, the Company or its business.

6. To the best of our knowledge after diligent inquiry, there is no default by Chris or the Company or any other party under any material contract, lease, agreement, instrument or commitment to which Chris or the Company is a party or by which Chris or the Company or their properties are bound.

7. To the best of our knowledge after diligent inquiry, all of the assets of Chris and the Company 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 Chris and the Company 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 our knowledge after diligent inquiry, Chris and the Company own or possess or are 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 their 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.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

This opinion is issued at Chris and the Company'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: \_\_\_\_\_

**COOK COUNTY  
RECORDS OF DEEDS  
SCANNED BY \_\_\_\_\_**

## EXHIBIT K

## PRELIMINARY TIF PROJECTION -- REAL ESTATE TAXES

| Assessment Year | Minimum Assessed Value(1)(2) |
|-----------------|------------------------------|
| 2013            | 180,614                      |
| 2014            | 184,223                      |
| 2015            | 187,910                      |
| 2016            | 191,669                      |
| 2017            | 195,502                      |
| 2018            | 199,412                      |
| 2019            | 203,400                      |
| 2020            | 207,468                      |
| 2021            | 211,618                      |
| 2022            | 215,850                      |

Note 1: 2013 Assessed Value is based on a 25% assessment ratio; if ratio changes in future years adjust value accordingly.

Note 2: Assessed Value is increased by 2% annually.

COOK COUNTY  
RECORDED DEEDS  
SCANNED BY \_\_\_\_\_

EXHIBIT L  
REQUISITION FORM

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF COOK         )

The affiant, \_\_\_\_\_, \_\_\_\_\_ of CPMOK Properties, LLC, an Illinois limited liability company, hereby certifies that with respect to that certain CPMOK Properties Redevelopment Agreement dated \_\_\_\_\_, \_\_\_\_\_ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$ \_\_\_\_\_, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$ \_\_\_\_\_

C. The Developer requests reimbursement for the following cost of TIF-Funded Improvements:

\$ \_\_\_\_\_

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

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

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

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

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

COOK COUNTY  
RECORDING DEEDS  
SCANNED BY \_\_\_\_\_

CPMOK PROPERTIES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

My commission expires: \_\_\_\_\_

Agreed and accepted:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
City of Chicago  
Department of Planning and Development

**COOK COUNTY  
RECORDER OF DEEDS  
SCANNED BY \_\_\_\_\_**

INTERGOVERNMENTAL AGREEMENTS  
FY 2014

A list of all intergovernmental agreements in effect in FY 2014 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 - Morgan Park-Beverly Sports Center | Improvements to parks    | 1,646,888              |                 |

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2014

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Western Avenue/Rock Island Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Western Avenue/Rock Island Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2014, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Western Avenue/Rock Island Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

Certified Public Accountants

June 30, 2015

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Western Avenue/Rock Island 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, 2014. 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  
WESTERN AVENUE/ROCK ISLAND 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 \$(29,140) for the year. This was an increase of 83 percent over the prior year. The change in net position produced a decrease in net position of \$2,092,708. The Project's net position decreased by 35 percent from the prior year making available \$3,838,607 of funding to be provided for purposes of future redevelopment in the Project's designated area. Revenues increased this year due to the Project's economic growth and accordingly increasing the total equalized assessed value of parcels and subsequent tax increment and related collections. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

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

Government-Wide

|                         | <u>2014</u>         | <u>2013</u>         | <u>Change</u>         | <u>% Change</u> |
|-------------------------|---------------------|---------------------|-----------------------|-----------------|
| Total assets            | \$ 5,733,506        | \$ 6,150,401        | \$ (416,895)          | -7%             |
| Total liabilities       | <u>1,894,899</u>    | <u>219,086</u>      | <u>1,675,813</u>      | 765%            |
| Total net position      | <u>\$ 3,838,607</u> | <u>\$ 5,931,315</u> | <u>\$ (2,092,708)</u> | -35%            |
| <br>                    |                     |                     |                       |                 |
| Total revenues          | \$ (12,107)         | \$ (153,074)        | \$ 140,967            | 92%             |
| Total expenses          | <u>2,080,601</u>    | <u>756,488</u>      | <u>1,324,113</u>      | 175%            |
| Other financing uses    | <u>-</u>            | <u>2,150,000</u>    | <u>(2,150,000)</u>    | -100%           |
| Changes in net position | <u>(2,092,708)</u>  | <u>(3,059,562)</u>  | <u>966,854</u>        | 32%             |
| Ending net position     | <u>\$ 3,838,607</u> | <u>\$ 5,931,315</u> | <u>\$ (2,092,708)</u> | -35%            |

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2014

| <u>ASSETS</u>  | <u>Governmental<br/>Fund</u> | <u>Adjustments</u>  | <u>Statement<br/>of<br/>Net Position</u> |
|--|------------------------------|---------------------|--|
| Cash and investments                                 | \$ 5,682,663                 | \$ -                | \$ 5,682,663                             |
| Property taxes receivable                            | 38,415                       | -                   | 38,415                                   |
| Accrued interest receivable                          | 12,428                       | -                   | 12,428                                   |
| Total assets   | <u>\$ 5,733,506</u>          | <u>\$ -</u>         | <u>\$ 5,733,506</u>                      |
| <br><u>LIABILITIES</u>                               |                              |                     |  |
| Vouchers payable                                     | \$ 1,754,138                 | \$ -                | \$ 1,754,138                             |
| Due to other City funds                              | 26,097                       | -                   | 26,097                                   |
| Other accrued liability                              | 114,664                      | -                   | 114,664                                  |
| Total liabilities                                    | <u>1,894,899</u>             | <u>-</u>            | <u>1,894,899</u>                         |
| <br><u>FUND BALANCE/NET POSITION</u>                 |                              |                     |  |
| Fund balance:  |                              |                     |  |
| Restricted for future redevelopment<br>project costs | <u>3,838,607</u>             | (3,838,607)         | -  |
| Total liabilities and fund balance                   | <u>\$ 5,733,506</u>          |                     |  |
| Net position:  |                              |                     |  |
| Restricted for future redevelopment<br>project costs |                              | <u>3,838,607</u>    | <u>3,838,607</u>                         |
| Total net position                                   |                              | <u>\$ 3,838,607</u> | <u>\$ 3,838,607</u>                      |

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

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014

|                                      | <u>Governmental<br/>Fund</u> | <u>Adjustments</u> | <u>Statement of<br/>Activities</u> |
|--------------------------------------|------------------------------|--------------------|------------------------------------|
| Revenues:                            |                              |                    |                                    |
| Property tax                         | \$ 160,698                   | \$ (189,838)       | \$ (29,140)                        |
| Interest                             | 17,033                       | -                  | 17,033                             |
|                                      | <hr/>                        | <hr/>              | <hr/>                              |
| Total revenues                       | 177,731                      | (189,838)          | (12,107)                           |
| Expenditures/expenses:               |                              |                    |                                    |
| Economic development projects        | 2,080,601                    | -                  | 2,080,601                          |
|                                      | <hr/>                        | <hr/>              | <hr/>                              |
| Excess of expenditures over revenues | (1,902,870)                  | 1,902,870          | -                                  |
| Change in net position               | -                            | (2,092,708)        | (2,092,708)                        |
| Fund balance/net position:           |                              |                    |                                    |
| Beginning of year                    | 5,741,477                    | 189,838            | 5,931,315                          |
|                                      | <hr/>                        | <hr/>              | <hr/>                              |
| End of year                          | <u>\$ 3,838,607</u>          | <u>\$ -</u>        | <u>\$ 3,838,607</u>                |

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

|  |                       |
|--|-----------------------|
| Net change in fund balance - governmental fund   | \$ (1,902,870)        |
| 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>(189,838)</u>      |
| Change in net position - governmental activities   | <u>\$ (2,092,708)</u> |

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

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In February 2006, the City of Chicago (City) established the Western Avenue/Rock Island Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). Effective January 2013, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, standardized the presentation of deferred outflows and inflows of resources and their effect on the Project's net position. The financial impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position. In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to establish accounting and financial reporting standards that reclassify as deferred inflows of resources, certain items that were previously reported as liabilities and recognizes, as inflows of resources, certain items that were previously reported as liabilities.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

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

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

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

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

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

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

(d) *Assets, Liabilities and Net Position*

*Cash and Investments*

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

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

*Deferred Inflows*

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

*Capital Assets*

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

(e) *Stewardship, Compliance and Accountability*

*Illinois Tax Increment Redevelopment Allocation Act Compliance*

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

*Reimbursements*

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



CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 2 – Commitments

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

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
WESTERN AVENUE/ROCK ISLAND 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 | \$ 28,645           |
| Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures   | 307,250             |
| Costs of the construction of public works or improvements  | <u>1,744,706</u>    |
|  | <u>\$ 2,080,601</u> |



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8745 WEST HIGGINS ROAD  
SUITE 200  
CHICAGO, ILLINOIS 60631

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INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Western Avenue/Rock Island Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2014, 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 30, 2015.

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 Western Avenue/Rock Island Redevelopment Project of the City of Chicago, Illinois.

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

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

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

Certified Public Accountants

June 30, 2015