

**FY 2018
ANNUAL TAX INCREMENT FINANCE
REPORT**



**STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA**

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

Reporting Fiscal Year: **2018**
Fiscal Year End: **12/31/2018**

TIF Administrator Contact Information

First Name: Eleanor Last Name: Esser Gorski
Address: City Hall, 121 N LaSalle Title: Administrator
Telephone: (312) 744-4190 City: Chicago Zip: 60602
Email- TIFreports@cityofchicago.org
required

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s) in the City/Village of: City of Chicago is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

Eleanor Gorski 6/28/2019
Written signature of TIF Administrator Date

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

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	9/29/2022
116th/Avenue O	10/31/2018	12/31/2042
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
24th/Michigan	7/21/1999	7/21/2022
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2022
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th/St. Lawrence	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

*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.]

60th/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
71st/Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	7/8/2021
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2019
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/Cermak	7/29/1998	12/31/2018
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Clark/Montrose	7/7/1999	7/7/2022
Clark/Ridge	9/29/1999	9/29/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2018
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-First Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	7/10/2019

Greater Southwest Industrial (East)	3/10/1999	12/31/2023
Greater Southwest Industrial (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	9/9/1998	9/9/2021
Jefferson/Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	12/31/2022
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Kedzie	2/16/2000	12/31/2024
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln/Belmont/Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2025
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2036
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
North Branch North	7/2/1997	12/31/2021
North Branch South	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North/Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/31/2022
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Industrial Corridor	6/9/1999	12/31/2023
Randolph/Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2018
Read/Dunning	1/11/1991	12/31/2018
Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Cicero Industrial Corridor	2/5/1998	2/5/2021

	Roosevelt/Racine	11/4/1998	12/31/2034
	Roosevelt/Union	5/12/1999	5/12/2022
	Roseland/Michigan	1/16/2002	12/31/2026
	Sanitary and Ship Canal	7/24/1991	12/31/2027
	South Chicago	4/12/2000	12/31/2024
	South Works Industrial	11/3/1999	12/31/2023
	Stevenson Brighton	4/11/2007	12/31/2031
	Stockyards Annex	12/11/1996	12/31/2020
	Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
X	Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
	Touhy/Western	9/13/2006	12/31/2030
	Washington Park	10/8/2014	12/31/2038
	Weed/Fremont	1/9/2008	12/31/2018
	West Irving Park	1/12/2000	12/31/2024
	West Woodlawn	5/12/2010	12/31/2034
	Western Avenue North	1/12/2000	12/31/2024
	Western Avenue South	1/12/2000	12/31/2024
	Western/Ogden	2/5/1998	2/5/2021
	Western/Rock Island	2/8/2006	12/31/2030
	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.]

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Name of Redevelopment Project Area (below): <p style="text-align: center;">Stony Island Commercial/Burnside Industrial Redevelopment Project Area</p>
Primary Use of Redevelopment Project Area*: Industrial

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

If 'Combination/Mixed' List Component Types:
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): <div style="display: flex; justify-content: space-between;"> Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> Industrial Jobs Recovery Law <input type="checkbox"/> </div>

Please utilize the information below to properly label the Attachments.

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

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

Provide an analysis of the special tax allocation fund.

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TIF NAME: Stony Island Commercial/Burnside Industrial Redevelopment Project Area

Special Tax Allocation Fund Balance at Beginning of Reporting Period: **\$ 7,482,713**

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 4,086,967	\$ 42,133,216	96%
State Sales Tax Increment			
Local Sales Tax Increment			
State Utility Tax Increment			
Local Utility Tax Increment			
Interest	\$ 43,475	\$ 599,402	1%
Land/Building Sale Proceeds		0	0%
Bond Proceeds		0	0%
Transfers from Municipal Sources		0	0%
Private Sources		0	0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 1,023,750	2%

All Amount Deposited in Special Tax Allocation Fund **\$ 4,130,442**

Cumulative Total Revenues/Cash Receipts **\$ 43,756,368 100%**

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) **\$ 1,858,570**

Transfers to Municipal Sources **\$ 1,822,797**

Distribution of Surplus **\$**

Total Expenditures/Disbursements **\$ 3,681,367**

Net Income/Cash Receipts Over/(Under) Cash Disbursements **\$ 449,075**

FUND BALANCE, END OF REPORTING PERIOD* **\$ 7,931,788**

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

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

**Schedule of "Other" Sources of Revenue/Cash Receipts Deposited in Fund During Reporting FY
(Total and Cumulative Values Carried Forward to Section 3.1)**

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TIF NAME: Stony Island Commercial/Burnside Industrial Redevelopment Project Area

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 1,000,000
Note Proceeds		0
Non-compliance Payment		0
Excess Reserve Requirement		0
Build America Bonds Subsidy		0
Collection Returns		0
Credits from Expenditures		\$ 23,750

Total Schedule of "Other" Sources During Reporting Period \$ -

Cumulative Total Schedule of "Other" Sources \$ 1,023,750

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

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TIF NAME: Stony Island Commercial/Burnside Industrial Redevelopment Project Area

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Project Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	\$ 63,200	
		\$ 63,200
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
	\$ 968,881	
		\$ 968,881
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
	\$ 45,696	
		\$ 45,696
6. Costs of construction of public works or improvements.		
	\$ 780,793	
		\$ 780,793

SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.		
Costs of construction of new housing units for low income or very low income households.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,858,570

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

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TIF NAME: Stony Island Commercial/Burnside Industrial Redevelopment Project Area

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

 X Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

Property Acquired by the Municipality Within the Redevelopment Project Area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

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TIF Name: **Stony Island Commercial/Burnside Industrial Redevelopment Project Area**Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	_____
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	_____ X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	7

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

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 16,159,214	\$ -	\$ 148,912,110
Public Investment Undertaken	\$ 8,143,872	\$ 1,657,547	\$ 26,901,022
Ratio of Private/Public Investment	1 63/64	-	5 15/28

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Greenwood Associates LP (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 12,881,599	-	\$ 0
Public Investment Undertaken	\$ 3,573,945	-	\$ 0
Ratio of Private/Public Investment	3 29/48	-	

Project 2*: SBIF - Stony Island Burnside (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 3,000,000
Public Investment Undertaken	\$ 1,376,385	\$ 130,000	\$ 2,000,000
Ratio of Private/Public Investment		-	1 1/2

Project 3*: WVON Radio (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 3,277,615	-	\$ 0
Public Investment Undertaken	\$ 1,000,000	-	\$ 0
Ratio of Private/Public Investment	3 5/18	-	

Project 4*: TIFWorks - Stony Island Burnside (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 0
Public Investment Undertaken	\$ 682,476	\$ 149,009	\$ 420,000
Ratio of Private/Public Investment		-	

Project 5*: A. Finkl & Sons Co. (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 139,249,110
Public Investment Undertaken	\$ 1,468,881	\$ 397,516	\$ 22,500,000
Ratio of Private/Public Investment		-	6 17/90

Project 6*: Industrial Growth Zone- Stony Island/Burnside (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 0
Public Investment Undertaken	\$ 42,185	-	\$ 1,000,000
Ratio of Private/Public Investment		-	

Project 7*: Imani Village Advocate Medical Center (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 6,663,000
Public Investment Undertaken	0	\$ 981,022	\$ 981,022
Ratio of Private/Public Investment		-	6 19/24

Project 8*:

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 9*:

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 10

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 11

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 12

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 13

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 14

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Project 15

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

Section 5 Notes

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TIF NAME: Stony Island Commercial/Burnside Industrial Redevelopment Project Area

** 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.

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

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

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

SECTION 6

FY 2018

TIF NAME: Stony Island Commercial/Burnside Industrial Redevelopment Project Area

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

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

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

Check if the overlapping taxing districts did not receive a surplus.

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

SECTION 7

Provide information about job creation and retention:

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

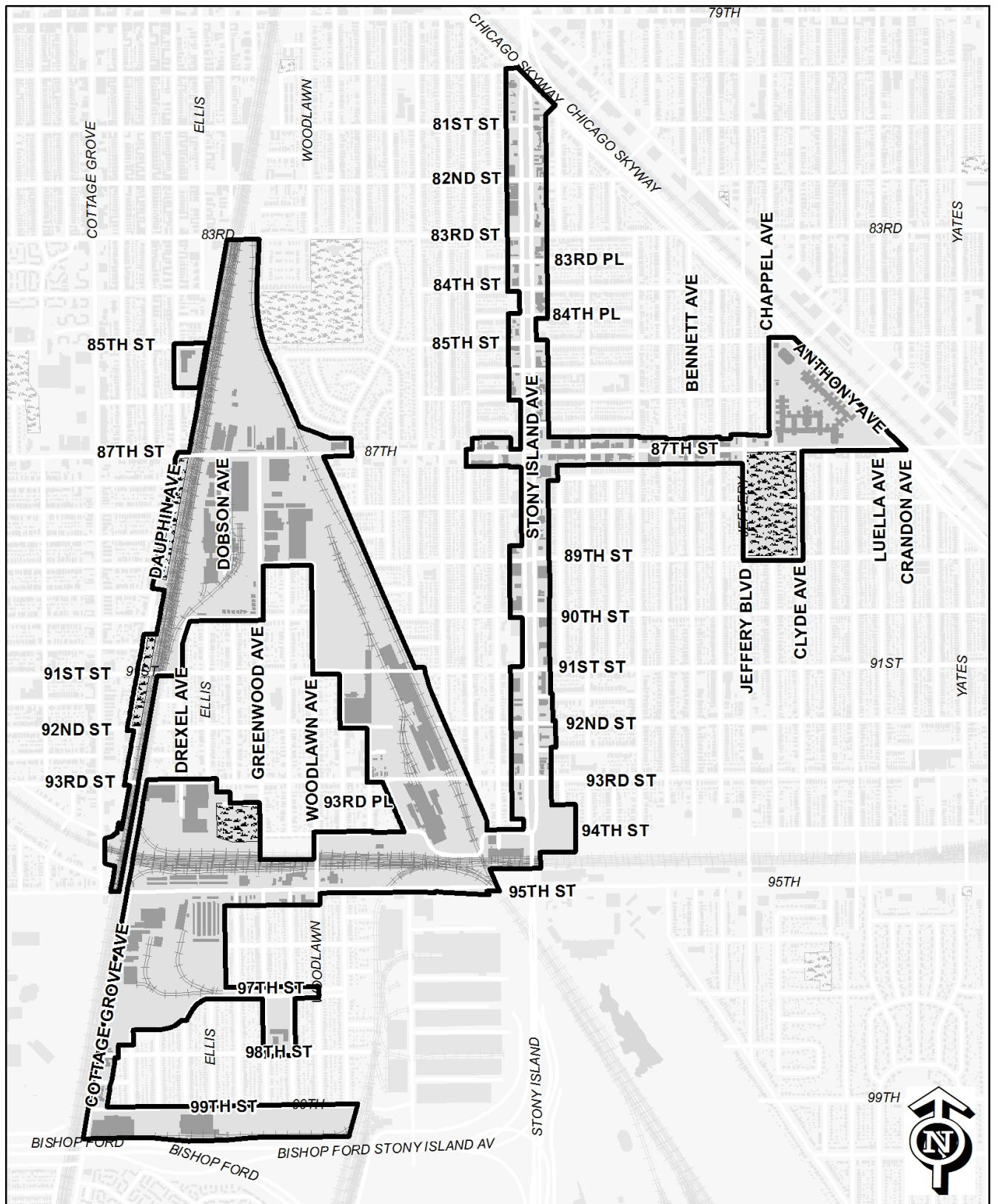
SECTION 8

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

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

Stony Island/Burnside TIF

2018 Annual Report



STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

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

Janice Jackson
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

Daryl Okrzesik
Associate Vice Chancellor-Finance
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

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

Jay Stewart
Interim Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
Chicago, Illinois 60602

Charles Givines, President
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, Lori E. Lightfoot, in connection with the annual report (the “Report”) of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq, (the “Act”) with regard to the Stony Island Commercial/Burnside Industrial Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:

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


Attachment B

2. During the preceding fiscal year of the City, being January 1 through December 31, 2018, the City complied, in all material respects, with the requirements of the Law, 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 28th day of June, 2019.


Lori E. Lightfoot, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

CITY OF CHICAGO

June 28, 2019

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

Janice Jackson
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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: Stony Island Commercial/Burnside Industrial 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 City Departments and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

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

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 her required certification in connection with the Report, and not by any other party.

Very truly yours,



Mark A. Flessner
Corporation Counsel

SCHEDULE 1

June 28, 2019

CERTIFICATION

Acting Commissioner
Department of Planning and Development
City of Chicago

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

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

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

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

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

Very truly yours,



Eleanor Esser Gorski
Acting Commissioner
Department of Planning and Development

FY 2018

TIF NAME: **Stony Island Commercial/Burnside Industrial Redevelopment Project Ar**

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

<u>Name of Project</u>
Imani Village Advocate Medical Center



Doc# 1819706167 Fee \$284.00

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

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 07/16/2018 12:04 PM PG: 1 OF 58

IMANI VILLAGE REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

TRINITY 95th AND COTTAGE GROVE PLANNED
COMMUNITY DEVELOPMENT, SERIES LLC

This agreement was prepared by
and after recording return to:
Charles E. Rodgers, Jr., Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

FIRST AMERICAN TITLE
FILE # 915327

2 of 2

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Exhibit G	Form of Subordination Agreement
Exhibit H	Opinion of Developer's Counsel
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Exhibit J	Minimum Assessed Value

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

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

IMANI VILLAGE REDEVELOPMENT AGREEMENT

This Imani Village Redevelopment Agreement (this "Agreement") is made as of this 16th day of July, 2018, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Trinity 95th and Cottage Grove Planned Community Development Series LLC, an Illinois limited liability company (the "Developer"). Capitalized terms not otherwise defined herein shall have the meaning given in Section 2.

RECITALS

A. City Council Authority: To induce redevelopment pursuant to provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act") the City Council of the City (the "the City Council") adopted certain ordinances on June 10, 1998 approving a redevelopment plan for the Stony Island/Burnside Redevelopment Project Area (the "Redevelopment Area"), designating the Redevelopment Area as a "redevelopment project area" under the Act, adopting tax increment allocation financing for the Area, as amended on June 9, 2010, (collectively, the "TIF Ordinances"). The Redevelopment Area is legally described in Exhibit A hereto.

B. The Project: The Developer intends to undertake the redevelopment project described below (the "Project") with respect to certain property owned by the Developer located within the Redevelopment Area and commonly known as 901 E. 95th Street Chicago, Illinois 60628 and legally described on Exhibit B (the "Property"). The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. The Project will be carried out in accordance with this Agreement and the City of Chicago Stony Island/Burnside Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan"). The Project shall consist of partial renovation of an existing 47,167 square foot office building and the construction of an approximately 13,000 square foot addition, to create a 60,176 square foot office building at the Property. An Advocate Medical

Center, which will be located in the newly constructed addition, will anchor the building. Other smaller tenants are expected to lease portions of the existing office building.

C. City Financing: The City agrees to use Incremental Taxes to reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA during the preceding calendar year, (b) certifying 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 Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operations Covenant (**Section 8.05**); (2) compliance with the Occupancy Covenant (**Section 8.05**); (3) delivery of Financial Statements and unaudited financial statements (**Section 8.13**); (4) delivery of updated insurance certificates, if applicable (**Section 8.10**); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.14**); (6) compliance with all other executory provisions of the RDA, and (7) the number of people currently employed at the Project.

"Capital Event" shall have the meaning set forth in Section 8.22 hereof.

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

"City Fee" shall mean the fee described in Section 4.05 hereof.

"City Funds" shall mean the funds described in Section 4.01 hereof.

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

"Completion Date" shall mean the date the City issues its Final Certificate of Completion.

"Compliance Period" shall mean that period beginning on the date of the issuance of the Final Certificate until the tenth anniversary of such date

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

"Employer(s)" shall have the meaning set forth in Paragraph E of Section 6 (E) hereto.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) in an amount not less than that set forth in Section 4.01 hereof.

"Event of Default" shall have the meaning set forth in Section 12 hereof.

"Excess Proceeds" shall have the meaning set forth in Section 8.22 hereof.

"Final Certificate" shall mean the Final Certificate of Completion to be issued by the City upon compliance with the conditions described in Section 7.01 hereof.

"General Contractor" shall mean the general contractor(s) hired by the Developer for the Project, Power and Sons Construction Company.

"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 Redevelopment Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Initial Certificate" shall mean the Initial Certificate of Completion to be issued by the City upon compliance with the conditions described in Section 7.01 hereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and used to pay for Costs of the Project otherwise secured by the Property.

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

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit C-2.

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

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

"Occupancy Covenant" shall have the meaning set forth in Section 8.05.

"Operations Covenant" shall have the meaning set forth in Section 8.05.

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

"Prohibited Use" shall mean a fast-food chain restaurant, an employment agency, a currency exchange, a payday loan store, a pawn shop, a psychic or astrological or palm-reading business, a bar or liquor store, an adult bookstore, a massage parlor, a hotel or motel, an off-track betting facility, a trailer-storage yard, a scrap yard, or any use similar to the preceding uses or otherwise identified in writing by DPD. The Commissioner of DPD shall have discretion to consent to a waiver of any of the foregoing prohibited uses for any specific development, which consent shall be in the Commissioner's sole discretion.

"Project Budget" shall mean the budget attached hereto as Exhibit C-1, showing the total cost of the Project by line item, as the same may be amended from time to time with the consent of DPD.

"Redevelopment Area 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.

"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 E, to be delivered by the Developer to DPD pursuant to Section 4.04 of this Agreement.

"Survey" shall mean a survey of the Property prepared in accordance with Minimum Standard Detail Requirements adopted for ALTA/ACSM Land Title Surveys (1999 Revision), including such Table A requirements as the City may reasonably require, dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company,

prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property resulting from the Project, if any).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect.

"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, as set forth on Exhibit I, as the same may be amended with DPD's consent.

"Title Company" shall mean First American 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 Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

SECTION 3. THE PROJECT

3.01 The Project. The Developer will complete the Project no later than December 31, 2018, or such later date as to which DPD may consent.

3.02 Project Budget. The Developer has furnished to DPD, and DPD has approved, the Project Budget. The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity shall be sufficient to complete the Project, and (b) the Project Budget is true, correct and complete in all material respects.

3.03 DPD Approval. Any approval granted by DPD under this Agreement is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project or otherwise lessen the Developer's obligations under Section 5.02.

3.04 Survey Update. On the Completion Date, the Developer shall provide an updated Survey if the Project added new improvements to the Property.

3.05 Signs and Public Relations. The Developer shall erect a sign in accordance with a template provided by DPD, and subject to final approval by DPD, in a conspicuous location on the Property during the Project indicating that financing has been provided by the City.

3.06 Change Orders. Except as provided below in this Section 3.06, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by 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 Developer to DPD for DPD's prior written approval: (a) changes in the Project scope that reduces the gross or net square footage of Project by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Project to a use other than as described in Recital B to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. 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 Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement).

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.06). In addition, Developer shall provide DPD with monthly reports regarding MBE/WBE utilization and compliance with prevailing wage and the City's residency requirements. Any shortfall in compliance with the requirements listed in this Section 3.07 shall be included in the monthly reports to DPD.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$7,644,022, which the Developer will initially fund from the following sources:

Equity	\$ 513,000
Lender Financing	
- Cornerstone Fund Loan	\$6,150,000
- Bridge Loan	\$ 981,022
ESTIMATED TOTAL	<u>\$7,644,022</u>
Amount of City Funds (as defined below)	\$ 981,022

Such sources of funds shall be used to pay all Project costs because no City Funds will be paid until the City's issuance of an Initial or Final Certificate, and then only on a "pay-as-you-

go” basis. Except for the City Funds, no other City financial assistance or incentives have been or will be provided for the Project.

4.02 Reimbursement from City Funds. City Funds may only be used to reimburse the Developer after the issuance of an Initial or Final Certificate for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit F sets forth the maximum amount of costs that may be reimbursed from City Funds for each line item therein, contingent upon receipt by the City of documentation satisfactory to DPD. City Funds shall not be paid to the Developer hereunder prior to the issuance of an Initial or Final Certificate. In no event shall the City reimburse the Developer in excess of \$981,022, which represents Twelve and One Eight percent (12.8%) of the Project costs, as set out in the final Project Budget.

Subject to the terms and conditions of this Agreement, the City hereby agrees to provide funds solely from Incremental Taxes to reimburse the Developer for the cost of TIF-Funded Improvements up to the maximum amount determined under the last sentence of the preceding paragraph (the "City Funds"). The City Funds shall be paid to the Developer in two equal disbursements according pursuant to the time frames set forth herein and in accordance with the terms and conditions of this Agreement, as follows:

Payment	Timing	Maximum Annual Payment
Payment #1	Issuance of Initial Certificate	\$490,511
Payment #2	The later of the First Anniversary of the Issuance of the Initial Certificate or Issuance of the Final Certificate	\$490,511
TOTAL CITY FUNDS		\$981,022

City Funds derived from Incremental Taxes shall be available to pay such costs and allocated for such purposes only so long as:

- (i) The amount of the Incremental Taxes is sufficient to pay for such costs; and
- (ii) The City has been paid the City Fee described in Section 4.05 below.

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

4.03 Reduction of City Funds. Upon the occurrence of the following, without limitation, City Funds may be reduced if the final Total Project Cost falls below \$7,644,022, the City Funds will be reduced by \$1.00 for every \$1.00. Such reduction shall be made from Payment #1 and, if necessary, from Payment #2.

4.04 Requisition Form. Prior to DPD issuing Payment 1 or 2, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per year (or as otherwise permitted by DPD). Upon DPD's request, the Developer shall meet with DPD to discuss any Requisition Form(s).

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

4.06 Cost Overruns. The Developer shall be solely responsible for any Project costs in excess of those set forth in the Project Budget and shall hold the City harmless from any and all such costs.

4.07 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed as provided in Section 12.

SECTION 5. CONDITIONS PRECEDENT

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

5.01 Project Budget. DPD must have approved the Project Budget.

5.02 Other Governmental Approvals. The Developer must have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before construction commences, such building permits shall be secured prior to commencement of any such construction work.

5.03 Financing. The Developer must have furnished proof reasonably acceptable to the City that it has Equity and Lender Financing to complete the Project. Any liens against the Property in existence at the Closing Date must have been subordinated to this Agreement pursuant to a Subordination Agreement in the form of Exhibit G to be recorded, at the expense of the Developer, with the Recorder's Office of Cook County.

5.04 Acquisition and Title. The Developer must have furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured, along with copies of all Schedule B title exception documents. The Title Policy must be dated as of the Closing Date and contain only those title exceptions listed on Exhibit D hereto and evidence the recording of this Agreement. The Title Policy must contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. If the Project involves any acquisition of real property, the Developer must have provided DPD with documentation related to such acquisition.

5.05 Evidence of Clean Title. The Developer, at its own expense, must have provided the City with searches under its name and the following other names as follows: Trinity 95th and Cottage Grove Planned Community Development, Series, LLC, Trinity United Church of Christ:

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

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

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

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

5.08 Opinion of the Developer's Counsel. On the Closing Date, the Developer must have furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit H, with such changes as may be acceptable to Corporation Counsel.

5.09 Financial Statements. The Developer and any entity holding an ownership interest in Developer must have provided DPD with three years of its most recent of financial statements, or as DPD may reasonably require.

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

5.11 Environmental. The Developer must have provided DPD with copies of any existing phase I environmental audits completed with respect to the Property and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.12 Corporate Documents; Economic Disclosure Statement. The Developer must have provided a copy of its Articles or Certificate of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and the State of Illinois; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation; and such other corporate documentation as the City has requested. If the Developer is not a corporation, it shall provide comparable documentation based on its entity status. The Developer must also have provided the City with an Economic Disclosure Statement dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS AND CONSTRUCTION REQUIREMENTS

A. Construction Contract. Upon DPD's request, the Developer must provide DPD with a certified copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon DPD's request, a copy of any subcontracts.

B. Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer must require the General Contractor to be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

C. Employment Profile. Upon DPD's request, the Developer, the General Contractor and all subcontractors must submit to DPD statements of their respective employment profiles.

D. Prevailing Wage. The Developer, the General Contractor and all subcontractors must pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer

shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Paragraph D.

E. Employment Opportunity. The Developer 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:

(1) 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.

(2) 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 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 Area.

(3) 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.

(4) Each Employer, in order to demonstrate compliance with the terms of this Paragraph, 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.

(5) Each Employer shall include the foregoing provisions of subparagraphs (1) through (4) 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.

(6) Failure to comply with the employment obligations described in this Paragraph E shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

F. 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 Paragraph 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 Paragraph 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 Paragraph. 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 Paragraph F to be included in all construction contracts and subcontracts related to the Project.

G. The Developer's 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:

(1) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Paragraph G, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as Exhibit C-2 (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 26 percent by MBEs
- and
- ii. At least 6 percent by WBEs.

(2) For purposes of this Paragraph G 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" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(3) Consistent with Section 2-92-440, 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 a 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 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 Paragraph G. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

(4) Prior to the City's issuance of a Final Certificate, the Developer shall provide to DPD a final report describing its efforts to achieve compliance with this MBE/WBE commitment. Such report 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 DPD

in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with the Redevelopment Agreement, on five (5) 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.

(5) 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 Section 2-92-540, Municipal Code of Chicago.

(6) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Paragraph G shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(7) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Paragraph G. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Paragraph G, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

H. Books and Records. The Developer, the general contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, general contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

I. Incorporation in Other Contracts. The general contract and each subcontract shall include a rider incorporating Paragraphs C, D, E(5) and H of this Section 6.01 and the insurance requirements in Exhibit I. The general contract shall also incorporate in such rider Paragraphs F and G of this Section 6.01.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate(s) of Completion of Construction or Rehabilitation. Upon completion of the of the Project in accordance with the terms of this Agreement and upon the Developer's written request, DPD shall either issue to the Developer an Initial or Final Certificate, respectively in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement, or a written statement detailing the measures which must be taken in order to obtain them. DPD may require a single inspection by an inspecting architect hired at the Developer's expense to confirm the completion of the Project. DPD shall make its best efforts to respond to Developer's written request for the Initial or Final Certificate within forty-five (45) days by issuing either the Initial or Final Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Initial or Final Certificate. Developer may resubmit a written request for the Initial or Final Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the Initial Certificate and pay out City Funds in connection with the Project, until the following conditions have been met:

- Completion of the rehabilitation of the existing facility, including core, shell and build-out and vertical construction of the medical center space by June 30, 2018, and
- Evidence acceptable to DPD that Developer has transferred the medical center space to Advocate for the build-out phase of construction.

Furthermore, the Developer acknowledges and understands that the City will not issue the Final Certificate and pay out the remaining City Funds in connection with the Project, until the following conditions have been met:

- Issuance of the Initial Certificate; and
- Evidence acceptable to DPD that the Total Project Cost is equal to, or in excess of, \$7,644,022. As described in Section 4.03(c), the City Funds will be reduced on a dollar for dollar basis if the Total Project Cost is less than \$7,644,022; and
- Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the developer has complied with building permit requirements for Project; and
- Not less than 75% of the Property is leased, occupied and open for business, including the Advocate Medical Center; and
- Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage), as provided in herein; and

- Evidence that the Developer has incurred TIF-eligible costs in an equal amount to, or greater than, the total maximum amount of City Funds for the Project (up to \$981,022) and
- Evidence acceptable to DPD that the construction of the Advocate Medical Center is complete and that the center is in full operation by December 31, 2018.

7.02 Effect of Issuance of Certificates; Continuing Obligations. The Initial and Final Certificates relate only to the respective performance of the work associated with the Project improvements. After the issuance of the Final Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Final 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, 8.05 (a) and 8.14(c) as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 15.15 of this Agreement.

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, neither the Initial or Final Certificate will ever be issued, and the City will have the right to terminate this Agreement. If this occurs, no City Funds will ever be paid to the Developer. In addition, if the Project's TIF-Funded Improvements include any public improvements, the City will have the right (but not the obligation) to complete such public improvements and the Developer must immediately reimburse the City for all reasonable costs and expenses incurred in completing such public improvements.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, 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 Developer is a limited liability company duly organized, validly existing, qualified to do business in Illinois and 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 its Articles of Organization 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;

(d) during the term of this Agreement, the Developer will continue to own good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon), or a leasehold interest therein, free and clear of all liens except for the Permitted Liens and such other matters as DPD may consent to in writing;

(e) the Developer 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 necessary to conduct its business and to construct, complete and operate the Project;

(h) the Developer is not in default with respect to any agreement or instrument related to the borrowing of money to which the Developer is bound or for which the Property serves as collateral;

(i) any financial statements provided to the City are and will be, at the time of submittal, true, complete and correct in all material respects;

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

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

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

8.02 Covenant to Redevelop. The Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the Redevelopment Plan, the TIF Ordinances, the Project Budget and all amendments thereto, and all applicable federal, state and local laws, ordinances, rules, regulations, executive orders and codes. The covenants set forth in this Section shall run with the land but shall be deemed satisfied and shall terminate when the City issues its Final Certificate for recording in the Recorder's Office of Cook County.

8.03 Use of City Funds. City Funds shall be used by the Developer solely to reimburse the Developer for its payment for the TIF-Funded Improvements.

8.04 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; provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. If any such bonds are issued, the City may use the proceeds thereof to reimburse the Developer for any amounts remaining due under this Agreement.

8.05 Job Creation and Retention, Operations Covenant and Occupancy Covenant. The Developer expects that approximately fifty (50) full-time equivalent jobs will be created or retained by the tenants at the Property, including eight (8) full-time equivalent jobs created by the Advocate Medical Center, and twenty-nine (29) full-time equivalent jobs retained at the Property by the current tenants. Developer also anticipates that 50 construction jobs will be created during the construction phase of the Project. The aforementioned jobs totals are not subject to a jobs covenant, but are for informational purposes.

The Developer covenants that at all time throughout the Compliance Period,

(a) it will maintain its operations within the City of Chicago and operate the Property for the same use or other office/commercial use, as approved by DPD, and at substantially the same capacity as described in the Developer's TIF application and/or this Agreement, unless the covenant in clause (a) is satisfied and the Commissioner of DPD, in the Commissioner's sole discretion, consents to a change in use (the "Operations Covenant"); and

(b) ensure that all tenants and operations shall be in compliance with the Prohibited Uses, as described herein; and

(c) maintain that not less than seventy-five percent (75%) of the Project shall remain leased and operated during the Compliance Period if the Advocate Medical Center is operational or maintain that not less than ninety percent (90%) of the Project's non-Advocate retail space

shall remain leased and operated during the Compliance Period if the Advocate Medical Center is not operational (the "Occupancy Covenant").

If the developer fails to satisfy either the Operations Covenant or the Occupancy Covenant, the City shall have the right to cease TIF payments, seek reimbursement of TIF payments made to the Developer, and to terminate this Agreement.

In addition, no cure period shall apply to default arising from a breach of the Operations Covenant and such breach shall be an immediate Event of Default. In the event the Developer fails to perform the aforesaid Occupancy Covenant, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within one year of its receipt of a written notice from the City specifying the nature of the default.

During the Compliance Period, the Developer shall use its best efforts, at the time of filing the Annual Compliance Report, to provide DPD with a notarized affidavit certifying to its compliance with this Section 8.05 for the 12 month period ending the day prior to the date of such filing date of such certificate. The covenants set forth in this Section 8.05(a) shall run with the land and be binding upon any permitted transferee, if any, for the period set forth in the first paragraph of this Section 8.05.

8.06 Arms-Length Transactions. Unless disclosed in the approved Project Budget or unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer 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.

8.07 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.

8.08 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.

8.09 Financial Statements. The Developer shall provide DPD with financial statements for each fiscal year within 90 days of the close of such fiscal year and, at DPD's request, shall provide such interim statements as DPD may require.

8.10 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit L.

8.11 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

8.12 Compliance with Laws. The Property and the Project are and shall be owned and operated in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes.

8.13 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property in the Recorder's Office of Cook County. If the Permitted Liens include any existing mortgages, such mortgagee must execute a subordination agreement in the form of Exhibit G.

8.14 Real Estate Provisions; Governmental Charges.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon 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 Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. 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. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.14 (c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided

in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option.

(iii) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by 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

(iv) 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 Developer fails to pay any Governmental Charge or to obtain discharge of the same, 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 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 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 Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

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

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to 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 Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to 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 J for the applicable year.

(iv) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to 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 J.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.14(c) are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon 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. 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 8.14(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.14(c).

8.15 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 the Final Certificate) shall be in effect throughout the Term of the Agreement.

8.16 Lease. Developer shall submit to the City all leases for the Project for approval prior to closing.

8.17 Annual Compliance Report. Beginning with the calendar year in which the Final Certificate is issued and continuing throughout Compliance and Monitoring Period, the Developer shall submit to DPD the Annual Compliance Report at least sixty (60) days prior to any disbursement of City Funds. If this report is not received within the sixty day timeframe, the City will notify Developer in writing of such deficiency. Thereafter, Developer shall have ten (10) days to file the Annual Compliance Report with DPD. Developer's failure to timely submit the report will result in a delay of payment of City Funds until any deficiencies are cured.

8.18 Job Readiness Program. The Developer and the General Contractor shall undertake a job readiness program, to work with the City, through the Workforce Solutions (DPD Workforce Division), to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of the Developer's business on the Property. Developer and General Contractor shall meet with DPD prior to the Closing Date to discuss the Project.

8.19 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.20 FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.18, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et seq., as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

8.21 Shakman Accord

(a) The Developer shall perform under this Agreement as an independent contractor to the City and not as a representative, employee, agent or partner of the City.

(b) The City is subject to the June 16, 2014 the “City of Chicago Hiring Plan” (the “2014 City Hiring Plan”) entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(c) Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with Developer, either as an employee or as a subcontractor, and from directing Developer to hire an individual as an employee or as a subcontractor. Accordingly, Developer must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Developer under this Agreement are employees or subcontractors of Developer, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Developer.

(d) Developer will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual’s political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual’s political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(e) In the event of any communication to Developer by a City employee or City official in violation of paragraph (c) above, or advocating a violation of paragraph (d) above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City’s Office of the Inspector General (“IGO Hiring Oversight”), and also to the head of the Department. Developer will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor’s Office related to this Agreement.

8.22 Recapture of TIF Assistance.

(a) If the sale, transfer or refinance of the Project or any part thereof occurs during the Compliance Period (each happening being a “Capital Event”), the Developer agrees to pay and remit to the City from the net proceeds of any such sale, transfer or refinancing (the “Excess Proceeds”) on the closing date of such sale or transfer an amount equal to (100%) of the total amount of City Funds paid to Developer as of the closing date of such transaction.

(b) Any recaptured City Funds received by the City shall be deposited into a separate account within the TIF Fund and shall be used for Redevelopment Project Costs.

(c) Any City Funds subject to recapture that become due and owing to the City pursuant to Section 8.22(a) due to the occurrence of a Capital Event shall be paid by the Developer on the closing date of such Capital Event.

(d) This Section 8.22 shall be in effect until a Capital Event in which Developer is no longer in control of the entire Project. With respect to Capital Event of less than the entire Project, such successor shall not have any obligations or liabilities under this Section 8.22 provided the Developer shall continue to have obligations under this Section 8.22 with respect to the portion of the Project that was not subject to the Capital Event.

(e) This section shall not apply to any refinancing of the Project that includes conversion of construction financing to permanent financing, provided that no funds are disbursed to the Developer.

(f) The Commissioner of DPD shall have discretion to consent to a waiver of the preceding requirement in Section 8.22 (a) if the Excess Proceeds from such a Capital Event are used for the development of a future phase of the Project in the Redevelopment Area, which consent shall be in the Commissioner's sole discretion.

SECTION 9. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.

SECTION 10. INDEMNIFICATION

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

Agreement or the Project. The provisions of the undertakings and indemnification set out in this Section 10 shall survive the termination of this Agreement.

SECTION 11. MAINTAINING RECORDS/RIGHT TO INSPECT

The Developer shall (a) comply with the requirements of Paragraph H of Section 6 during the Term of the Agreement and cause the other applicable parties to comply with such requirements, and (b) upon three (3) business days' notice, permit any authorized representative of the City to have access to all portions of the Project and the Property during normal business hours to confirm the Developer's compliance with its obligations under this Agreement.

SECTION 12. DEFAULT AND REMEDIES

12.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 12.03, shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;

(b) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, or the commencement of any analogous statutory or non-statutory proceedings involving 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 ninety (90) days after the commencement of such proceedings;

(c) 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 ninety (90) days after the commencement thereof;

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

(e) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement; or

(f) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns 5% or more ownership interest in the

Developer, which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns such a material interest in the Developer, for any crime (other than a misdemeanor).

12.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend disbursement of City Funds and may seek reimbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy.

12.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which 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 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 Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default shall not be deemed to have occurred unless 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, 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. Notwithstanding anything to the contrary herein, there shall be no notice requirement or cure period with respect to an Event of Default arising from the Developer's failure to comply with the Operations Covenant in Section 8.05 and the only cure periods, if any, applicable to the Developer's failure to comply with the Occupancy Covenant are those set forth in Section 8.05. No such cure period, however, shall apply to Events of Default described in Section 12(b), (c), (d), (e) or (f), which defaults shall have the cure periods described therein, if any.

SECTION 13. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit D hereto. No mortgagee shall have the right to succeed to the Developer's rights under this Agreement unless it complies with the first sentence of Section 15.15 hereof.

SECTION 14. NOTICE

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

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

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

If to the Developer: Trinity 95th and Cottage Grove Planned
 Community Development, Series, LLC
 400 W. 95th Street
 Chicago, Illinois 60628

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

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

SECTION 15. MISCELLANEOUS

15.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit A hereto without the consent of any party hereto, and DPD may grant consents as explicitly provided for under certain sections of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term “material” for the purpose of this Section 15.01 shall be defined as any deviation from the terms of the Agreement which operates to materially reduce the scope of the Project, to materially change the Project or business operations of the Developer at the Property, or increases the City Funds payable to the Developer.

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

15.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developer 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.

15.04 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.

15.05 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.

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

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

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

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

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

15.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, and any bond ordinances relating to the Redevelopment Area, if any, such ordinance(s) shall prevail and control.

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

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

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

15.15 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, which consent shall be in the City's sole discretion and which, if granted, may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement. The foregoing limitation shall not prevent the Developer from collaterally assigning to a lender that is also providing financing for the Project the Developer's right to receive the payment of City Funds as security for such lender financing. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

15.16 Binding Effect. This Agreement shall be binding upon the Developer, 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.

15.17 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.

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

15.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer 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.

15.20 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.

15.21 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.

15.22 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.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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.

**TRINITY 95th AND COTTAGE GROVE PLANNED
COMMUNITY DEVELOPMENT SERIES LLC**

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.

**TRINITY 95th AND COTTAGE GROVE PLANNED
COMMUNITY DEVELOPMENT SERIES, LLC**

By: _____

Patricia J. Eggleston

Its: Executive Vice President, Board of Managers

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

By: _____

David L. Reifman
Commissioner

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

**TRINITY 95th AND COTTAGE GROVE PLANNED
COMMUNITY DEVELOPMENT SERIES LLC**

By: _____

Its: _____

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

By: _____

David L. Reifman
Commissioner

EXHIBIT A

Legal Description of the Redevelopment Area

See Attached

Legal Description Of The Area.

Beginning at the point of intersection of the south line of East 95th Street and the east line of South Woodlawn Avenue; thence south along said east line of South Woodlawn Avenue to the easterly extension of the south line of the alley south of East 95th Street; thence west along said easterly extension and the south line of the alley south of East 95th Street to the east line of the alley west of South Dobson Street; thence south along said east line of the alley west of South Dobson Street to the north line of East 97th Street; thence east along said north line of East 97th Street to the centerline of South Woodlawn Avenue; thence south along said centerline of South Woodlawn Avenue to the south line of East 97th Street; thence west along said south line of East 97th Street to the east line of South University Avenue; thence south along said east line of South University Avenue to the south line of East 98th Street; thence west along said south line of East 98th Street to the west line of South Greenwood Avenue; thence north along said west line of South Greenwood Avenue to the south line of East 97th Street; thence west along said south line of East 97th Street to the southeasterly line of South Ingleside Avenue; thence southwest along said southeasterly line of South Ingleside Avenue being the northwesterly line of Lots 1, 2, 3 and 36 in Block 9 in Cottage Grove Heights to the east line of South Ingleside Avenue being the west line of Lots 4 through 16, inclusive, in said Block 9 in Cottage Grove Heights; thence west along a straight line to the northeast corner of Lot 20 in Block 6 in Cottage Grove Heights, being a subdivision in the north half of Sections 10 and 11, Township 37 North, Range 14 East of the Third Principal Meridian; thence southwest along the northwest line of said Lot 20, being also the southeast line of the alley north of East 98th Street and along said southeast alley line and the south line of said alley to the east line of South Maryland Avenue, being also the west line of Lots 1 through 9, inclusive, in Block 5 in Cottage Grove Heights aforesaid; thence south along said east line to the southwest corner of Lot 7 in Block 5 in Cottage Grove Heights aforesaid; thence south along said east line to the southwest corner of Lot 7 in Block 5 in Cottage Grove Heights aforesaid; thence west along a straight line, crossing South Maryland Avenue aforesaid, to the southeast corner of Lot 14 in Block 1 in Cottage Grove Heights said southeast corner being on the west line of South Maryland Avenue aforesaid; thence west along the south line of said Lot 14 in Block 1 in Cottage Grove Heights to the east line of the north/south alley lying east of South Cottage Grove Avenue, said east line being also the west line of Lots 12 through 20, inclusive, in Block 1 in Cottage Grove Heights aforesaid; thence south along said east alley line to the north line of East 98th Street being also the south line of Lot 12 in Block 1 aforesaid; thence south along a straight line crossing East 98th Street to the northwest corner of Lot 21

in Block 2 in Cottage Grove Heights, being a subdivision in the north half of Sections 10 and 11, Township 37 North, Range 14 East of the Third Principal Meridian, said northwest corner being on the south line of East 98th Street aforesaid; thence west along said south line of East 98th Street to the west line of Lot 22 in Block 2 in Cottage Grove Heights, being also the east line of the alley east of South Cottage Grove Avenue; thence south along said east line of the alley east of South Cottage Grove Avenue to the north line of East 98th Place; thence south along a straight line to the northwest corner of Lot 26 in Block 3 in Cottage Grove Heights; thence south along the west line of said Lot 26, being also the east line of the alley east of South Cottage Grove Avenue and along said east alley line to the north line of East 99th Street; thence east along said north line of East 99th Street to the west line of the Rock Island Railroad right-of-way; thence southwest along said west line of the Rock Island Railroad right-of-way to the north line of the right-of-way for the Bishop Ford Expressway; thence west along said north line of the Bishop Ford Expressway to the west line of South Cottage Grove Avenue; thence northeast along said west line of South Cottage Grove Avenue to the north line of East 95th Street; thence continuing north along the east line of the Illinois Central Railroad right-of-way to the north line of East 93rd Street; thence east along said north line of East 93rd Street to the northerly projection of the west line of Staunton O. Flanders' Subdivision in the southwest quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian; thence south along said northerly projection and the west line of Staunton O. Flanders' Subdivision in the southwest quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian to the south line of Lots 8, 9 and 10 in Staunton O. Flanders' Subdivision in the southwest quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lots 8, 9 and 10 in Staunton O. Flanders' Subdivision to the west line of Lot 17 in said Staunton O. Flanders' Subdivision; thence south along said west line of Lot 17 in Staunton O. Flanders' Subdivision and the southward extension thereof to the centerline of East 93rd Place; thence east along said centerline of East 93rd Place to the west line of South Greenwood Avenue; thence south along said west line of South Greenwood Avenue to the line 595 feet north of and parallel with the south line of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian; thence east along said line 595 feet north of and parallel with the south line of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian to the west line of South Woodlawn Avenue; thence north along said west line of South Woodlawn Avenue to the north line of East 94th Street; thence east along said north line of East 94th Street to the east line of South Kimbark Avenue; thence south along said east line of South Kimbark Avenue to the south line of Lot 24 in Stewart's Subdivision of that part of the east half of the southwest quarter and the west half of the southeast quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian, lying north of the south 595 feet thereof and west of the west line of the New York Central & St. Louis

Railroad Company's right-of-way; thence east along said south line of Lot 24 in Stewart's Subdivision and along the south line of Lots 25, 26 and 27 in said subdivision to the westerly line of South Kenwood Avenue; thence northwesterly along said westerly line of South Kenwood Avenue to the south line of East 93rd Street; thence west along said south line of East 93rd Street to the west line of South Kimbark Avenue; thence north along said west line of South Kimbark Avenue to the south line of East 92nd Street; thence west along said south line of East 92nd Street to the west line of South Avalon Avenue; thence north along said west line of South Avalon Avenue to the south line of East 91st Street; thence west along said south line of East 91st Street to the west line of South Woodlawn Avenue; thence north along said west line of South Woodlawn Avenue to the south line of East 89th Street; thence west along said south line of East 89th Street to the east line of South Greenwood Avenue; thence south along said east line of South Greenwood Avenue to the south line of East 90th Street; thence west along said south line of East 90th Street to the easterly line of South Drexel Avenue; thence southwesterly and south along said easterly line and the east line of South Drexel Avenue to the south line of East 91st Street; thence west along said south line of East 91st Street to the centerline of the Illinois Central Railroad right-of-way; thence southwesterly along said centerline of the Illinois Central Railroad right-of-way to the centerline of East 95th Street; thence west along said centerline of East 95th Street to the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to the southerly line of the Chicago Rock Island & Pacific Railroad -- South Chicago Branch right-of-way; thence northwesterly along said southerly line of the Chicago, Rock Island & Pacific Railroad-South Chicago Branch right-of-way the east line of South Cottage Grove Avenue; thence north along said east line of South Cottage Grove Avenue to the southwest corner of Lot 18 in Block 10 of Burnside, a subdivision in the west half of the southwest quarter of Section 2, Township 37 North, Range 14, East of the Third Principal Meridian; thence northeast along the southeast line of said Lot 18, and the southeast line of Lots 19, 20 and 21, to the east line of said Lot 21, being also the west line of South Dauphin Avenue; thence north along said west line of South Dauphin Avenue to the south line of East 93rd Street; thence west along said south line of East 93rd Street to the southerly extension of the east line of Lot 17 in Block 10 in Dauphin Park a subdivision of that part of the north three quarters of the north half of Section 2, Township 37 North, Range 14, East of the Third Principal Meridian west of the Illinois Central Railroad right-of-way, said southerly extension of the east line of Lot 17 being also the southerly extension of the west line of South Dauphin Avenue; thence north along said southerly extension and the west line of South Dauphin Avenue to the south line of West 92nd Street; thence west along said south line of East 92nd Street to the southerly extension of the westerly line of South Dauphin Avenue being also the southerly extension of the east' line of Lots 1 through 12, inclusive, in Block 9 in Dauphin Park, being a subdivision of that part of the

north three quarters of the north half of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian west of the Illinois Central Railroad right-of-way; thence northeasterly along said southerly extension and the westerly line of South Dauphin Avenue to the westerly extension of the south line of Lot 6 in the subdivision of Outlot 1 in Dauphin Park; thence east along said westerly extension and the south line of Lot 6 in the subdivision of Outlot 1 in Dauphin Park to the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to a line perpendicular to the east line of South Dauphin Avenue, which passes through a point on the east line of said South Dauphin Avenue, 268.91 feet south of the south line of East 89th Street as measured along said east line of South Dauphin Avenue; thence northwesterly along said perpendicular line and the northwesterly extension thereof to the westerly line of South Dauphin Avenue; thence northeasterly along said westerly line of South Dauphin Avenue to the north line of East 87th Street; thence east along said north line of East 87th Street to the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to the centerline of vacated East 85th Place; thence west along said centerline of vacated East 85th Place to the northerly extension of the east line of the vacated 16 foot alley east of and adjoining the east line of Lot 1 in Woodrich Brothers' Subdivision of part of the east half of the northeast quarter of the southwest quarter of the southwest quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian; thence southwestwardly along said northerly extension and the east line of the vacated 16 foot alley and along the southerly extension thereof to the north line of Lots 8 through 14, inclusive, in Woodrich Brothers' Subdivision, being also the south line of the alley north of East 86th Street; thence west along said south line of the alley north of East 86th Street and the westerly extension thereof to the west line of South Ingleside Avenue; thence north along said west line of South Ingleside Avenue to the north line of East 85th Street; thence east along said north line of East 85th Street to a line 16 feet east of and parallel with the easterly line of Lot 22 in Frank Jamison's Subdivision in the southwest quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian, said line being also the east line of the alley east of South Ingleside Avenue and the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to the south line of East 83rd Street; thence east along said south line of East 83rd Street to the east line of the New York, Chicago & St. Louis Railroad right-of-way; thence south along said east line of the New York, Chicago & St. Louis Railroad right-of-way to southwesterly line of Lots 111 through 118 inclusive in J. E. Merrion's Maynook Addition, a resubdivision of part of the west half of the southeast quarter and part of the east half of the southwest quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian; thence southeasterly along said southwesterly line of Lots 111 through 118, inclusive, in J. E. Merrion's Marynook Addition to the south

line of Lots 119 through 122, inclusive, in said J. E. Merrion's Marynook Addition; thence east along said south line of Lots 119 through 122, inclusive, in J. E. Merrion's Marynook Addition and the easterly extension thereof to the east line of South Avalon Avenue; thence south along said east line of South Avalon Avenue to the south line of East 87th Street; thence west along said south line of East 87th Street to the east line of the New York, Chicago & St. Louis Railroad right-of-way, being also the east line of the Stony Island Railroad Yard; thence southeast along said east line of the New York, Chicago & St. Louis Railroad right-of-way to the north line of East 91st Street; thence east along said north line of East 91st Street to the northerly extension of the west line of Lot 6 in Block 4 in Calumet and Chicago Canal and Dock Company's Subdivision of that part of the southeast quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian lying east and north of the railroad, said west line of Lot 6 being also the east line of Outlot A in Calumet and Chicago Canal and Dock Company's Subdivision; thence southerly along said northerly extension and the west line of Lot 6 in Block 4 in Calumet and Chicago Canal and Dock Company's Subdivision and along the east line of said Outlot A and along the east line of Outlots B and C in said Calumet and Chicago Canal Dock Company's Subdivision to the north line of East 94th Street; thence east along said north line of East 94th Street to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the north line of Lot 25 in Block 8 in said Calumet and Chicago Canal and Dock Company's Subdivision, being also the south line of the alley north of East 94th Street; thence west along said south line of the alley north of East 94th Street to the southerly extension of the east line of Lots 36 through 48, inclusive, in Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision, being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the south line of Lot 6 in said Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision, being also the north line of the alley south of East 93rd Street; thence west along said north line of the alley south of East 93rd Street to the west line of said Lot 6 in said Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision; thence north along said west line of Lot 6 in Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision and the northerly extension thereof and the west line of Lot 24 in Block 7 in said Calumet and Chicago Canal and Dock Company's Subdivision and the northerly extension thereof to the southeasterly line of Lot 30 in said Block 7 in Calumet and Chicago Canal and Dock Company's Subdivision; thence northeasterly along said southeasterly line of Lot 30 to the east line of said Lot 30, being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to north line of East 91st Street; thence east along said north line of East 91st Street to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the south line of East 90th Street; thence west along said south

line of East 90th Street to the east line of Lot 42 in Block 1 in Calumet Gateway, being a resubdivision of part of Calumet and Chicago Canal and Dock Company's Subdivision, said east line of Lot 42 being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the westerly extension of the south line of Lot 18 in Block 5 in First Addition to Calumet Gateway, being a resubdivision of part of Calumet and Chicago Canal and Dock Company's Subdivision; thence east along said westerly extension and the south line of Lot 18 in Block 5 in First Addition to Calumet Gateway to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the south line of north 5 feet of Lot 7 in Block 6 in First Addition to Calumet Gateway; thence west along said south line of the north 5 feet of Lot 7 in Block 6 in First Addition to Calumet Gateway to the west line of said north 5 feet of Lot 7, being also the east line of the alley west of South Stony Island Avenue; thence north along said east line of the alley west of South Stony Island Avenue to the easterly extension of the north line of Lot 38 in said Block 6 in First Addition to Calumet Gateway, said north line of Lot 38 being also the south line of the alley south of East 87th Street; thence west along said south line of the alley south of East 87th Street to the west line of South Blackstone Avenue; thence north along said west line of South Blackstone Avenue to the north line of East 87th Street; thence east along said north line of East 87th Street to the west line of South Blackstone Avenue; thence north along said west line of South Blackstone Avenue to the westerly extension of the south line of Lots 26 through 38, inclusive, in Block 1 in Cepek's Subdivision, in the east half of the southeast quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and the south line of Lots 26 through 38, inclusive, in Block 1 in Cepek's Subdivision said south line being also the north line of the alley north of East 87th Street, to the west line of Lot 5 in said Block 1 in Cepek's Subdivision, said west line of Lot 5, being also the east line of the alley west of South Stony Island Avenue; thence south along said east line of the alley west of South Stony Island Avenue to the north line of East 87th Street; thence east along said north line of East 87th Street to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the south line of East 86th Street; thence west along said south line of East 86th Street to the southerly extension of the east line of Lot 11 in Block 3 in Cepek's Subdivision, said east line of Lot 11 being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the north line of East 84th Place; thence east along said north line of East 84th Place to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the south line of East 84th Street; thence west along said south line of East 84th Street to the southerly extension of the east line of Lot 11 in Block 4 in the Stony Island Boulevard Addition, being a subdivision of the north half of the north half of the east half of the southeast quarter of Section 35,

Township 38 North, Range 14 East of the Third Principal Meridian, said east line of Lot 11 being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the north line of East 80th Street; thence east along said north line of East 80th Street to the northeasterly line of South Anthony Avenue; thence southeast along said northeasterly line of South Anthony Avenue to the northeasterly extension of the northwesterly line of Lot 58 in Block 1 in Stony Island Park, a subdivision of that part of the northwest quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian; thence southwest along said northeasterly extension and the northwesterly line of Lot 58 in Block 1 in Stony Island Park to the west line of said Lot 58, said west line of Lot 58 being also the east line of the alley east of South Stony Island Avenue; thence south along said east line of the alley east of South Stony Island Avenue to the south line of East 84th Place; thence west along said south line of East 84th Place to the east line of South Stony Island Avenue; thence south along said east line of South Stony Island Avenue to the north line of East 85th Street; thence east along said north line East 85th Street to the northerly extension of the west line of Lot 15, said west line of Lot 15 being also the east line of the alley east of South Stony Island Avenue; thence south along said east line of the alley east of South Stony Island Avenue to the south line of Lots 1 through 15, inclusive, in Block 3 in Archibald's Stony Island Manor, a subdivision of the south half of the southwest quarter of the southwest quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lots 1 through 15, inclusive, in Block 3 in Archibald's Stony Island Manor being also the north line of the alley north of East 87th Street; thence east along said north line of the alley north of East 87th Street to the east line of South Cregier Avenue; thence south along said east line of South Cregier Avenue to the south line of Lot 30 in Block 2 in the subdivision of Blocks 13 and 14 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lot 30 being also the north line of the alley north of East 87th Street; thence east along said north line of the alley north of East 87th Street to the east line of South Constance Avenue; thence south along said east line of South Constance Avenue to the south line of Lot 29 in Block 15 in the subdivision of Blocks 12 and 15 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36; thence east along said south line of Lot 29 and along the south line of Lot 20 in said Block 15 in the subdivision of Block 12 and 15 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36, to the west line of South Bennett Avenue; thence north along said west line of South Bennett Avenue to the westerly extension of the south line of Lot 27 in Pernod's Resubdivision of Block 16 in Kyle's Subdivision of Blocks 11 and 16 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36, said south line of Lot 27 in Pernod's Resubdivision being also the north line of the alley north of East 87th Street; thence east along said north line

of the alley north of East 87th Street to the east line of South Euclid Avenue; thence south along said east line of South Euclid Avenue to the south line of Lot 29 in George and Wanner's Resubdivision of Blocks 10 and 17 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36; thence east along said south line of Lot 29 in George and Wanner's Resubdivision to the east line of said Lot 29, being also the west line of the alley east of South Euclid Avenue; thence north along said west line of the alley east of South Euclid Avenue to the westerly extension of the south line of Lot 18 in said George and Wanner's Resubdivision; thence east along said westerly extension and the south line of Lot 18 in said George and Wanner's Resubdivision to the east line of South Jeffery Avenue; thence south along said east line of South Jeffery Avenue to the south line of the north 9 feet of Lot 19 in Moore's Subdivision of the southwest quarter of the southwest quarter of the southeast quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said south line of the north 9 feet of Lot 19 in Moore's Subdivision to the west line of Lot 30 in said Moore's Subdivision; thence south along said west line of Lot 30 in Moore's Subdivision to the south line of the north 17 feet of said Lot 30; thence east along said south line of the north 17 feet of said Lot 30 in Moore's Subdivision to the west line of South Chappel Avenue; thence north along said west line of South Chappel Avenue to the north line of East 85th Street; thence east along said north line of East 85th Street to the northeast line of South Anthony Avenue; thence southeast along said northeast line of South Anthony Avenue to the south line of East 87th Street; thence west along said south line of East 87th Street to the east line of South Clyde Avenue; thence south along said east line of South Clyde Avenue to the south line of East 89th Street; thence west along said south line of East 89th Street to the west line of South Jeffery Avenue; thence north along said west line of South Jeffery Avenue to the north line of Lot 40 in Block 2 in W.G. Wright's first addition to Jackson Park being a subdivision of Lots 1, 2, 3, 4 and 8 in the Commissioner's partition of the east half of the east half of the northwest quarter of Section ____, Township 37 North, Range 14, East of the Third Principal Meridian, said north line of Lot 40 being also the south line of the alley south of East 87th Street; thence west along said south line of the alley south of East 87th Street to the west line of Lot 25 in Morningside Lane, a resubdivision of Lot 2, (except the west 248.52 feet thereof) in the partition by owners in the west half of the northwest quarter of Section 1, Township 37 North, Range 14 East of the Third Principal Meridian; thence south along said west line of Lot 25 in Morningside Lane and the southerly extension thereof to the north line of Lot 1 in Block 4 in Fred E. Downey's Subdivision in the west half of the northwest quarter of Section 1, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said north line of Lot 1 in Block 4 in Fred E. Downey's Subdivision to the west line of said Lot 1, being also the east line of the alley east of South Stony Island Avenue; thence south along said east line of the alley east of South Stony Island Avenue to the north line of East 91st Place;

thence east long said north line of East 91st Place to the northerly extension of the line 165 feet east of and parallel with the east line of South Stony Island Avenue; thence south along said northerly extension and the line 165 feet east of and parallel with the east line of South Stony Island Avenue to the north line of East 92nd Street; thence east along said north line of East 92nd Street to the northerly extension of the line 200 feet east of and parallel with the east line of South Stony Island Avenue; thence south along said northerly extension and the line 200 feet east of and parallel with the east line of South Stony Island Avenue and the southerly extension thereof to the south line of East 92nd Place; thence west along said south line of East 92nd Place to the west line of Lot 17 Gideon E. Clark's Subdivision of Block 4 in Stony Island Heights, said west line of Lot 4 being also the east line of the alley east of South Stony Island Avenue, said east alley line being a line 141 feet east of and parallel with the east line of South Stony Island Avenue; thence south along said line 141 feet east of and parallel with the east line of South Stony Island Avenue to the line 947.5 north of and parallel with the north line of East 95th Street; thence east along said line 947.5 north of and parallel with the north line of East 95th Street to the line 433.75 feet east of and parallel with the east line of South Stony Island Avenue; thence south along said line 433.75 feet east of and parallel with the east line of South Stony Island Avenue to the north line of the Chicago & Western Indiana Railroad right-of-way; thence west along said north line of the Chicago & Western Indiana Railroad right-of-way to the east line of South Stony Island Avenue; thence south along said east line of South Stony Island Avenue to the south line of the Chicago Rock Island & Pacific Railroad; thence west along said south line of the Chicago Rock Island & Pacific Railroad to the westerly line of the New York, Chicago & St. Louis Railroad right-of-way; thence southeast along said westerly line of the New York, Chicago & St. Louis Railroad right-of-way to the south line of East 95th Street; thence west along said south line of East 95th Street to the point of beginning.

EXHIBIT B

Legal Description of Property

Legal Description:

Parcel 1:

That part of the Northwest Quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at a point of intersection of the South line of East 95th Street, with the East line of Cottage Grove Avenue (as said avenue is shown on the plat of dedication recorded May 29, 1907 in Book 95 of plats, page 39) running thence Southwesterly along the East line of said Cottage Grove Avenue, 213.26 feet; thence East along a line parallel with said South line of East 95th Street, a distance of 320.36 feet to the East line of a railroad right of way; thence Southwesterly along the East line of said right of way, which is parallel with the aforesaid East line of Cottage Grove, 711.53 feet to an intersection with a curved line convex to the Southwest; thence Southeasterly along said curved line with a radius of 278.94 feet, a distance of 338.43 feet to an intersection with a line parallel with the South line of East 95th Street and 1200 feet Southwesterly of the intersection of the South line of East 95th Street with the East line of Cottage Grove Avenue, said 1200 feet being measured on the East line of Cottage Grove Avenue and said point of intersection of said curved line being 539.82 feet East of the East line of Cottage Grove Avenue; thence East along said line 10.18 feet; thence Northwesterly 127.42 feet to a point of intersection of a line 1100 feet South of the South line of East 95th Street as measured on a line 450 feet East of and parallel with the East line of Cottage Grove Avenue, said 450 feet being measured on the South line of East 95th Street, and on a line parallel thereto; thence Northeasterly along said line which is 450 feet East of and parallel to the East line of Cottage Grove Avenue for a distance of 1100 feet to the South line of East 95th Street; thence West along said line 450 feet to the point of beginning, in Cook County, Illinois.

Parcel 2:

That part of the Northwest Quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at a point on the Easterly line of Cottage Grove Avenue as now laid out which is 213.26 feet Southerly from its intersection with the South line of 95th Street (as measured along the Easterly line of Cottage Grove Avenue); thence continuing Southwesterly along the Easterly line of Cottage Grove Avenue 101.82 feet; thence East parallel with the South line of East 95th Street, 300 feet; thence Northeasterly parallel with the Easterly line of Cottage Grove Avenue, 101.82 feet; thence West 300 feet to the point of beginning; together with a triangular parcel of land South of and adjoining the above described premises, described by beginning at a point 288 feet East of the Southwest corner thereof; thence East 12 feet to the Southeast corner of said tract; thence Southwesterly a continuation of the Easterly line of said thereof, 90 feet; thence Northerly 88.53 feet to the point of beginning, in Cook County, Illinois.

Parcel 3:

That part of the Northwest Quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at a point on the Easterly line of Cottage Grove Avenue (as said avenue is shown on the plat of dedication recorded May 29, 1907 in Book 95 of plats, page 39) which is 315.08 feet Southerly from its intersection with the South line of East 95th Street (as measured along the Easterly line of Cottage Grove Avenue); thence continuing Southwesterly along the Easterly line of Cottage Grove Avenue, 101.82 feet; thence East parallel with the South line of East 95th Street, 300 feet; thence Northeasterly parallel with the Easterly line of Cottage Grove Avenue, 11.82 feet; thence Northeasterly 88.53 feet to a point on a line parallel with the South line of East 95th Street drawn through the point of beginning; thence West along said line, 288 feet to the point of beginning, together with a triangular parcel of land South of and adjoining the above described by beginning at a point 288 feet East of the Southwest corner thereof; thence East 12 feet to the Southeast corner of said tract; thence Southwesterly on a continuation of the Easterly line thereof, 90 feet; thence Northerly 88.53 feet to the point of beginning, in Cook County, Illinois.

Parcel 4:

A parcel of land in the Northwest Quarter of Section 11, being that part of the Southerly 293.64 feet of the Northerly 506.90 feet lying South of the South line of East 95th Street of a 20 foot strip of land East of and adjoining a line 300 feet (measured along a line parallel to the South line of 95th Street) East of the East line of Cottage Grove Avenue, as dedicated by plat recorded May 29, 1907, in Book 95 of plats, page 39, said Northerly and Southerly measurements being made on the line parallel with and 300 feet East of the East line of Cottage Grove Avenue, and said 20 foot width of said strip being measured at right angles to the West line of said strip, all in Township 37 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Common Address: 901 E. 95th Street, Chicago, Illinois

P.I.N. 25-11-100-035-0000

EXHIBIT C-1

Project Budget

USES OF FUNDS	TOTAL PROJECT
ACQUISITION	
Total Acquisition	\$956,854
HARD COSTS	
Environmental Remediation	\$29,400
Structure Demolition	\$160,000
Construction	\$3,699,886
General Conditions	\$414,640
Overhead	\$128,235
<u>Contingency (5%)</u>	<u>\$192,993</u>
Total Hard Costs & Contingency	\$4,625,154
SOFT COSTS	
Professional Services	
Architectural Design	\$325,900
Architect - Construction Observation	\$39,000
Architects Reimbursables	\$3,000
Owners Rep. Construction Mgmt.	\$55,498
Site Testing & Underground Scope	\$32,678
Site Utilities (AT&T, ComED, Water, etc.)	\$15,682
Owners Rep (Milhouse) Pre-Construction	\$90,000
Financial Consultant	\$85,000
Appraisal	\$2,000
Environmental (Phase I&II, Reliance Letter)	\$50,300
Environmental Engineer - IEPA	\$10,000
Asbestos & Lead Report	\$2,900
Survey	\$8,500
Market Study	\$2,000
Accounting/Audit	\$5,000
Building Permit & Landscape Deposit	\$29,576
Contractor Profit	\$85,470
GC Liability Insurance	\$38,547
Performance Bond	\$32,491
Accounting/Post Const. Audit	\$5,000

Other Soft Costs	
Marketing & Brokerage Fee	\$10,000
Title/Recording/Settlement Fees	\$16,000
Legal Fee Borrower	\$113,000
Escrows	
Real Estate Taxes Escrow	\$42,000
Real Estate Taxes During Construction	\$15,000
Insurance During Construction	\$33,240
Insurance Escrow	\$27,500
Financing Costs	
Lender Legal Fees	\$12,307
PreDevelopment Loan Interest (CCLF)	\$279,916
Construction/Bridge Loan Interest	\$264,789
Lenders Inspection Fees	\$3,500
Project Reserves & Allowances	
Replacement Reserve	\$26,757
Operating Reserves	\$20,150
Tenant Leasehold Improvement Allowance	\$24,313
Developer Fee's	
<u>Developer Fee</u>	<u>\$255,000</u>
Total Soft Costs	\$2,062,014
 TOTAL USES OF FUNDS	 \$7,644,022

EXHIBIT C-2

MBE/WBE Project Budget

MBE/WBE HARD COSTS	\$3,889,286
MBE/WBE SOFT COST	<u>\$367,900</u>
TOTAL MBE/WBE	\$4,257,186
MBE at 26%	\$1,106,868
WBE at 6%	\$255,431

EXHIBIT F

TIF-Funded Improvements

USES OF FUNDS	TIF ELIGIBLE COSTS
HARD COSTS	
Environmental Remediation	\$29,400
Structure Demolition	\$160,000
<u>Construction</u>	<u>\$1,923,941</u>
Total Hard Costs & Contingency	\$2,113,341
SOFT COSTS	
Professional Services	
Architectural Design	\$169,468
Architect - Construction Observation	\$20,280
Owners Rep. Construction Mgmt.	\$28,859
Site Testing & Underground Scope	\$16,993
Environmental (Phase I&II, Reliance Letter)	\$26,156
Environmental Engineer - IEPA	\$5,200
<u>Asbestos & Lead Report</u>	<u>\$1,507</u>
Total Soft Costs	\$268,464
TOTAL TIF-ELIGIBLE COSTS	\$2,381,804

*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 4.02 and shall not exceed \$981,022.

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND
BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2018

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

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 Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2018, 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.

Emphasis of Matter

As described in Note 1, the financial statements present only the activities of the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project and special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

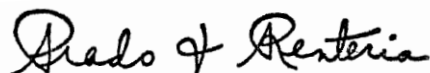
Other Matters

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.



June 28, 2019

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Stony Island Avenue Commercial and Burnside Industrial Corridors 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, 2018. 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
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
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 funds 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 \$4,225,993 for the year. This was an increase of 20 percent over the prior year. The change in net position (including other financing uses) produced an increase in net position of \$588,101. The Project's net position increased by 6 percent from the prior year making available \$10,945,089 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 11,159,257	\$ 10,499,462	\$ 659,795	6%
Total liabilities	<u>214,168</u>	<u>142,474</u>	<u>71,694</u>	50%
Total net position	<u>\$ 10,945,089</u>	<u>\$ 10,356,988</u>	<u>\$ 588,101</u>	6%
Total revenues	\$ 4,269,468	\$ 3,665,986	\$ 603,482	16%
Total expenses	<u>1,858,570</u>	<u>558,762</u>	<u>1,299,808</u>	233%
Other financing uses	<u>1,822,797</u>	<u>1,823,236</u>	<u>(439)</u>	-%
Changes in net position	<u>588,101</u>	<u>1,283,988</u>	<u>(695,887)</u>	-54%
Ending net position	<u>\$ 10,945,089</u>	<u>\$ 10,356,988</u>	<u>\$ 588,101</u>	6%

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
 GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2018

<u>A S S E T S</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 7,299,737	\$ -	\$ 7,299,737
Property taxes receivable	3,833,568	-	3,833,568
Accrued interest receivable	25,952	-	25,952
Total assets	<u>\$ 11,159,257</u>	<u>\$ -</u>	<u>\$ 11,159,257</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 140,786	\$ -	\$ 140,786
Due to other City funds	73,382	-	73,382
Total liabilities	<u>214,168</u>	<u>-</u>	<u>214,168</u>
Deferred inflows	<u>3,013,301</u>	<u>(3,013,301)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>7,931,788</u>	(7,931,788)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 11,159,257</u>		
Net position:			
Restricted for future redevelopment project costs		<u>10,945,089</u>	<u>10,945,089</u>
Total net position		<u>\$ 10,945,089</u>	<u>\$ 10,945,089</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance - governmental funds			\$ 7,931,788
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>3,013,301</u>
Total net position - governmental activities			<u>\$ 10,945,089</u>

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

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 4,086,967	\$ 139,026	\$ 4,225,993
Interest	43,475	-	43,475
	<hr/>	<hr/>	<hr/>
Total revenues	4,130,442	139,026	4,269,468
Expenditures/expenses:			
Economic development projects	1,858,570	-	1,858,570
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	2,271,872	139,026	2,410,898
Other financing uses:			
Operating transfers out (Note 2)	(1,822,797)	-	(1,822,797)
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures and other financing uses	449,075	(449,075)	-
Change in net position	-	588,101	588,101
Fund balance/net position:			
Beginning of year	7,482,713	2,874,275	10,356,988
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 7,931,788</u>	<u>\$ 3,013,301</u>	<u>\$ 10,945,089</u>

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

Net change in fund balance - governmental funds	\$ 449,075
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> 139,026
Change in net position - governmental activities	<hr/> <u>\$ 588,101</u>

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

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In June 1998, the City of Chicago (City) established the Stony Island Avenue Commercial and Burnside Industrial Corridors Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital project and special revenue funds of the City.

The financial statements present only the activities of the Stony Island Avenue Commercial and Burnside Industrial Corridors Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project and special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 and for the year ended in accordance with accounting principles generally accepted in the United States of America.

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

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). GASB Statement No. 72, *Fair Value Measurement and Application* (“GASB 72”), addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques.

GASB Statement No. 77, *Tax Abatement Disclosures* (“GASB 77”), requires governments that enter into tax abatement agreements to disclose: (1) brief descriptive information concerning the agreement; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by government, other than to abate taxes, that are part of the tax abatement agreement, (see Note 3).

(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 funds 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.

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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.

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

(d) *Assets, Liabilities and Net Position*

Cash and Investments

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

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

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

Deferred Inflows

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

Capital Assets

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net 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 funds as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

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

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. Refer to Note 3 for reimbursements paid to the developer.

Note 2 – Operating Transfers Out

During 2018, in accordance with State statutes, the Project transferred \$1,822,797 to the contiguous 71st and Stony Island Redevelopment Project to fund debt service for Phase I of the Modern Schools Across Chicago Bonds, Series 2007.

Note 3 – Tax Abatement Payments

Under the terms of a redevelopment agreement, the Project paid a developer \$968,881 during the year ended December 31, 2018.

Note 4 – Commitments

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

As of December 31, 2018, the Project has entered into contracts for approximately \$72,067 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
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	\$ 63,200
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	968,881
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	45,696
Costs of the construction of public works or improvements	<u>780,793</u>
	<u>\$ 1,858,570</u>



INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, 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 Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2018, and the related statement of activities and governmental funds 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 28, 2019.

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 Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois.

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

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

Prado & Renteria

June 28, 2019

INTERGOVERNMENTAL AGREEMENTS

FY 2018

FY 2018

TIF NAME: Stony Island Commercial/Burnside Industrial Redevelopment Project Area

A list of all intergovernmental agreements in effect in FY 2018 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 - Dixon Park	Improvements to park	\$93,000	