

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



Doc#: 1435134089 Fee: \$58.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 12/17/2014 02:16 PM Pg: 1 of 11

(This space reserved for Recorder's use only)

### ASSIGNMENT AND ASSUMPTION OF REDEVELOPMENT AGREEMENT

This Assignment and Assumption of Redevelopment Agreement (the "**Assignment**") is made and entered into as of the 16<sup>th</sup> day of December, 2014 (the "**Effective Date**"), by and between MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company ("**Assignor**"), and 105<sup>th</sup> & Vincennes Phase One/Chicago LLC, an Illinois limited liability company ("**Assignee**"). In this Assignment, Assignor and Assignee may be referred to from time-to-time individually as a "**Party**" and collectively as the "**Parties**".

#### RECITALS:

A. The City of Chicago, an Illinois municipal corporation ("**the City**"), acting through its Department of Housing and Economic Development and now known as the Department of Planning and Development ("**DPD**") and Assignor are parties to that certain Amended and Restated Redevelopment Agreement dated as of July 19, 2012 (the "**RDA Agreement**"). The RDA Agreement was recorded with the Cook County Recorder of Deeds as Document No. 1220131113 on 7/19/2012. Capitalized terms used in this Assignment and not otherwise defined in this Assignment shall have the meanings ascribed to them in the RDA Agreement.

B. Assignor desires to assign and convey and Assignee desires to assume and acquire, all of Assignor's rights, title and interest as "**Developer**" in, to and under the RDA Agreement, including, without limitation, all of Assignor's rights, title and interest in and to any

City Funds legally available to Assignor as permitted and conditioned under the RDA Agreement. (collectively, the “**Developer Rights to Payment**”), all as provided under the terms and conditions stated in this Assignment.

C. City acknowledges the assignment of the RDA Agreement by Assignor to Assignee under the provisions of RDA Agreement Section 18.15.

NOW THEREFORE, for and in consideration of the foregoing recitals, the mutual covenants and agreements herein contained, the payments and credits established for the Developer Rights to Payment under the RDA Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

#### **AGREEMENT:**

1. Assignment and Sale. Effective as of the Effective Date, Assignor hereby assigns, transfers, sells and conveys to Assignee all of Assignor’s right, title and interest as Developer (as defined in the RDA Agreement) in, to and under the RDA Agreement, including, without limitation, any Developer Rights to Payment. This Agreement by the Assignor is intended by the Parties to be as broad and comprehensive as may be permitted by law or equity, with Assignor retaining no present or future rights of any kind, nature or description.

2. Assumption. Assignee hereby accepts the foregoing assignment, transfer and conveyance of all of Assignor’s right, title and interest as Developer in, to and under the RDA Agreement, and Assignee hereby assumes all of the duties, liabilities and obligations of Developer under the RDA Agreement and agrees to fulfill, keep, perform and observe each and every duty, obligation, term, covenant and condition contained in the RDA Agreement that is required to be fulfilled, kept, performed and observed by Developer under the RDA Agreement. Assignee agrees that, as between Assignor and Assignee, Assignor shall have no further duties or obligations under the RDA Agreement on or after the Effective Date and Assignee shall be directly liable to the City for all of the duties, obligations and liabilities of the Developer under the RDA Agreement.

3. Certificate of Completion. If Assignor has not obtained the Certificate of Completion (as defined in the RDA Agreement) as of the Effective Date, Assignee shall be responsible for obtaining such Certificate of Completion, but Assignor shall, for a period of twenty-four (24) months after the Effective Date, cooperate in the obtaining of such Certificate

of Completion and shall provide all information and documents in Assignor's possession or control required to enable Assignee to obtain such Certificate of Completion. Assignee hereby acknowledges that Assignor's failure to cooperate with Assignor after such twenty-four (24) month period has expired shall not relieve Assignee of any of its obligations under the RDA Agreement.

4. Certificate of Acknowledgement to City. Assignee hereby certifies to the City as provided in Section 18.15 of the RDA Agreement that Assignee shall abide by all executory terms of the RDA Agreement, including, without limitation, Section 8.02 (Covenant to Redevelop), Section 8.16 (Real Estate Provisions) and Section 8.25 (Survival of Covenants) for the Term of the Agreement.

Assignee acknowledges and agrees that any existing or future default by the Assignor under the RDA Agreement shall not: (a) relieve Assignee from any of its obligations under the RDA Agreement, or (b) constitute any defense, excuse of performance, release, discharge, waiver or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under the RDA Agreement.

5. City Acknowledgement. By executing this Assignment, City acknowledges the assignment described herein and receipt of this Assignment.

6. Notice. Any notice, demand or request to Assignee under the RDA Agreement after the Effective Date shall be sent to Assignee in accordance with the terms of the RDA Agreement, including, without limitation, Section 17 of the RDA Agreement, to:

105<sup>th</sup> & Vincennes Phase One/Chicago LLC  
6120 S. Archer Road  
Summit, IL 60501  
Attention: Boris Nitchoff

7. Further Assurances. Assignor and Assignee agree to execute such additional documents after the date hereof as may be reasonably required to effectuate the terms of this Assignment; provided, however, that neither Party shall have an obligation to execute any such document that such Party reasonably believes will change its respective liability as stated in this Assignment.

8. Affiliates; Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

9. Amendment. This Assignment may be amended only by a written instrument executed by each of the Parties to this Assignment.

10. Applicable Law. This Assignment shall be construed and enforced in accordance with the substantive laws of the State of Illinois without regard to its principles of conflicts of laws.

11. Binding Effect. This Assignment has been duly executed and delivered by Assignor and Assignee, and this Assignment constitutes a valid and binding obligation of each Party to this Assignment, enforceable against it in accordance with the terms of this Assignment.

12. Counterpart Execution. This Assignment may be executed in any number of counterparts or counterpart signature pages (by facsimile or electronic transmission or otherwise), each of which, when so executed, shall be deemed an original, and all of which taken together shall constitute but one and the same instrument.

13. Recording. This Assignment will be recorded with the Cook County Recorder of Deeds by the Assignee against the Property subject to the RDA Agreement.

*[Signature Page Follows]*

IN WITNESS WHEREOF, this Assignment has been executed as of the Effective Date.

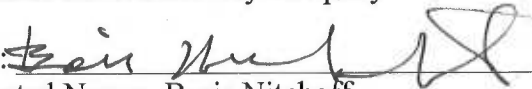
**ASSIGNOR:**

**MGM/TGI 105<sup>th</sup> Street LLC**, an Illinois limited liability company

By:   
Printed Name: Patrick Terrell  
Title: Manager

**ASSIGNEE:**

**105<sup>th</sup> & Vincennes Phase One/Chicago LLC**, an Illinois limited liability company

By:   
Printed Name: Boris Nitchoff  
Title: President

The City hereby acknowledges the terms and provisions of this Assignment.

**CITY:**

**CITY OF CHICAGO**

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

IN WITNESS WHEREOF, this Assignment has been executed as of the Effective Date.

**ASSIGNOR:**

**MGM/TGI 105<sup>th</sup> Street LLC**, an Illinois limited liability company

By: \_\_\_\_\_  
Printed Name: Patrick Terrell  
Title: Manager

**ASSIGNEE:**

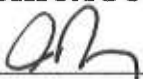
**105<sup>th</sup> & Vincennes Phase One/Chicago LLC**, an Illinois limited liability company

By: \_\_\_\_\_  
Printed Name: Boris Nitchoff  
Title: President

The City hereby acknowledges the terms and provisions of this Assignment.

**CITY:**

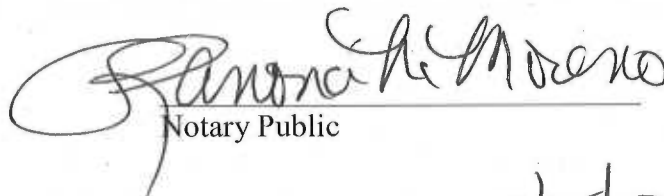
**CITY OF CHICAGO**

By:  \_\_\_\_\_  
Name: Andrew J. Mooney  
Title: Commissioner

STATE OF ILLINOIS        )  
  )SS  
COUNTY OF COOK        )

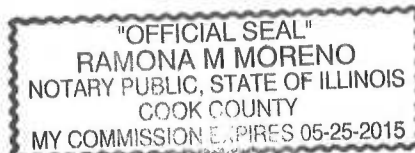
I, RAMONA M. MORENO, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Patrick Terrell, personally known to me to be the Manager of MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company, (the Assignor), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Assignor, as his/her free and voluntary act and as the free and voluntary act of Assignor for the uses and purposes therein set forth.

Given under my hand and official seal this 16 day of DEC, 2014.

  
Notary Public

My Commission Expires 5/25/15

(SEAL)



STATE OF ILLINOIS        )  
  )SS  
COUNTY OF COOK        )

I, RAMONA M. MORENO a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Boris Nitchoff, personally known to me to be the President of 105<sup>th</sup> & Vincennes Phase One/Chicago LLC, an Illinois limited liability company, (the Assignee), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Assignee, as his/her free and voluntary act and as the free and voluntary act of Assignee for the uses and purposes therein set forth.

Given under my hand and official seal this 16 day of Dec, 2014.

  
Notary Public

My Commission Expires 5/25/15

(SEAL)



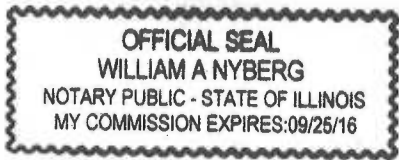


STATE OF ILLINOIS        )  
  )SS  
COUNTY OF COOK        )

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

Given under my hand and official seal this 16<sup>th</sup> day of December, 2014.

*Wm A. Nyberg*  
Notary Public



My Commission Expires 09/25/16

(SEAL)

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012  
EXHIBIT B-2

Legal Description of the Property

A legal description of the Property is attached to this exhibit cover sheet.

## EXHIBIT B-2

### LEGAL DESCRIPTION OF THE PROPERTY

LOTS 1-9, 11, 13, 15-44, 48-50, 52, 53, 55, 56, 59, 60, 63-69, 71, 72, 75-77, 79, 81-83, 85, 86, 102-105, 107, 114-123 AND OUTLOT A IN THE RENAISSANCE OF BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN	Lot #	PIN	Lot #
25-17-121-001-0000	79	25-17-124-004-0000	19
25-17-121-003-0000	81	25-17-124-005-0000	20
25-17-121-004-0000	82	25-17-124-006-0000	21
25-17-121-005-0000	83	25-17-124-007-0000	22
25-17-121-007-0000	85	25-17-124-008-0000	23
25-17-121-008-0000	86	25-17-124-009-0000	24
25-17-121-010-0000	102	25-17-124-010-0000	25
25-17-121-011-0000	103	25-17-124-011-0000	60
25-17-121-012-0000	104	25-17-124-014-0000	63
25-17-121-013-0000	105	25-17-124-015-0000	64
25-17-121-015-0000	107	25-17-124-016-0000	65
25-17-121-022-0000	114	25-17-124-017-0000	66
25-17-121-023-0000	115	25-17-124-018-0000	67
25-17-121-024-0000	116	25-17-124-019-0000	68
25-17-121-025-0000	117	25-17-124-020-0000	69
25-17-121-026-0000	118	25-17-124-022-0000	71
25-17-121-027-0000	119	25-17-124-023-0000	72
25-17-121-028-0000	120	25-17-124-026-0000	75
25-17-121-029-0000	121	25-17-124-027-0000	76
25-17-121-030-0000	122	25-17-124-028-0000	77
25-17-121-031-0000	123	25-17-125-001-0000	1
25-17-122-001-0000	4	25-17-125-002-0000	2
25-17-122-002-0000	5	25-17-125-003-0000	3
25-17-122-003-0000	6		
25-17-122-004-0000	7		
25-17-122-005-0000	8		
25-17-122-006-0000	9		
25-17-122-008-0000	11		
25-17-122-010-0000	13		
25-17-122-012-0000	15		
25-17-122-013-0000	26		
25-17-122-014-0000	27		
25-17-122-015-0000	28		
25-17-122-016-0000	29		
25-17-122-017-0000	30		
25-17-122-018-0000	31		
25-17-122-019-0000	32		
25-17-122-020-0000	33		
25-17-122-021-0000	34		
25-17-122-022-0000	35		
25-17-122-023-0000	36		
25-17-122-024-0000	37		
25-17-122-025-0000	38		
25-17-122-026-0000	39		
25-17-122-027-0000	40		
25-17-122-028-0000	41		
25-17-122-029-0000	42		
25-17-122-030-0000	43		
25-17-122-031-0000	44		
25-17-122-035-0000	48		
25-17-122-036-0000	49		
25-17-122-037-0000	50		
25-17-122-039-0000	52		
25-17-122-040-0000	53		
25-17-122-042-0000	55		
25-17-122-043-0000	56		
25-17-122-046-0000	59		
25-17-123-001-0000	A		
25-17-124-001-0000	16		
25-17-124-002-0000	17		
25-17-124-003-0000	18		

**NOTE:** In the event the subdivision plat creating The Renaissance at Beverly Ridge, which plat was recorded December 19, 2007 by the Cook County Recorder of Deeds (the "Recorder") as Document Number 0735303073 (the "Original Subdivision Plat"), is amended or superseded or made subject to any other form of corrective instrument recorded with the Recorder (a "Corrective Instrument"), the Lots referenced in this Exhibit shall thereafter mean each of the corresponding lots created or described pursuant to the Corrective Instrument, and the term "Property" as used in the attached instrument shall mean all of such corresponding lots created or described pursuant to the Corrective Instrument.



Doc#: 1220131113 Fee: \$200.00  
Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 07/19/2012 04:29 PM Pg: 1 of 82

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

(This space reserved for Recorder's use only)

*Old Republic Title 1231468 JW*

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

**TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

DATED AS OF July 19, 2012

BY AND BETWEEN

THE CITY OF CHICAGO

AND

MGM/TGI 105<sup>th</sup> STREET LLC,  
an Illinois limited liability company

105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT

TABLE OF CONTENTS

	PAGE
ARTICLE ONE: INCORPORATION OF RECITALS .....	3
ARTICLE TWO: DEFINITIONS.....	4
ARTICLE TWO-A: TERMINATION OF PRIOR AGREEMENT.....	4
ARTICLE THREE: THE PROJECT .....	4
3.01 The Project.....	4
3.02 Scope Drawings and Plans and Specifications .....	4
3.03 Project Budget.....	4
3.04 Change Orders .....	5
3.05 HED Approval .....	5
3.06 Other Approvals.....	5
3.07 Progress Reports and Survey Updates .....	6
3.08 Inspecting Agent or Architect.....	6
3.09 Barricades .....	6
3.10 Signs and Public Relations.....	6
3.11 Utility Connections.....	6
3.12 Permit Fees.....	7
3.13 Accessibility for Disabled Persons .....	7
3.14 Affordable Housing Requirements .....	7
3.15 Additional Project Features.....	8
ARTICLE FOUR: FINANCING.....	8
4.01 Total Project Cost and Sources of Funds.....	8
4.02 Developer Funds .....	9
4.03 City Funds.....	9
4.04 Adjustment in Principal Amount of City Note .....	14
4.05 Treatment of Prior Expenditures/Administration Fee.....	15
4.06 Cost Overruns .....	16
4.07 <u>TIF Bonds</u> .....	16
4.08 Preconditions of Disbursement.....	16
ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING .....	17
5.01 Project Budget.....	17

5.02	Scope Drawings and Plans and Specifications .....	17
5.03	Other Governmental Approvals .....	17
5.04	Financing.....	17
5.05	Title.....	18
5.06	Evidence of Clear Title .....	18
5.07	Surveys.....	18
5.08	Insurance.....	18
5.09	Opinion of Developer’s Counsel .....	18
5.10	Evidence of Prior Expenditures .....	19
5.11	Financial Statements .....	19
5.12	Additional Documentation.....	19
5.13	Environmental Reports .....	19
5.14	Entity Documents; Economic Disclosure Statement.....	19
5.15	Litigation.....	20
5.16	TIF Expansion Study .....	20
ARTICLE SIX: AGREEMENTS WITH CONTRACTORS .....		21
6.01	Bid Requirement for General Contractor and Subcontractors .....	21
6.02	Construction Contract.....	21
6.03	Performance and Payment Bonds.....	21
6.04	Employment Opportunity .....	21
6.05	Other Provisions.....	22
ARTICLE SEVEN: COMPLETION OF CONSTRUCTION.....		22
7.01	Certificate of Completion of Construction .....	22
7.02	Effect of Issuance of Certificate of Completion; Continuing Obligations .....	22
7.03	Failure to Complete.....	23
7.04	Notice of Expiration or Termination.....	23
ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER .....		23
8.01	General.....	23
8.02	Covenant to Redevelop.....	25
8.03	Redevelopment Plan .....	26
8.04	Use of City Funds .....	26
8.05	Other Bonds.....	26
8.06	Employment Opportunity .....	26
8.07	Employment Profile .....	27
8.08	Prevailing Wage.....	27
8.09	Arms-Length Transactions.....	27
8.10	Financial Statements.....	27
8.11	Insurance .....	27
8.12	Non-Governmental Charges .....	27
8.13	Developer’s Liabilities.....	28
8.14	Compliance with Laws .....	28

8.15	Recording and Filing.....	29
8.16	Real Estate Provisions.....	29
8.17	Annual Compliance Report.....	31
8.18	Reserved.....	31
8.19	Broker’s Fees .....	31
8.20	No Conflict of Interest .....	31
8.21	Disclosure of Interest .....	31
8.22	No Business Relationship with City Elected Officials .....	31
8.23	Inspector General .....	32
8.24	Prohibition on Certain Contributions – Mayoral Executive Order No. 05-1.....	32
8.25	Survival of Covenants.....	34
ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF		
	CITY .....	34
9.01	General Covenants .....	34
9.02	Survival of Covenants.....	34
ARTICLE TEN: DEVELOPER’S EMPLOYMENT OBLIGATIONS .....		
10.01	Employment Opportunity .....	34
10.02	City Resident Construction Worker Employment Requirement .....	36
10.03	Developer’s MBE/WBE Commitment .....	37
ARTICLE ELEVEN: ENVIRONMENTAL MATTERS.....		
11.01	Environmental Matters.....	40
ARTICLE TWELVE: INSURANCE .....		
12.01	Insurance Requirements.....	40
ARTICLE THIRTEEN: INDEMNIFICATION .....		
13.01	General Indemnity .....	40
ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT.....		
14.01	Books and Records .....	41
14.02	Inspection Rights .....	41
ARTICLE FIFTEEN: DEFAULT AND REMEDIES.....		
15.01	Events of Default .....	42
15.02	Remedies.....	43
15.03	Curative Period .....	43
ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT.....		
16.01	Mortgaging of the Project .....	44
ARTICLE SEVENTEEN: NOTICES.....		
17.01	Notices .....	45
17.02	Developer Requests for City or HED Approval .....	46

ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS .....	47
18.01 Amendments .....	47
18.02 Complete Agreement, Construction, Modification.....	47
18.03 Limitation of Liability.....	47
18.04 Further Assurances.....	47
18.05 Waivers.....	47
18.06 Remedies Cumulative.....	48
18.07 Parties in Interest/No Third Party Beneficiaries .....	48
18.08 Titles and Headings.....	48
18.09 Counterparts.....	48
18.10 Counterpart Facsimile Execution.....	48
18.11 Severability .....	48
18.12 Conflict .....	49
18.13 Governing Law .....	49
18.14 Form of Documents .....	49
18.15 Assignment .....	49
18.16 Binding Effect.....	49
18.17 Force Majeure .....	49
18.18 Exhibits and Schedules .....	50
18.19 Business Economic Support Act.....	50
18.20 Approval .....	50
18.21 Construction of Words.....	50
18.22 Date of Performance .....	50
18.23 Survival of Agreements .....	50
18.24 Equitable Relief .....	50
18.25 Venue and Consent to Jurisdiction .....	51
18.26 Costs and Expenses.....	51



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

**LIST OF SCHEDULES AND EXHIBITS**

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

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

Exhibits

Exhibit A	Redevelopment Area Legal Description
Exhibit B-1	Legal Description of the Phase 1 Property
Exhibit B-2	*Legal Description of the Property
Exhibit B-3	Legal Description of the Dispersed Lots
Exhibit B-3.5	*Boundary of Infrastructure Construction
Exhibit B-4	*Site Plan for the Project
Exhibit B-5	Affordable Sales Prices
Exhibit B-6	Planned Development No. 1008
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*Construction (MBE/WBE) Budget
Exhibit E	Schedule of TIF-Funded Improvements
Exhibit F	Reserved
Exhibit G	Construction Contract
Exhibit H	Approved Prior Expenditures
Exhibit I	Permitted Liens
Exhibit J	Form of Opinion of Developer's Counsel
Exhibit K	Park Site Plan
Exhibit L	Form of Payment and Performance Bond

Exhibit M	Form of City Note and Certificate of Expenditure
Exhibit N	City Funds Requisition Form
Exhibit O	Form of City Subordination Agreement
Exhibit P	Form of City Recapture Mortgage

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

This space reserved for Recorder's use only

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

This MGM/TGI 105<sup>th</sup> Street LLC Amended and Restated Redevelopment Agreement (the "**Agreement**") is made as of this 19<sup>th</sup> day of July, 2012, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), and MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company ("**Developer**").

**RECITALS:**

**A. Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the power to regulate for the protection of the public health, safety, morals, and welfare of its inhabitants and, pursuant thereto, has the power to encourage private development in order to enhance the local tax base and create employment opportunities, and to enter into contractual agreements with private parties in order to achieve these goals.

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

C. **City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the “**City Council**”) adopted the following ordinances on October 3, 2001: (1) ”An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area” (the “**Plan Adoption Ordinance**”); (2) ”An Ordinance of the City of Chicago, Illinois Designating the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act”; and (3) ”An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area” (the “**TIF Adoption Ordinance**”). Collectively the three ordinances are defined as the “**TIF Ordinances**”. The redevelopment project area (the “**Redevelopment Area**”) is legally described in Exhibit A. The Redevelopment Plan approved by the Plan Adoption Ordinance was amended on April 26, 2006 to provide for changes in the Act concerning the date for the retirement of obligations and the completion of redevelopment projects.

D. **The Project:**

(i) Developer presently owns, or previously owned, real property consisting of approximately 20.4 acres bounded on the north by 105th Street; on the east by Throop Street; on the south by 107th Street; and on the west by Vincennes Avenue/Rock Island METRA right-of-way (the “**Phase 1 Property**”). A legal description of the Phase 1 Property is attached as Exhibit B-1. The Phase 1 Property is the former Chicago Bridge & Iron Steel Fabricating Plant which had been vacant and unused since 1976.

(ii) Within the Phase 1 Property, there are presently three categories of property lots: (1) those eighty-four (84) lots currently owned by Developer and legally described on Exhibit B-2 (collectively referred to herein as the “**Property**”), including eighty-three (83) lots to be developed with single family homes in accordance with the terms of this Agreement and the one (1) lot to be developed with a park in accordance with the terms of this Agreement (the “**Park Site**”); (2) eight (8) lots previously improved by Developer with single-family homes and sold by Developer to individuals or families; and (3) the eighteen (18) lots legally described on Exhibit B-3 (the “**Dispersed Lots**”) that were previously owned by Developer but are currently owned by a third-party developer or by individuals and families who have acquired single-family homes constructed thereon. As used herein, the term “Property”: (i) shall exclude each of the eighty-three (83) lots that has been improved with a single-family home, upon its conveyance to an individual or family, and (ii) also shall exclude the Park Site from and after its conveyance to the Chicago Park District or other grantee approved by the City.

(iii) Developer plans to construct approximately ninety-one (91) residential for-sale units on the Phase 1 Property, including the eight (8) already constructed and sold units and an additional eighty-three (83) residential for-sale units to be constructed. No fewer than eighteen (18) units to be constructed and sold by Developer within the Phase 1 Property will be affordable housing to households whose incomes are at or below 100% of Area Median Income.

(iv) Developer also plans to complete the following infrastructure construction: improvement of Throop Street from 105<sup>th</sup> Street to 107<sup>th</sup> Street, the creation of an approximately 2-acre park on the Park Site, the construction of new interior streets, and the creation of landscaping, street lighting and sidewalk improvements within and adjacent to certain portions of the Property as described and as shown on Exhibit B-3.5 (collectively the “**Infrastructure Construction**”).

(v) Construction of the eighty-three (83) units and construction of the Infrastructure Construction is defined as the “**Project**”. The Site Plan for the Project is attached as Exhibit B-4. Completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

**E. Redevelopment Plan and Planned Development:** The Project will be carried out in accordance with: (i) this Agreement, (ii) the City of Chicago 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project attached as Exhibit C, as amended on April 26, 2006 and as further amended following the date hereof (the “**Redevelopment Plan**”), and (iii) Planned Development No. 1008 approved by the City Council on February 8, 2006, a copy of which is attached as Exhibit B-6, as further amended or administratively adjusted by the City following the date hereof (“**PD 1008**”), unless and until PD1008 is sunsetted by the City.

**F. City Financing and Assistance:** Subject to Developer fulfilling those obligations under this Agreement that are the applicable conditions precedent to obligate the City to do so, the City will make a total of \$1.4 million in cash payments on the Closing Date, issue a \$3.2 million taxable note to Developer on the Closing Date, and make no more than \$7.3 million in Pay-As-You Go TIF Payments to Developer to reimburse Developer as provided in this Agreement for the costs of the TIF-Funded Improvements (as defined below) under the terms and conditions of this Agreement. In addition, the City may, in its discretion, issue tax increment allocation bonds (“**TIF Bonds**”) secured by Incremental Taxes (as defined below) as provided in a TIF bond ordinance (the “**TIF Bond Ordinance**”), at a later date as described and conditioned in Section 4.07. The proceeds of the TIF Bonds (the “**TIF Bond Proceeds**”) may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

## AGREEMENT:

### ARTICLE ONE: INCORPORATION OF RECITALS

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

## ARTICLE TWO: DEFINITIONS

The definitions stated in Schedule A and those definitions stated in the recitals and preamble are hereby incorporated into this Agreement by reference and made a part of this Agreement.

### ARTICLE TWO-A: TERMINATION OF PRIOR AGREEMENT

On the Closing Date, that certain Redevelopment Agreement dated as of October 20, 2006 and recorded October 24, 2006 as Document No. 0629731077 by and between the City and Developer (the "2006 RDA"), and each and every provision thereof, shall be terminated, ended and no longer of any express or implied force or effect, with all rights and duties of any party to the 2006 RDA and each and every provision thereof being extinguished, and including, but not limited to: (i) the certificate of expenditure issued by the City under the 2006 RDA; and (ii) the promissory note issued by the City under the 2006 RDA, both of which will be tendered back to the City for cancellation on the Closing Date of this Agreement, with no payment of principal or interest due or owing, and with any accrued but unpaid interest cancelled; provided, however, that the 2006 RDA Article Thirteen-Indemnification, shall survive this termination of the 2006 RDA. Also on the Closing Date, the parties will cause a release of the 2006 RDA to be recorded in the Office of the Recorder of Deeds of Cook County.

## ARTICLE THREE: THE PROJECT

3.01 **The Project.** Developer will: (i) resume redevelopment construction on or about the Closing Date, and (ii) complete redevelopment construction of the Project no later than June 30, 2019, subject to: (a) Section 18.17 (Force Majeure); (b) applicable Change Orders, if any, issued under Section 3.04; and (c) the receipt of all applicable permits and Project approvals.

3.02 **Scope Drawings and Plans and Specifications.** Developer has delivered the Scope Drawings and Plans and Specifications to HED, and HED has approved them. Subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to HED as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and to all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 **Project Budget.** Developer has furnished to HED, and HED has approved, a Project Budget which is Exhibit D-1, showing total costs for the Project in an amount not less than \$49,616,220. Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount sufficient to pay for all Project costs; and (b) the Project Budget

is true, correct and complete in all material respects. Developer will promptly deliver to HED copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

**3.04 Change Orders.**

(a) Except as provided in subparagraph (b) below, 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 HED concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to HED for HED's prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project from the square footage approved by HED under Section 3.02, or (ii) a change in the primary use of the Project, or (iii) a delay in the Project completion date, or (iv) change orders resulting in an aggregate increase to the Project Budget of 10% or more. Developer will not authorize or permit the performance of any work relating to any Change Order requiring HED's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of HED's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect or for compliance with this Agreement generally. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those stated in subsection (a) above do not require HED's prior written approval as stated in this Section 3.04, but HED must be notified in writing of all such Change Orders within 10 Business Days after the execution of such change order, and Developer, in connection with such notice, must identify to HED the source of funding therefor in the progress reports described in Section 3.07.

**3.05 HED Approval.** Any approval granted by HED under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by HED under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, or investment quality of the Project. Developer will not make any verbal or written representation to anyone to the contrary. Developer shall not undertake construction of the Project unless Developer has obtained all necessary permits and approvals (including but not limited to permits and approvals from the City's Department of Transportation and the City's Department of Water Management and HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

**3.06 Other Approvals.** Any HED approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Developer will provide HED, the Assistant Commissioner of the Department of Transportation Division of Project Development / Maps and Plats, and the Assistant Chief Engineer of Sewers of the Department of Water Management with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring HED's written approval under Section 3.04), and also including (i) detailed descriptions of progress by Developer with respect to the completion of the Infrastructure Construction, (ii) copies of any deficiency notices received by Developer from the City since the prior reporting month regarding the Infrastructure Construction, and (iii) Developer's forward-looking action plans to address such identified deficiencies, if any. Developer must also deliver to the City written monthly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "City Requirements"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to HED to address and cure such shortfall.

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

3.09 **Barricades.** Prior to commencing any construction requiring barricades, Developer will install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. HED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of Developer or the Project).

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

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



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

3.13 **Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and improvements on the Property will be reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

3.14 **Affordable Housing Requirements.** Developer acknowledges that the Project is subject to the requirements of the City's Affordable Housing Ordinance, Chapter 2-44, Section 2-44-090 of the City's Municipal Code (the "**Affordable Housing Ordinance**"). Developer agrees as follows:

(a) **Affordable Housing Ordinance.** Developer acknowledges receipt of a copy of Section 2-44-090 of the Municipal Code and that Developer has read and understands such Municipal Code section.

(b) **Affordable Housing Undertaking.** Developer agrees to sell no fewer than eighteen (18) residential for-sale units within the Phase 1 Property to households at or below 100% of area median income ("**AMI**"). Current affordable prices, which shall be subject to updating during the course of the Project, are listed in Exhibit B-5.

(c) **City Lien.** Developer agrees that by recording this Agreement against the Property, Developer hereby grants the City a lien against the Property as security for Developer's performance to sell affordable units as provided in Municipal Code Section 2-44-090(i)(1).

(d) **City Recapture Mortgage.** A form of the City recapture mortgage (the "**City Recapture Mortgage**") is Exhibit P to this Agreement. In connection with the marketing of each affordable residential unit, Developer agrees to attach as an exhibit to each purchase contract a copy of the City Recapture Mortgage. Developer agrees to require in each of its affordable residential unit purchase contracts that the purchaser of each affordable residential unit must execute the City Recapture Mortgage as a junior mortgage and must comply with the on-going requirements stated in the City Recapture Mortgage. At each closing of the sale of an affordable residential unit, Developer will cause the fully signed and acknowledged City Recapture Mortgage to be recorded as a junior mortgage lien against the purchaser's affordable residential unit.

(e) **Eligibility Record Keeping.** Prior to the time that the City will reimburse Developer under Section 4.03 for TIF-Funded Improvements related to an affordable residential unit which is intended by Developer to meet the affordability requirements described above, Developer must present evidence to HED, in a form satisfactory to HED, that the person(s)

purchasing such unit meet the income eligibility criteria defined by the Affordable Housing Ordinance. Developer will maintain records at its principal place of business with complete documentation on income eligibility in a form acceptable to HED. The City's Monitoring and Compliance Section will monitor each affordable residential sale.

### 3.15 Additional Project Features

(a) Landscaping. Developer will perform all landscaping work within the scope of the Project, if any, consistent with the landscaping requirements stated in the City of Chicago Open Space Impact Fee Ordinance, Journal of Proceedings of the City Council dated April 1, 1998 at pp 65269 - 65275.

(b) Park Construction. Developer will use its best efforts to work with HED and the Chicago Park District ("Park District") to determine mutually acceptable specifications for the Park Site (which specifications are expected to include seeding, lighting, fencing, sidewalks and other minimally standard requirements). Developer will negotiate a written agreement with the Park District to provide for the Park District's acceptance of the Park Site if the Park Site is improved to the agreed-upon specifications and other standard requirements of the Park District. If such a written agreement is executed by the Park District, then Developer shall complete the agreed-upon Park Site improvements and dedicate the Park Site and improvements to the Park District as provided in the terms of such written agreement. If within one (1) year following the date hereof, Developer and the Park District do not reach agreement on the specifications for the Park Site or execute a written agreement for the Park District's acceptance of the Park Site as described above, Developer shall then commence to promptly improve the Park Site in accordance with the specifications shown on Exhibit K hereto and to thereafter offer conveyance of and convey fee simple title in the improved Park Site: (i) to the Park District in the first instance, (ii) if the Park District declines such offer, then to the City for acceptance by either the City or a delegate agency of the City; and (iii) if both the Park District and City decline such offer, to an association or non-profit corporation formed by or on behalf of families and individuals then residing in the Phase 1 Property, subject to a covenant that the Park Site will be maintained as a park for the residents of the Phase I Property. Until such time, if any, that the Park District, City, owners association or non-profit corporation takes title to the improved Park Site, Developer shall maintain the Park Site as improved.

(c) Green Construction. All construction of the Project, including but not limited to building construction, green space and surface parking, if any, shall be built in accordance with the "green construction" standards of applicable HED policies as incorporated in and required by PD 1008. Developer will submit written evidence demonstrating compliance with such requirements.

## ARTICLE FOUR: FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated

to be \$49,616,220, to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources:

Equity (subject to <u>Section 4.06</u> )	\$ 2,100,000
Lender Financing	23,434,703
Residential Sale Proceeds	<u>23,881,517</u>
<b>ESTIMATED TOTAL</b>	<b>\$49,616,220</b>

4.02 **Developer Funds.** Equity, Lender Financing and residential sales proceeds will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements. All Project costs will be front-funded by Developer.

4.03 **City Funds.**

(a) **City Funds.** Any funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as “**City Funds**”. City Funds may be used to reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs, which TIF-Funded Improvements are stated on Exhibit E. At Closing, Developer will submit a City Funds Requisition Form in the form of Exhibit N (the “**Requisition Form**”) to request payment of City Funds.

(b) **Sources of City Funds.** Subject to the terms and conditions of this Agreement, including this Section 4.03 and Article Five, the City hereby agrees to provide no more than \$11.9 million in City Funds to Developer as follows:

(i) \$1,100,000 cash on the Closing Date, payable only from Available Incremental Taxes deposited to the account associated with the 105<sup>th</sup> Street and Vincennes Redevelopment Project Area Special Tax Allocation Fund.

(ii) \$300,000 cash on the Closing Date to be deposited and disbursed only in accordance with Section 5.16 hereof, payable first from Available Incremental Taxes deposited to the account associated with the 105<sup>th</sup> Street and Vincennes Redevelopment Project Area Special Tax Allocation Fund, and only secondarily with additional funding as needed from cash on hand ported from the 119th Street/I-57 Redevelopment Project Area which is contiguous with the Redevelopment Area, with such ported funds not to exceed \$200,000.

(iii) The taxable \$3,200,000 note to be issued on the Closing Date as described in Section 4.03(c).

(iv) Not more than \$7,300,000 in Pay-As-You-Go TIF payments over the life of the Redevelopment Area as described in Section 4.03(d).

(c) Taxable City Note and Developer Account.

On the Closing Date, the City will issue to Developer a promissory note the “City Note”) with the following terms and conditions:

(i) Principal. The principal balance for the City Note will be equal to \$3,200,000, in accordance with the Certificate of Expenditure to be issued by the City in the form of Exhibit M for \$3,200,000 of Developer’s expenditures for TIF-Funded Improvements prior to the Closing Date, Developer having provided satisfactory evidence prior to the date hereof for such expenditures.

(ii) Interest. When issued at closing, interest on the City Note will be subject to federal income taxes. The City Note annual interest rate will be based on the annual interest rate equal to the median value of the Corporate BBB Bond Index Rate (20 year) as published by Bloomberg for the 15 Business Days prior to the date of issuance of the City Note plus 200 basis points, but in no event exceeding eight and one-half per cent (8.50%) per annum. Accrued but unpaid interest will also bear interest at the interest rate set when the City Note is issued and will compound annually, all payable each February 1.

(iii) Term. The City Note will have a term ending on December 31, 2025; provided, however, such term will be extended if and to the extent the term of the Redevelopment Area is extended and an extension of the City Note term is necessary for payment of unpaid principal and interest.

(iv) Payment of Principal and Interest.

(A) Interest on the City Note will begin to accrue on the Closing Date.

(B) Payments of principal and interest on the City Note will be funded first from funds to be ported from the 119th Street/I-57 Redevelopment Project Area, which is contiguous with the Redevelopment Area, in accordance with Section 4.03(c)(v)(A). In the event such funds are insufficient to pay the amounts of principal and interest under the City Note when due, payments of principal and interest on the City Note shall be paid from Available Incremental Taxes in accordance with Section 4.03(c)(v)(B).

(C) Payments of principal and interest on the City Note will be made as provided in the debt service schedule attached thereto.

(D) Developer Account. Except as provided in Section 4.03(c)(v)(B), the ported funds, only, will be used to pay principal and interest on the City Note and unpaid interest, if any. In the ordinance authorizing the issuance of the City Note, the City will establish an account denominated the “MGM/TGI 105th Street LLC Developer Account” within the 105th Street and the Vincennes Avenue Redevelopment Project Area Special Tax Allocation Fund. All Available

Incremental Taxes and all ported funds for the required payments of the City Note will be deposited into the MGM/TGI 105th Street LLC Developer Account.

(E) Insufficient Available Incremental Taxes or Ported Funds. If the amount of the ported funds pledged under this Agreement are insufficient to make any scheduled payment on the City Note, due but unpaid scheduled payments (or portions thereof) on the City Note will be paid, if possible, from Available Incremental Taxes as provided in Section 4.03(c)(v)(B). If the amount of the ported funds and such Available Incremental Taxes are still insufficient to make any scheduled payment on the City Note: (1) the City will not be in default under this Agreement or the City Note, and (2) interest per annum at the rate set when the City Note is issued will accrue on any principal or interest payments which are unpaid because the ported funds or Available Incremental Taxes are insufficient.

(F) Prepayment. The City may pre-pay the City Note at any time, in whole or in part.

(v) Other Provisions

(A) Except for the 119<sup>th</sup> Street/I-57 Prior Obligations, as scheduled in the Agreement definition section, the City has not pledged available incremental taxes from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area and will not subordinate the City Note to or place the City Note on a parity basis with any subsequent or other pledge of available incremental taxes from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area without the prior written consent of the then registered owner of the City Note. Subject to the 119<sup>th</sup> Street/I-57 Prior Obligations and such other obligations to which the then registered owner of the City Note has consented, the incremental taxes from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area (less the applicable TIF District Administration Fee described in Section 4.05(b)) will be pledged as the primary source of funds for payment of principal and interest under the City Note.

(B) Available Incremental Taxes will be pledged as an additional source of funds for payment on the City Note but only if: (X) funds from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area are insufficient for full payment of the City Note; and (Y) Pay-as-you-go payments to Developer under this Agreement have been made in an amount no less than \$6,400,000.

(d) Pay-As-You-Go TIF Payments

(i) Amount. Developer shall receive no more than \$7,300,000 of the payments described in this Section 4.03(d) (“**Pay-As-You-Go TIF Payments**”) during the life of the Redevelopment Area, which is scheduled to end on December 31, 2025, such date being the last date of the calendar year in which taxes levied in the year that is 23 years after the creation of the Redevelopment Area are paid.

(ii) Sources of Payment.

(A) Pay-As-You-Go TIF Payments will be made from Available Incremental Taxes. "**Available Incremental Taxes**" is defined as: (i) 100% of the Incremental Taxes from parcels within the current boundaries of the Redevelopment Area plus not less than 25% of the incremental taxes from parcels (if any) added to the Redevelopment Area during the Term of Agreement, with the final percentage (not less than 25%) determined administratively by the Commissioner in writing; less (ii) the applicable TIF District Administration Fee (up to 5%) described in Section 4.05(b). The addition of parcels to the Redevelopment Area, if any, shall in no event increase the \$7,300,000 maximum amount of Pay-As-You-Go TIF Payments under this Agreement.

(iii) Annual Payments.

(A) Annual payments will commence September 1, 2012. Annual payments thereafter are to be made on September 1<sup>st</sup>.

(B) 2012 Payment. The September 1, 2012 annual payment will include all Available Incremental Taxes, excluding, however, any Available Incremental Taxes already remitted at Closing Date in accordance with the terms of this Agreement.

(C) 2013 and 2014 Payments. As a precondition to any payments made during 2013 or 2014, Developer shall have provided the City (prior to June 30<sup>th</sup> of the calendar year in which the annual payment will be made) an affidavit and standard supporting material verifying that Developer has complied with all City Requirements for all construction completed during that preceding calendar year.

(D) Payments of Available Incremental Taxes collected for tax years 2014 and 2015. As a precondition to any payments of Available Incremental Taxes collected for tax years 2014 and 2015, Developer shall have provided the City prior to June 30<sup>th</sup> of the calendar year in which the annual payments will be made) with an additional affidavit and standard supporting material verifying that Developer has:

- (x) completed construction in the aggregate of no fewer than 20 homes (including the 8 homes already built and sold) within the Phase 1 Property; and
- (y) sold no fewer than 4 homes as affordable housing to household whose incomes are at or below 100% of AMI.

(E) Payments of Available Incremental Taxes collected for tax year 2016. As a precondition to any payments of Available Incremental Taxes

collected for tax year 2016, Developer shall have provided the City (prior to June 30<sup>th</sup> of the calendar year in which the annual payment will be made) with an additional affidavit and standard supporting material verifying that Developer has:

- (x) completed construction in the aggregate of no fewer than 40 homes (including the 8 homes already built and sold) within the Phase 1 Property; and
- (y) sold, in the aggregate no fewer than 8 homes as affordable housing to households whose incomes are at or below 100% of AMI; and
- (z) completed the Infrastructure Construction in accordance with applicable provisions of the Municipal Code and the provisions of any permits and approvals issued by the Department of Transportation or the Department of Water Management.

(F) Payments of Available Incremental Taxes collected for tax year 2017 and subsequent tax years. As a precondition to any payments of Available Incremental Taxes collected for tax year 2017 and subsequent tax years, Developer shall have provided the City with an additional affidavit and standard supporting material verifying that Developer has:

- (x) completed construction in the aggregate of no fewer than 91 homes (including the 8 homes already built and sold) within the Phase 1 Property; and
- (y) sold in the aggregate no fewer than 18 homes as affordable housing to household whose incomes are at or below 100% of AMI.

(iv) Reduction in Pay-As-You-Go TIF Payments. Developer's entitlement to pay-as-you-go TIF funds shall be reduced by \$900,000 to \$6,400,000 unless Developer has provided the City by June 30, 2019 with an additional affidavit and standard supporting material verifying that:

- (x) the Dispersed Lots were improved with 18 homes, each home conforming to plans and specifications approved by HED; and
- (y) Either 4 homes on the Dispersed Lots were sold as affordable housing to households whose incomes are at or below 100% of AMI; or else at least 22 homes within the Phase 1 Property were sold as affordable housing to

households whose incomes are at or below 100% of AMI;  
and

- (z) Work to construct or complete single family homes on the Dispersed Lots has complied with the City Residency and MBE/WBE requirements stated in this Agreement, or else shortfalls in compliance were satisfied by Developer in construction of the Project; and
- (aa) Work to construct or complete single-family homes on the Dispersed Lots has complied with the Prevailing Wage requirements stated in this Agreement.

#### 4.04 Adjustment in Principal Amount of City Note.

(a) City Note. Prior to the issuance of the Certificate of Completion as provided in Section 7.01, Developer shall certify to the City the calculation of Excess Profits (as defined below) for Developer's sales of homes from the Project. If there are Excess Profits, then the principal amount then outstanding on the City Note will be reduced by \$0.50 for each \$1.00 of Excess Profits in the Project. If there are no Excess Profits, then the principal amount then outstanding on the City Note will remain unadjusted. Any reduction in principal on the City Note will be a one-time reduction.

(b) Calculation of Excess Profit. Excess Profit will be calculated using the following formulas:

(i) Excess Profit ("Excess Profit") = Actual Profit minus Threshold Profit.

(ii) Threshold Profit = 15% of Actual Project Costs.

(iii) Actual Profit = Net Sales Proceeds plus City Funds received to the date of calculation minus Actual Project Costs.

(c) Definitions Applicable to the Calculation of Excess Profit.

(i) Gross Sales Proceeds is defined as all revenue generated by the Project on an accrual basis under generally accepted accounting principles and practices, consistently applied, including the proceeds from the sale of residential units, parking spaces, upgrades or add-ons to residential units, sales of additional services such as extended warranties, follow-on landscaping or snow removal, provided, however, that the definition of Gross Sales Proceeds will not include any revenue not accrued by Developer as of the date of calculation under generally accepted accounting principles and practices, consistently applied.



(ii) Net Sales Proceeds is defined as Gross Sales Proceeds minus: actual sales commissions, closing costs and other Project costs the City reasonably determines should be deducted from Gross Sales Proceeds rather than included in Project Costs.

(iii) Estimates to be Used. If all of the market rate residential units have not been sold at the date of calculation of Excess Profits, then estimates of the gross and net sales proceeds for the unsold residential units by type of unit (i.e. town home or single-family home) will be used for calculation purposes. Such estimates will be based on the average of the gross and net sales proceeds (including upgrades, parking spaces and other additional revenues) for the market rate residential units by the type of unit already sold in the Project Phase.

(iv) Actual Project Costs is defined to include all hard and soft costs actually expended to implement the Project by Developer or the registered owner of the City Note, less the following costs:

(A) sales commissions

(B) closing costs

(C) Developer fee

(D) Threshold Profit

(E) Other Project costs the City reasonably determines should be deducted from gross sales proceeds rather than included in Project Costs.

(v) Prove-up of Costs. Developer must prove-up all cost information to the satisfaction of the City.

#### 4.05 Treatment of Prior Expenditures/Administration Fee.

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

(b) TIF District Administration Fee. As reflected in the definition of Available Incremental Taxes, the City may annually 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. Likewise, the City may annually allocate an amount not to exceed five percent (5%) of the incremental taxes from the 119th Street/I-57 Redevelopment Project Area for payment of costs incurred by the City for the administration and monitoring of that District, including redevelopment project located within its boundaries. Both of the foregoing fees 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.** If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

4.07 **TIF Bonds.** The Commissioner of HED may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds may be used to pay City Funds due under this Agreement and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne solely by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

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

- (a) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;
- (b) Developer has received no notice and has no knowledge of any lien or claim of lien either filed or threatened against the Property or the Project except for the Permitted Liens;
- (c) no Event of Default or condition or event which, with the giving of notice or passage time or both, would constitute an Event of Default exists or has occurred; and

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including not limited to the

requirements set forth in the Bond Ordinance, if any; the TIF Bond Ordinance, if any; the Bonds, if any; the TIF Bonds, if any; the TIF Ordinances and this Agreement.

## ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING

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

5.01 **Project Budget.** Developer will have submitted to HED, and HED will have approved, the Project Budget stated in Exhibit D-1, in accordance with the provisions of Section 3.03. This condition precedent has been satisfied prior to the date hereof.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to HED, and HED will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02. This condition precedent has been satisfied prior to the date hereof.

5.03 **Other Governmental Approvals.** Not less than 5 Business Days prior to the Closing Date, Developer will have secured or applied for or provided HED with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to HED.

5.04 **Financing.**

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

(b) Prior to the Closing Date, Developer will deliver to HED a copy of the construction escrow agreement, if any, entered into by Developer regarding Developer's Lender Financing, if any. Such construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement.

(c) Any financing liens against the Property or the Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, in the form of Exhibit O, executed on or prior to the Closing Date,

which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

5.05 **Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Property, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit I and will evidence the recording of this Agreement under the provisions of Section 8.15. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding location, access, and survey. On or prior to the Closing Date, Developer will provide to HED documentation related to the Property and copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows:

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

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

5.07 **Surveys.** If requested by HED, not less than 5 Business Days prior to the Closing Date, Developer will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Developer, at its own expense, will have insured the Property as required under Article Twelve. At least 5 Business Days prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to HED.

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

5.10 **Evidence of Prior Expenditures.** Not less than 20 Business Days prior to the Closing Date, Developer will have provided evidence satisfactory to HED of the Prior Expenditures as provided in Section 4.05. Such evidence of Prior Expenditures may be updated to the Closing Date by Developer.

5.11 **Financial Statements.** Not less than 30 days prior to the Closing Date, Developer will have provided Financial Statements to HED for its 2009 and 2010 fiscal years, if available, and its most recently publicly available unaudited interim Financial Statements, in each case together with any opinions and management letters prepared by auditors.

5.12 **Additional Documentation.** Developer will have provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment profile, if requested by HED, and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds on the Property, if any.

5.13 **Environmental Reports.** Not less than 30 days prior to the Closing Date, Developer will provide HED with copies of all environmental reports or audits, if any, obtained by Developer with respect to the Property, together with any notices addressed to Developer from any agency regarding environmental issues at the Property. Prior to the Closing Date, Developer will have provided the City with a letter from the environmental engineer(s) who completed such report(s) or audit(s), authorizing the City to rely on such report(s) or audit(s).

5.14 **Entity Documents; Economic Disclosure Statement.**

(a) **Entity Documents.** Developer will provide a copy of its current Articles of Organization, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of Illinois and all other states, if any, in which Developer is registered to do business; its limited liability company operating agreement; a roster of limited liability company members showing their respective membership interests; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

(b) **Economic Disclosure Statement.** Developer will provide the City an EDS, in the City's then current form, dated as of the Closing Date, which is incorporated by reference and Developer further will provide any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is

required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 **Litigation.** Developer has provided to Corporation Counsel and HED in writing, a description of all pending or threatened litigation or administrative proceedings: (a) involving Developer's property located in the City, (b) that Developer is otherwise required to publicly disclose or that may affect the ability of Developer to perform its duties and obligations under this Agreement, or (c) involving the City or involving the payment of franchise, income, sales or other taxes by such party to the State of Illinois or the City. In each case, the description shall specify the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

5.16 **TIF Expansion Study.** In conjunction with the Closing, Developer will cause Lender to create a segregated, non-interest-bearing account (the "**TIF Expansion Study Account**") and will immediately deposit into such account: (i) the entire \$300,000 cash payment referenced in Section 4.03(b)(ii) hereof; and (ii) \$100,000 of Developer funds. Except with respect to a termination of the TIF Expansion Study Account in accordance with this Section 5.16, funds in the TIF Expansion Study Account shall be disbursed only to pay for the costs of professional studies and services in connection with a potential expansion of the boundaries of the Redevelopment Area. In no event shall the terms of this Agreement or any other action or conduct by or on behalf of the City prior to the date hereof suggest that the City has agreed to or will approve any such expansion or otherwise exercise its governmental powers in connection with any expansion of the Redevelopment Area. In no event shall the terms of this Agreement or any other action or conduct by or on behalf of the City or Developer prior to the date hereof suggest that Developer will provide, or is obligated hereunder to provide, any additional funds in connection with any such expansion or associated studies. Until the exhaustion of the amounts held in the TIF Expansion Study Account, each Requisition Form submitted by Developer to the City in accordance with the terms of this Agreement shall include: (i) the balance held in the TIF Expansion Study Account on the date of such Requisition Form; (ii) an itemized list of payments made from the TIF Expansion Study Account made or occurring since the most recent Requisition Form submitted by Developer to City; together with (iii) supporting documentation from the recipients of such payments indicating the funds were utilized for the TIF expansion study described herein and for no other purpose. In the event the City Council of the City of Chicago should approve an ordinance containing provisions that expand the boundaries of the Redevelopment Area (if approved, an "**Expansion Ordinance**"), seventy-five percent (75%) of those funds, if any, remaining in the TIF Expansion Study Account shall be disbursed to the City within thirty (30) calendar days of said ordinance's publication, and the remaining twenty-five percent (25%) shall be released to Developer. In the event the City Council of the City of Chicago has not approved an Expansion Ordinance within three (3) years of the date hereof, the TIF study shall be terminated, and the funds remaining in the TIF Expansion Study Account, if any, shall be disbursed to the City and released to Developer in the same proportions as the preceding sentence.

## ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

### 6.01 Bid Requirement for General Contractor and Subcontractors.

(a) HED has approved Developer's selection of Developer or The Terrell Group, Inc., an Illinois corporation, as the general contractor for the construction of the Project (the "**General Contractor**"). Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City.

(b) For the TIF-Funded Improvements, Developer must cause the General Contractor to select the subcontractor submitting the lowest responsible bid who can complete the Project (or phase thereof) in a timely and good and workmanlike manner; provided, however, that Developer may consider a bidder's ability to meet the unique challenges of the Project in evaluating the "lowest responsible bid" rather than the lowest bid. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds.

(c) Developer must submit copies of the Construction Contract to HED as required under Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to HED within 20 Business Days of the execution thereof. Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by HED and all requisite permits have been obtained.

6.02 **Construction Contract.** Prior to the execution thereof, Developer must deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to work on the TIF-Funded Improvements under Section 6.01 above, for HED's prior written approval. Within 10 Business Days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must deliver to HED and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

6.04 **Employment Opportunity.** Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten.

6.05 **Other Provisions.** In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor working on the Project must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

## ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.** Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, HED will issue to Developer a certificate of completion of construction in recordable form (the "**Certificate of Completion**") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. HED will respond to Developer's written request for a Certificate of Completion within 30 days by issuing either a Certificate of Completion 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 Certificate of Completion. Developer may resubmit a written request for a Certificate of Completion upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate of Completion.

### 7.02 **Effect of Issuance of Certificate of Completion; Continuing Obligations.**

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

(b) Those covenants specifically described at Section 8.16 (Real Estate Taxes) as covenants that run with the land comprising the Property are the only covenants in this Agreement intended to be binding throughout the Term of the Agreement upon any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph and regardless of whether or not a Certificate of Completion has been issued. Unless a Certificate of Completion has been issued, those covenants specifically described at Section 8.02 (Covenant to Redevelop) as covenants that run with the land comprising the Property are the only other covenants in this Agreement intended to be binding throughout the Term of the Agreement upon



any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph. The other executory terms of this Agreement that remain after the issuance of a Certificate of Completion will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 **Failure to Complete.** If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies, in addition to those stated in Section 15.02.

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of the payment and performance bond form attached as Exhibit L, and, if such funds are insufficient, then from City Funds or other City monies. If the aggregate costs incurred by the City to complete the TIF-Funded Improvements exceeds the amount of funds described in the preceding sentence, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of those funds.

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

## ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.

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

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

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary limited liability company action, and does not and will not violate its Articles of Organization as amended and supplemented, its operating agreement, any

applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer or any of its assets is now or may become bound;

(d) Developer has acquired and will maintain good, indefeasible and merchantable fee simple title to the Property (and improvements located thereon) free and clear of all liens (except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget, and those liens otherwise bonded or insured over in accordance with the terms of this Agreement).

(e) Developer is now, and for the Term of the Agreement, will 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 or, to Developer's actual knowledge threatened or affecting Developer which would impair its ability to perform under this Agreement;

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

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

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

(j) prior to the issuance of a Certificate of Completion, if it would adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business, and except to buyers of the residential for-sale units on the Property; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition. Notwithstanding the foregoing provisions set forth in this Section 8.01(j), Developer or either of

Developer's Members may assign their interests in Developer, the Property or the Project to one or more entities that are at least fifty percent (50%) owned and controlled (directly or indirectly) by one of the two current Members of Developer as of the date hereof or by Lender, so long as each of the following conditions are satisfied:

(i) no fewer than thirty (30) days prior to such assignment, the assigning entity provides the City with written notice of such assignment, together with an EDS, in the City's then current form, dated as of the date of such notice and any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts executed by each proposed assignee (plus such supplemental EDSs, affidavits and certifications as are required for entities that will own or control the assignee);

(ii) neither the assignee nor any entity or individual that owns or controls the assignee is then ineligible to do business with the City under Chapter 1-23 of the Municipal Code;

(iii) the assignee assumes the obligations and liabilities of the assigning entity under this Agreement in a written instrument; and

(iv) the assigning entity or assignee delivers written notice to the City with a correct and complete copy of the written instrument pursuant to which the assignment and assumption was accomplished;

(k) Developer has not incurred and, prior to the issuance of a Certificate of Completion, will not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Property other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Property or the Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(l) Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or under 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 Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(m) neither Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons Lists, the Unverified List, the Entity List and the Debarred List.

**8.02 Covenant to Redevelop.** Upon HED's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Property and the Project in compliance with this Agreement and all

exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Property, the Project and/or Developer. The covenants set forth in this Section 8.02 will run with the land comprising the Property (as defined herein) and will be binding upon any transferee, until fulfilled as evidenced by the issuance of a Certificate of Completion.

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

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

8.05 **Other Bonds.** At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) any Bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with or provided a source of funds for the payment for the TIF-Funded Improvements (the “**Bonds**”); provided, however, that any such amendments will not have a material adverse effect on Developer or the Project. Developer will, at 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 (but not including proprietary sales and operating information), and assisting the City in its preparation of an offering statement with respect thereto. Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 **Employment Opportunity.**

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 (Prevailing Wage) and Article Ten (Developer’s Employment Obligations). Developer will submit a plan to HED describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written monthly progress reports detailing compliance with the requirements of Sections 8.08, (Prevailing Wage) 10.02 (City Resident Construction Worker Employment Requirement) and 10.03 (Developer’s MBE/WBE Commitment) of this Agreement. If any such reports indicate a shortfall in compliance,

Developer will also deliver a plan to HED which will outline, to HED's satisfaction, the manner in which Developer will correct any shortfall.

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

8.08 **Prevailing Wage.** Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the "**Labor Department**"), to all of their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed under such contract, or alternatively Developer will provide applicable schedules evidencing wage rates paid. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

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

8.10 **Financial Statements.** Developer will obtain and provide to HED Financial Statements for 2009 and 2010, if available, and each year thereafter for the Term of the Agreement.

8.11 **Insurance.** Solely at its own expense, Developer will comply with all applicable provisions of Article Twelve (Insurance) hereof.

8.12 **Non-Governmental Charges.**

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

entity, or other evidence satisfactory to HED, evidencing payment of the Non-Governmental Charges in question.

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.12); or

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

8.13 Developer's Liabilities. Developer will not enter into any transaction that would materially and adversely affect its ability to: (i) perform its obligations under this Agreement or (ii) repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer will immediately notify HED of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or under any other documents and agreements.

8.14 Compliance with Laws.

(a) Representation. To Developer's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project. Upon the City's request, Developer will provide evidence reasonably satisfactory to the City of such current compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property or the Project, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in performance of this Agreement. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

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

8.16 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Subject to subsection (ii) below, 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, or appear to create a lien upon Developer or all or any portion of the Property or the Project. “**Governmental Charge**” means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances 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 transfer or forfeiture of the Property or the Project. Developer’s right to challenge real estate taxes applicable to the Property or the Project is limited as provided for in Section 8.16(c) below; provided, that such real estate taxes must be paid in full when due. No such contest or objection will 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 HED of Developer’s intent to contest or object to a Governmental Charge and, unless, at HED’s sole option:

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

(y) Developer will furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED may require, or a good and

sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Property or the Project 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 or contest any Governmental Charge or to obtain discharge of the same, Developer will advise HED thereof in writing, at which time HED may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to HED by Developer. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer 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) Real Estate Tax Exemption. With respect to the Property or the Project (and related improvements) or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, 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.

(ii) No Reduction in Real Estate Taxes.

(A) Neither Developer, nor any person acting on behalf of Developer, will, 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, provided, however, that this restriction does not apply to any purchases of a home from Developer.

(B) After diligent inquiry, Developer knows of no pending application, appeal or request for reduction of the assessed value of all or any portion of the Property or the Project filed by Developer for any tax year prior to or including the tax year in which this Agreement is executed.

(iii) No Objections. Neither Developer, nor any person acting by, through or on behalf of Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) 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 "Under



**Assessment Complaint**” as used in this Agreement means any complaint seeking to increase the assessed value of the Property or the Project.

(iv) **Covenants Running with the Land Comprising the Property.** The parties agree that the restrictions contained in this Section 8.16(c) are covenants running with the land comprising the Property (as defined herein). This Agreement will be recorded by Developer against the Property as a memorandum thereof, at Developer’s expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon any owner of the Property, from and after the date hereof, provided however, that the covenants will be released when the Redevelopment Area is no longer in effect, or upon expiration of the Term of Agreement. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Property or the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions (other than conveyances of homes to individuals and families and conveyance of the Park Site). Notwithstanding anything contained in this Section 8.16(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 8.16(c).

8.17 **Annual Compliance Report.** Throughout the Term of the Agreement, Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.18 **Reserved.**

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

8.20 **No Conflict of Interest.** Under Section 5/11-74.4-4(n) of the Act, 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, (a “**City Group Member**”) owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will 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 Developer, the Property, the Property, the Project, or to Developer’s actual knowledge, any other property in the Redevelopment Area.

8.21 **Disclosure of Interest.** Developer’s counsel has no direct or indirect financial ownership interest in Developer, the Property or any other feature of the Project.

8.22 **No Business Relationship with City Elected Officials.** Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting

at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. Developer 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 thereby.

8.23 **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.

8.24 **Prohibition on Certain Contributions – Mayoral Executive Order No. 05-1.** Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), will not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee: (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract is executory, (iii) during the Term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of: (i) February 10, 2005, or (ii) the date the City approached Developer or the date Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it will not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the

Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

**"Bundle"** means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

**"Other Contract"** means any other agreement with the City of Chicago to which Developer is a party that is: (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

**"Contribution"** means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are **"Domestic Partners"** if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  - 1. The partners have been residing together for at least 12 months.

2. The partners have common or joint ownership of a residence.
3. The partners have at least two of the following arrangements:
  - a. joint ownership of a motor vehicle;
  - b. a joint credit account;
  - c. a joint checking account;
  - d. a lease for a residence identifying both domestic partners as tenants.
4. Each partner identifies the other partner as a primary beneficiary in a will.

**“Political fundraising committee”** means a “political fundraising committee” as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

8.25 **Survival of Covenants.** All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer’s execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate of Completion) will be in effect throughout the Term of the Agreement.

#### **ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY**

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

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

#### **ARTICLE TEN: DEVELOPER’S EMPLOYMENT OBLIGATIONS**

10.01 **Employment Opportunity.** Developer, on behalf of itself and its successors and assigns, hereby agrees, and will contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer on the Project (collectively, with Developer, such parties are defined herein as the “**Employers**”, and individually defined herein as an “**Employer**”) to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party’s provision of services in connection with the construction of the Project:

- (a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or

disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the “**Human Rights Ordinance**”). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

(c) Each Employer will comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City’s Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et seq. (2006 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.

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

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

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

## 10.02 City Resident Construction Worker Employment Requirement.

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

(b) Developer 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.

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

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

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

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the construction of the Project to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

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

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

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual residents of the City or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Article. 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 will be evidenced by approved contract value for the actual contracts) will be surrendered by 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 will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to 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 Developer must surrender damages as provided in this paragraph.

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

(k) Developer will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project, entered into after the Closing Date.

**10.03 Developer's MBE/WBE Commitment.** Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the General Contractor to agree that during the construction of the Project:

(a) Consistent with the findings which support, as applicable: (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "**Construction Program**"), and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of

the Project, at least the following percentages of the MBE/WBE Budget (as stated in Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses (“MBEs”) and by Women-Owned Businesses (“WBEs”):

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

(b) For purposes of this Section 10.03 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the Project) is deemed a “**contractor**” and this Agreement (and any contract let by Developer in connection with the Project) is deemed a “**contract**” or a “**construction contract**” as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

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

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

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

(d) Developer must deliver quarterly reports to the City’s monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports will include, inter alia: the name and business address of each MBE and WBE solicited



by Developer or the General Contractor to work on the Project, and the responses received from such solicitation; the name and business address of each MBE or WBE actually involved in the Project; a description of the work performed or products or services supplied; the date and amount of such work, product or service; and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer will maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least 5 years after completion of the Project, and the City's monitoring staff will have access to all such records maintained by Developer, on 5 - Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

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

## ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws.

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

## ARTICLE TWELVE: INSURANCE

12.01 **Insurance Requirements.** Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement.

## ARTICLE THIRTEEN: INDEMNIFICATION

13.01 **General Indemnity.** Developer agrees to indemnify, pay and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "**Indemnitee**," and collectively the "**Indemnities**") harmless from and against, any and all liabilities, obligations, losses, damages (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnities 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 Indemnities by a third party in any manner relating to or arising out of:

- (i) Any cost overruns as described in Section 4.06; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

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

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

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

(vi) any act or omission by Developer or any Affiliate of Developer;

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

#### ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

14.02 **Inspection Rights.** Upon three (3) Business Days' notice, any authorized representative of the City shall have access to all portions of the Property or the Project during normal business hours for the Term of the Agreement. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice shall indicate

the date and time of the inspection. All inspections shall be conducted between the hours 9:00 a.m. and 5:00 p.m., Monday through Friday.

## ARTICLE FIFTEEN: DEFAULT AND REMEDIES

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

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

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

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

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

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

(f) the appointment of a receiver or trustee for Developer or Developer’s ultimate parent entity, if any, for any substantial part of Developer’s or Developer’s ultimate parent entity’s, if any, assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer or Developer’s ultimate parent

entity, if any; provided, however, that if such appointment or commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof;

(g) the entry of any judgment or order against Developer, not covered by insurance for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer or Developer's ultimate parent entity, if any; or

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

(k) prior to the expiration of the Term of the Agreement, the sale or transfer of all of the ownership interests of Developer without the prior written consent of the City; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(j), hereof, a natural person with a material interest in Developer is one owning in excess of seven and a half percent (7.5%) of Developer's or Developer's ultimate parent entity, if any, issued and outstanding ownership shares or interests. For purposes of Section 15.01, "ultimate parent entity" does not mean a person or entity that is a Member of Developer.

**15.02 Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. To the extent permitted by law, the City may also lien the Property.

### **15.03 Curative Period.**

(a) In the event Developer fails 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 will not be deemed to have occurred unless

Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within 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 30 day period, Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16.01 **Mortgaging of the Project.** Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Property or Project or any portion thereof are listed on Exhibit I hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the “**Existing Mortgages.**” Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a “**New Mortgage.**” Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof with the prior written consent of the City is referred to herein as a “**Permitted Mortgage.**” It is hereby agreed by and between the City and Developer as follows:

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

(b) Notwithstanding any provision of this Agreement to the contrary, the exercise of the remedies of foreclosure of a mortgage or any sale of Developer’s interest in the Property in connection with a foreclosure, whether by judicial proceedings or by virtue of any power of sale contained in the mortgage, or any conveyance of Developer’s interest in the Property to the mortgagee or its nominee or designee by virtue of or in lieu of foreclosure or other appropriate proceedings, or any conveyance of Developer’s interest in the Property by the mortgagee or its nominee or designee, or any other exercise of remedies under the documents evidencing Lender

Financing shall not require the consent or approval of the City or constitute a breach of any provision of or a default under this Agreement.

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

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

#### ARTICLE SEVENTEEN: NOTICES

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

If to the City:                   City of Chicago  
  Department of Housing and Economic Development  
  Attn: Commissioner  
  121 North LaSalle Street, Room 1000  
  Chicago, IL 60602  
  312/744-4190 (Main No.)  
  312/744-2271 (Fax)

With Copies To:                City of Chicago  
  Corporation Counsel

Attn: Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602  
312/744-0200 (Main No.)  
312/742-0277 (Fax)

If to Developer: MGM/TGI 105th Street LLC  
c/o the Terrell Group, Inc.  
PO Box 66241  
South Access Road, Building 616  
[O'Hare International Airport]  
Chicago, Illinois 60666  
312/376.0579 (Telephone)  
312/376.0036 (Fax)

With Copies To: To be determined.

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

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

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



## ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the Schedules and Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is Exhibit C hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term “**material**” for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than 90 days.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the Schedules and Exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

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

18.04 **Further Assurances.** 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, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

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

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

18.10 **Counterpart Facsimile Execution.** For purposes of executing this Agreement, a document signed and transmitted by facsimile machine will be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document will be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supersede the requirements of Article Seventeen: Notices.

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

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

18.13 **Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

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

18.15 **Assignment.** Prior to the issuance by the City to Developer of a Certificate of Completion, 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; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement (excluding any Lender that has been assigned only the right to received City Funds on a collateral basis) will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.16 (Real Estate Provisions) and Section 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's assignment or other transfer of this Agreement at any time in whole or in part.

18.16 **Binding Effect.** This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

18.17 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, acts of terrorism, imposition of martial law, plague or other illness, bank holidays or stock or commodity exchange closures or wire transfer interruptions, civil disorders, rebellions or revolutions, strike, shortage of material, power interruptions or blackouts, fuel shortages or rationing, 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, except to the extent that, the non-performing party is at fault in failing to prevent or causing such default or delay; and provided that such default or delay can not reasonably be circumvented by the non-performing party through the use of alternative sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

18.19 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. (2006 State Bar Edition), as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.20 **Approval.** Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED in making all approvals, consents and determinations of satisfaction, granting the Certificate of Completion or otherwise administering this Agreement for the City.

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

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

18.23 **Survival of Agreements.** All covenants and agreements of the parties contained in this Agreement will survive the Closing Date in accordance with the provisions of this Agreement.

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

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

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

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

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT**

**AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

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

**MGM/TGI 105TH STREET LLC, an Illinois limited liability company**

By:  \_\_\_\_\_  
Printed Name: Patrick Terrell  
Title: Manager

**CITY OF CHICAGO**

By: \_\_\_\_\_  
Printed Name: Andrew Mooney  
Title: Commissioner,  
Department of Housing and Economic Development

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT**

**AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

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

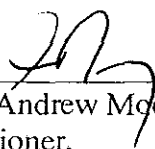
**MGM/TGI 105TH STREET LLC, an Illinois limited liability company**

By: \_\_\_\_\_

Printed Name: Patrick Terrell

Title: Manager

**CITY OF CHICAGO**

By: \_\_\_\_\_ 

Printed Name: Andrew Mooney

Title: Commissioner,

Department of Housing and Economic Development

105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT

AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

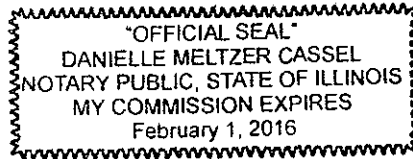
I, Danielle Meltzer Cassel, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Patrick Terrell, personally known to me to be the Manager of MGM/TGI 105th Street LLC, an Illinois limited liability company, (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 19<sup>th</sup> day of JULY, 2012.

Danielle Meltzer Cassel  
Notary Public

My Commission Expires 2/1/2016

(SEAL)





105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

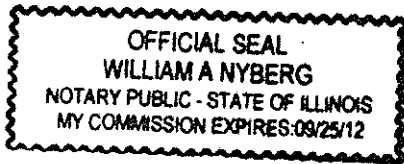
MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT

AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

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

GIVEN under my hand and official seal this 19<sup>th</sup> day of JULY, 2012.



*William A. Nyberg*  
Notary Public

My Commission Expires 09/25/12

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

**SCHEDULE A**

**DEFINITIONS**

For purposes of this Agreement the following terms shall have the meanings stated forth below:

**“105th Street and Vincennes Avenue Redevelopment Project Area Special Tax Allocation Fund”** means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined below) will be initially deposited and then redeposited, together with any ported funds, to the MGM/TGI 105th Street LLC Developer Account.

**“119<sup>th</sup> Street/I-57 Prior Obligations”** means only the following City obligations: (i) for Renaissance Estates, pursuant to Ordinance adopted November 12, 2003; (ii) for NIF, pursuant to Ordinance adopted March 29, 2006; (iii) for Marshfield Plaza, pursuant to Ordinance adopted June 17, 2007; (iv) for the Small Business Improvement Fund, pursuant to Ordinance adopted December 31, 2007; and (v) for Blackwelder Park Improvements, pursuant to Ordinance adopted November 17, 2010.

**“2006 RDA”** has the meaning defined in Article Two-A.

**“Act”** has the meaning defined in Recital B.

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

**“Affiliate(s)”** when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any person or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

**“Affordable Housing Ordinance”** has the meaning defined in Section 3.14.

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

**“AMI”** has the meaning defined in Section 3.14.

**“Annual Compliance Report”** shall mean a signed report from Developer to the City: (a) itemizing each of Developer’s obligations under the Agreement 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 beyond applicable notice and cure periods with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.13); (2) delivery of updated insurance certificates, if applicable (Section 8.11); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.12); (4) delivery of evidence of Developer’s compliance with the green construction requirements of Section 3.15(c); and (5) compliance with all other executory provisions of the RDA.

**“Available Incremental Taxes”** has the meaning defined in Section 4.03(d).

**“Bonds”** has the meaning defined in Section 8.05.

**“Bond Ordinance”** means the City Ordinance authorizing the issuance of Bonds.

**“Bundle”** has the meaning defined in Section 8.24.

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

**“Certificate of Completion”** has the meaning defined in Section 7.01.

**“Change Order”** means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.03, 3.04 and 3.05.

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

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

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

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

**“City Group Member”** has the meaning defined in Section 8.20.

**“City Note”** has the meaning defined in Section 4.03(c).

**“City Requirements”** has the meaning defined in Section 3.07.

**“City Recapture Mortgage”** has the meaning defined in Section 3.14.

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

**“Commissioner”** or **“Commissioner of HED”** means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City’s Department of Housing and Economic Development and any successor City Department.

**“Construction Contract”** means that certain contract substantially in the form of Exhibit G, to be entered into between Developer and the General Contractor (as defined below) providing for construction of, among other things, the TIF-Funded Improvements. The parties to this Agreement may agree that the Construction Contract may be provided after Closing Date.

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

**“Contractors”** has the meaning defined in Section 8.24.

**“Contribution”** has the meaning defined in Section 8.24.

**“Corporation Counsel”** means the City’s Department of Law.

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

**“Dispersed Lots”** has the meaning defined in Recital D.

**“Domestic Partners”** has the meaning defined in Section 8.24.

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

**“Employer(s)”** has the meaning defined in Section 10.01.

**“Environmental Laws”** means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called “Superfund” or “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et

seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

“**Equity**” means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.06 (Cost Overruns).

“**Event of Default**” has the meaning defined in Section 15.01.

“**Excess Profit**” has the meaning defined in Section 4.05(c).

“**Existing Mortgages**” has the meaning defined in Section 16.01.

“**Expansion Ordinance**” has the meaning described in Section 5.16.

“**Financial Statements**” means the financial statements regularly prepared by Developer, if any, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, for business enterprises operating for profit in the United States of America, and also includes financial statements (both audited and unaudited) prepared by a certified public accountant, together with any audit opinion and management letter issued by Developer’s auditor.

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

“**Governmental Charge**” has the meaning defined in Section 8.16(a)(i).

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

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

“**Human Rights Ordinance**” has the meaning defined in Section 10.01(a).

“**Identified Parties**” has the meaning defined in Section 8.24.

“**Incremental Taxes**” means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in

the payment thereof, such fund for the purposes of this Agreement being the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area Special Tax Allocation Fund.

“**Indemnitee**” and “**Indemnites**” have the respective meanings defined in Section 13.01.

“**Infrastructure Construction**” has the meaning defined in Recital D.

“**Labor Department**” has the meaning defined in Section 8.08.

“**Lender**” has the meaning defined in Section 3.08. As of the date hereof, the only Lender is Bridgeview Bank Group.

“**Lender Financing**” means funds borrowed by Developer from lenders, if any, and available to pay for costs of the Project, in the amount stated in Section 4.01.

“**Mayor**” has the meaning defined in Section 8.24.

“**MBE(s)**” has the meaning defined in Section 10.03(b).

“**MBE/WBE Program**” has the meaning defined in Section 10.03(a).

“**Minimum Assessed Value**” has the meaning defined in Section 8.16(c)(i).

“**Minority-Owned Business**” has the meaning defined in Section 10.03(b).

“**MOPD**” has the meaning defined in Section 3.13.

“**Municipal Code**” means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

“**New Mortgage**” has the meaning defined in Section 16.01.

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

“**Other Contract**” has the meaning defined in Section 8.24.

“**Owners**” has the meaning defined in Section 8.24.

“**Park District**” has the meaning defined in Section 3.15.

“**Park Site**” has the meaning defined in Recital D.

“**Pay-As-You-Go TIF Payments**” has the meaning defined in Section 4.03(d).

“**PD1008**” has the meaning defined in Recital E.

**“Permitted Liens”** means those liens and encumbrances against the Property and/or the Project stated in Exhibit I.

**“Permitted Mortgage”** has the meaning defined in Section 16.01.

**“Phase 1 Property”** has the meaning defined in Recital D.

**“Plan Adoption Ordinance”** has the meaning defined in Recital C.

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

**“Political fundraising committee”** has the meaning defined in Section 8.25.

**“Prior Expenditure(s)”** has the meaning defined in Section 4.04.

**“Procurement Program”** has the meaning defined in Section 10.03(a).

**“Project”** has the meaning defined in Recital D.

**“Project Budget”** means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to HED, in accordance with Section 3.03.

**“Property”** has the meaning defined in Recital D.

**“Redevelopment Area”** means the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area as legally described in Exhibit A, and defined in Recital C.

**“Redevelopment Plan”** has the meaning defined in Recital E.

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

**“Requisition Form”** has the meaning defined in Section 4.03(a).

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

**“State”** means the State of Illinois as defined in Recital A.

**“Sub-Owners”** has the meaning defined in Section 8.24.

**“Survey”** means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property meeting the 2011 minimum standard detail requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the

Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, 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 any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

**“Term of the Agreement”** means the period of time commencing on the Closing Date and ending on December 31, 2025 (such date being the last date of the calendar year in which taxes levied in the year that is 23 years after the creation of the Redevelopment Area are paid) or such later date as the Redevelopment Area expires in accordance with the TIF Ordinances.

**“TIF Adoption Ordinance”** has the meaning stated in Recital C.

**“TIF Bonds”** has the meaning defined for such term in Recital F.

**“TIF Bond Ordinance”** has the meaning stated in Recital F.

**“TIF Bond Proceeds”** has the meaning stated in Recital F.

**“TIF District Administration Fee”** has the meaning described in Section 4.05(b).

**“TIF Expansion Study Account”**) has the meaning described in Section 5.16.

**“TIF-Funded Improvements”** means those improvements of the Project listed in Exhibit E, all of which have been determined by the City prior to the date hereof to be qualified Redevelopment Project Costs and costs that are eligible under the Redevelopment Plan for reimbursement by the City out of the City Funds, subject to the terms of this Agreement.

**“TIF Ordinances”** has the meaning stated in Recital C.

**“Title Company”** means that Chicago Title Insurance Company or such other title insurance company agreed to by Developer and the City.

**“Title Policy”** means a title insurance policy in the most recently revised ALTA or equivalent form, showing 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.

**“Under Assessment Complaint”** has the meaning set forth in Section 8.16(c)(iii).

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

**“WBE(s)”** has the meaning defined in Section 10.03(b).

**“Women-Owned Business”** has the meaning defined in Section 10.03(b).



105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

SCHEDULE B

ARTICLE TWELVE: INSURANCE REQUIREMENTS

12.01 **Insurance.** Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (Primary and Umbrella)

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

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

(i) Workers Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (Primary and Umbrella)

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment,

machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup. The City will be named as an additional insured and loss payee.

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(ix) Blanket Crime

Developer must provide Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by dishonesty, robbery, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover

losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time.

(c) Other Insurance Required.

- (i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Project. The City is to be named as an additional insured.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City is to be named as an additional insured.

(d) Other Requirements

- (i) Developer will furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.
- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer.

- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012  
EXHIBIT B-2

Legal Description of the Property

A legal description of the Property is attached to this exhibit cover sheet.

## EXHIBIT B-2

### LEGAL DESCRIPTION OF THE PROPERTY

LOTS 1-9, 11, 13, 15-44, 48-50, 52, 53, 55, 56, 59, 60, 63-69, 71, 72, 75-77, 79, 81-83, 85, 86, 102-105, 107, 114-123 AND OUTLOT A IN THE RENAISSANCE OF BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN	Lot #	PIN	Lot #
25-17-121-001-0000	79	25-17-124-004-0000	19
25-17-121-003-0000	81	25-17-124-005-0000	20
25-17-121-004-0000	82	25-17-124-006-0000	21
25-17-121-005-0000	83	25-17-124-007-0000	22
25-17-121-007-0000	85	25-17-124-008-0000	23
25-17-121-008-0000	86	25-17-124-009-0000	24
25-17-121-010-0000	102	25-17-124-010-0000	25
25-17-121-011-0000	103	25-17-124-011-0000	60
25-17-121-012-0000	104	25-17-124-014-0000	63
25-17-121-013-0000	105	25-17-124-015-0000	64
25-17-121-015-0000	107	25-17-124-016-0000	65
25-17-121-022-0000	114	25-17-124-017-0000	66
25-17-121-023-0000	115	25-17-124-018-0000	67
25-17-121-024-0000	116	25-17-124-019-0000	68
25-17-121-025-0000	117	25-17-124-020-0000	69
25-17-121-026-0000	118	25-17-124-022-0000	71
25-17-121-027-0000	119	25-17-124-023-0000	72
25-17-121-028-0000	120	25-17-124-026-0000	75
25-17-121-029-0000	121	25-17-124-027-0000	76
25-17-121-030-0000	122	25-17-124-028-0000	77
25-17-121-031-0000	123	25-17-125-001-0000	1
25-17-122-001-0000	4	25-17-125-002-0000	2
25-17-122-002-0000	5	25-17-125-003-0000	3
25-17-122-003-0000	6		
25-17-122-004-0000	7		
25-17-122-005-0000	8		
25-17-122-006-0000	9		
25-17-122-008-0000	11		
25-17-122-010-0000	13		
25-17-122-012-0000	15		
25-17-122-013-0000	26		
25-17-122-014-0000	27		
25-17-122-015-0000	28		
25-17-122-016-0000	29		
25-17-122-017-0000	30		
25-17-122-018-0000	31		
25-17-122-019-0000	32		
25-17-122-020-0000	33		
25-17-122-021-0000	34		
25-17-122-022-0000	35		
25-17-122-023-0000	36		
25-17-122-024-0000	37		
25-17-122-025-0000	38		
25-17-122-026-0000	39		
25-17-122-027-0000	40		
25-17-122-028-0000	41		
25-17-122-029-0000	42		
25-17-122-030-0000	43		
25-17-122-031-0000	44		
25-17-122-035-0000	48		
25-17-122-036-0000	49		
25-17-122-037-0000	50		
25-17-122-039-0000	52		
25-17-122-040-0000	53		
25-17-122-042-0000	55		
25-17-122-043-0000	56		
25-17-122-046-0000	59		
25-17-123-001-0000	A		
25-17-124-001-0000	16		
25-17-124-002-0000	17		
25-17-124-003-0000	18		

NOTE: In the event the subdivision plat creating The Renaissance at Beverly Ridge, which plat was recorded December 19, 2007 by the Cook County Recorder of Deeds (the "Recorder") as Document Number 0735303073 (the "Original Subdivision Plat"), is amended or superseded or made subject to any other form of corrective instrument recorded with the Recorder (a "Corrective Instrument"), the Lots referenced in this Exhibit shall thereafter mean each of the corresponding lots created or described pursuant to the Corrective Instrument, and the term "Property" as used in the attached instrument shall mean all of such corresponding lots created or described pursuant to the Corrective Instrument.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-3.5

Boundary of Infrastructure Construction

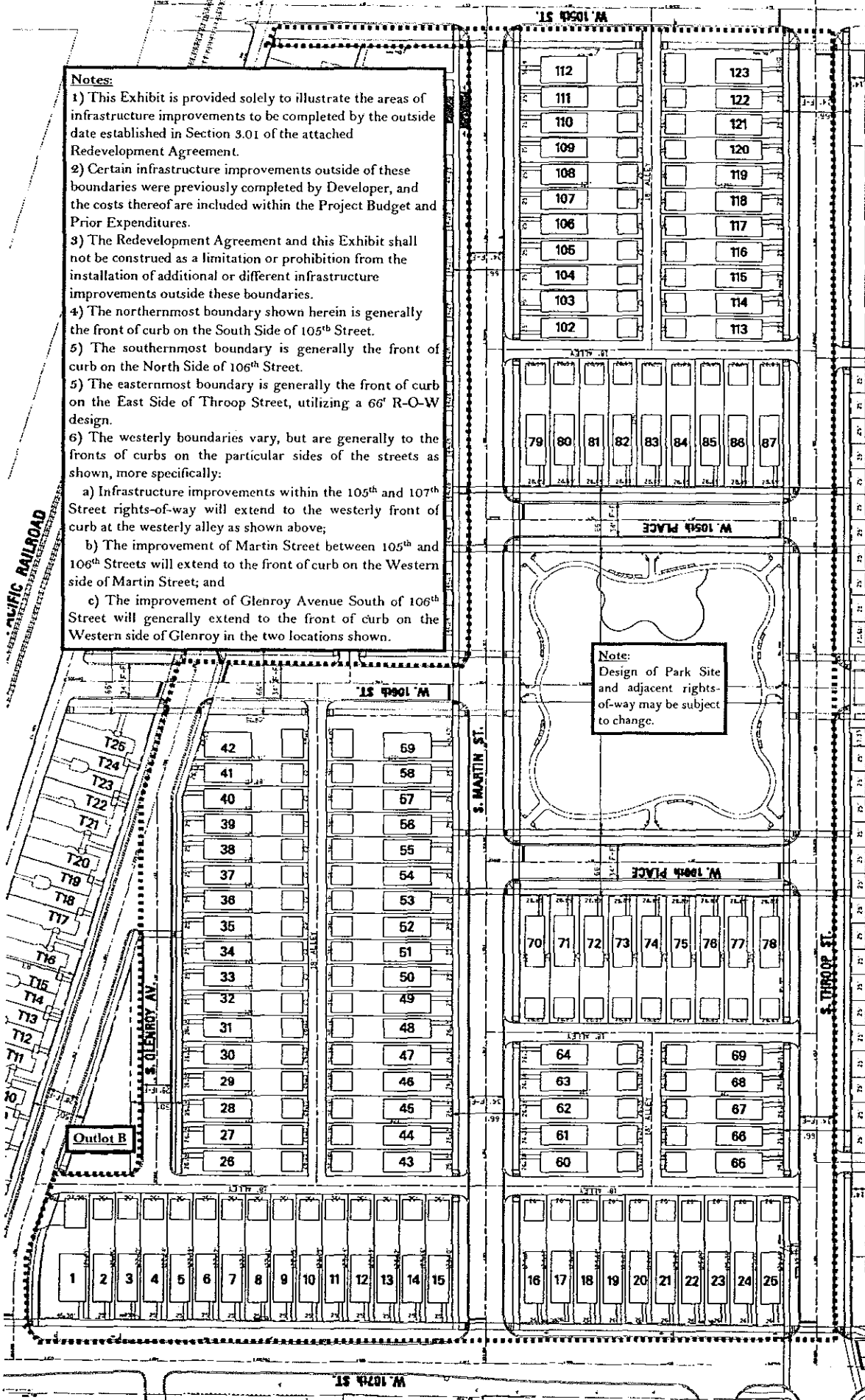
The Boundary of Infrastructure Construction is attached to this exhibit cover sheet



EXHIBIT B- 3.5  
 INFRASTRUCTURE BOUNDARY EXHIBIT

**Notes:**

- 1) This Exhibit is provided solely to illustrate the areas of infrastructure improvements to be completed by the outside date established in Section 3.01 of the attached Redevelopment Agreement.
- 2) Certain infrastructure improvements outside of these boundaries were previously completed by Developer, and the costs thereof are included within the Project Budget and Prior Expenditures.
- 3) The Redevelopment Agreement and this Exhibit shall not be construed as a limitation or prohibition from the installation of additional or different infrastructure improvements outside these boundaries.
- 4) The northernmost boundary shown herein is generally the front of curb on the South Side of 105<sup>th</sup> Street.
- 5) The southernmost boundary is generally the front of curb on the North Side of 106<sup>th</sup> Street.
- 5) The easternmost boundary is generally the front of curb on the East Side of Throop Street, utilizing a 66' R-O-W design.
- 6) The westerly boundaries vary, but are generally to the fronts of curbs on the particular sides of the streets as shown, more specifically:
  - a) Infrastructure improvements within the 105<sup>th</sup> and 107<sup>th</sup> Street rights-of-way will extend to the westerly front of curb at the westerly alley as shown above;
  - b) The improvement of Martin Street between 105<sup>th</sup> and 106<sup>th</sup> Streets will extend to the front of curb on the Western side of Martin Street; and
  - c) The improvement of Glenroy Avenue South of 106<sup>th</sup> Street will generally extend to the front of curb on the Western side of Glenroy in the two locations shown.



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**  
Amended and Restated Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-4


SITE PLAN FOR THE PROJECT

A site plan for the Project is attached to this exhibit cover sheet


This site reflects 83 Developer owned lots and the Park Site, for 84 lots in total.

**EXHIBIT B-4  
SITE PLAN**


**Legend**


 105th/Vincennes TIF


 Phase I

 Phase II

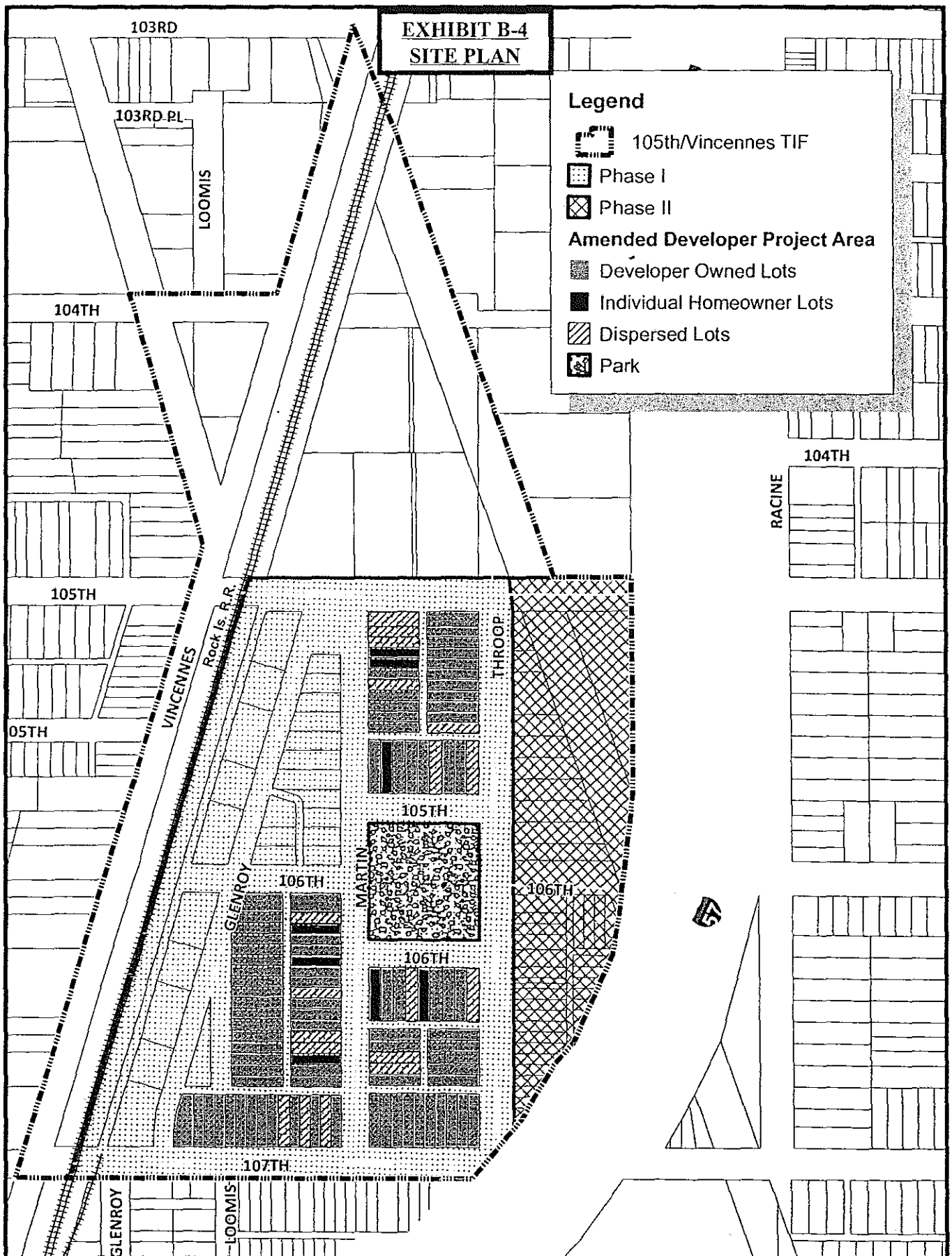
**Amended Developer Project Area**

 Developer Owned Lots

 Individual Homeowner Lots

 Dispersed Lots

 Park



105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-1

PROJECT BUDGET

	<b>TOTAL</b>
Land Acquisition	\$ 7,748,469
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$ 10,155,433
Hard costs in connection with the construction of residential units (foundation to finishes)	\$ 22,640,720
Soft Costs (professional fees, surveys, marketing, etc.)	\$ 6,321,598
<u>Financing &amp; Interest Expense</u>	<u>\$ 2,750,000</u>
<b><u>TOTAL</u></b>	<b><u>\$ 49,616,220</u></b>

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-2

**CONSTRUCTION (MBE/WBE) BUDGET**

	<b>TOTAL*</b>	<b>MBE 24%</b>	<b>WBE 4%</b>
Land Acquisition	n/a	n/a	n/a
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$10,155,433	\$2,437,304	\$406,217
Hard costs in connection with the construction of residential units (foundation to finishes)	\$22,640,720	\$5,433,773	\$905,629
Soft Costs (professional fees, surveys, marketing, etc.)	\$5,775,598	\$1,386,144	\$231,024
Financing & Interest Expense	n/a	n/a	n/a
<b><u>TOTAL</u></b>	<b><u>\$38,571,751</u></b>	<b><u>\$9,257,221</u></b>	<b><u>\$1,542,870</u></b>

---

\*Total Costs subject to MBE/WBE Requirements  
Actual MBE/WBE expenditures may vary among budgeted line items. However, the Total  
Actual MBE/WBE expenditures will equal or exceed the Total MBE/WBE budget.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

A legal description of the Redevelopment Area is attached to this exhibit cover sheet.



The boundaries of the Project Area are legally described as follows:

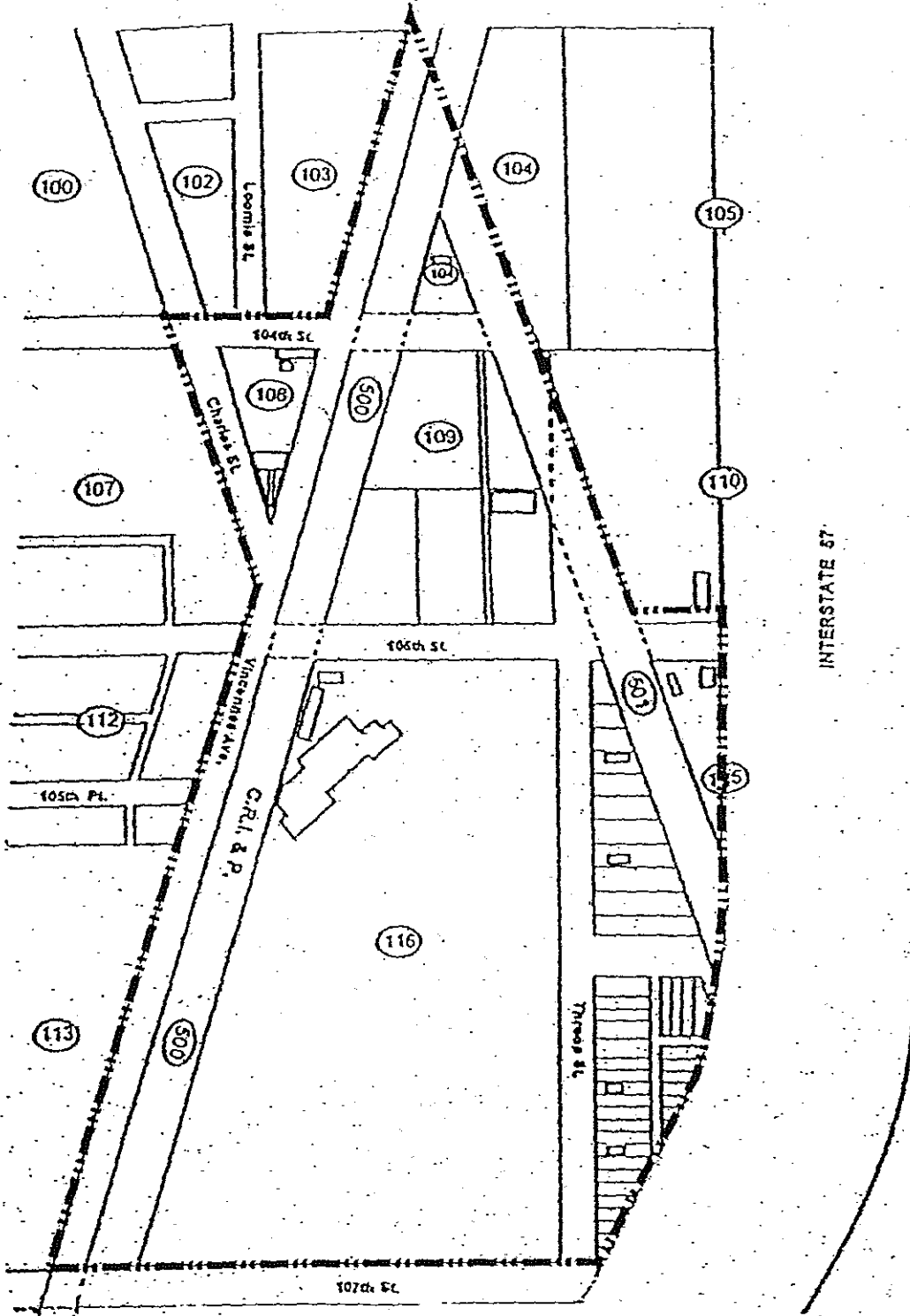
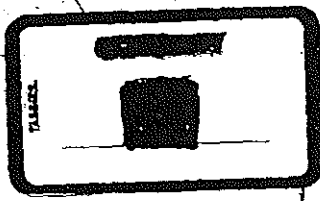
THAT PART OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN TAKEN AS A TRACT AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF CHARLES STREET; THENCE NORTHWESTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 104TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF THE FORMER PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILROAD; THENCE SOUTHEASTERLY ON THE LAST DESCRIBED LINE TO THE NORTH RIGHT-OF-WAY LINE OF 105TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 57 EXPRESSWAY; THENCE SOUTHERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET; THENCE WESTERLY ON THE LAST DESCRIBED LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.



### Street Boundaries of the Area

The Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107<sup>th</sup> Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104<sup>th</sup> Street.





INTERSTATE 57

--- Project Area Boundary



Project Area Boundary

7th Street & Vincennes Avenue

Chicago, IL

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-1

**LEGAL DESCRIPTION OF THE PHASE 1 PROPERTY**

A legal description of the Phase 1 Property is attached to this exhibit cover sheet.

**EXHIBIT B-1**  
**LEGAL DESCRIPTION OF THE PHASE 1 PROPERTY**

LOTS 1 THROUGH 133, INCLUSIVE, OUTLOT A AND OUTLOT B IN THE RENAISSANCE AT BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF RESUBDIVISION THEREOF, RECORDED DECEMBER 19, 2007, AS DOCUMENT 0735303073, IN COOK COUNTY, ILLINOIS

PINS:

25-17-116-003-0000 through 25-17-116-007-0000, inclusive  
25-17-119-001-0000 through 25-17-119-005-0000, inclusive  
25-17-120-001-0000 through 25-17-120-014-0000, inclusive  
25-17-121-001-0000 through 25-17-121-031-0000, inclusive  
25-17-122-001-0000 through 25-17-122-046-0000, inclusive  
25-17-123-001-0000  
25-17-124-001-0000 through 25-17-124-129-0000, inclusive  
25-17-125-001-0000 through 25-17-125-004-0000, inclusive

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012  
EXHIBIT B-2

Legal Description of the Property

A legal description of the Property is attached to this exhibit cover sheet.

## EXHIBIT B-2

### LEGAL DESCRIPTION OF THE PROPERTY

LOTS 1-9, 11, 13, 15-44, 48-50, 52, 53, 55, 56, 59, 60, 63-69, 71, 72, 75-77, 79, 81-83, 85, 86, 102-105, 107, 114-123 AND OUTLOT A IN THE RENAISSANCE OF BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN	Lot #	PIN	Lot #
25-17-121-001-0000	79	25-17-124-004-0000	19
25-17-121-003-0000	81	25-17-124-005-0000	20
25-17-121-004-0000	82	25-17-124-006-0000	21
25-17-121-005-0000	83	25-17-124-007-0000	22
25-17-121-007-0000	85	25-17-124-008-0000	23
25-17-121-008-0000	86	25-17-124-009-0000	24
25-17-121-010-0000	102	25-17-124-010-0000	25
25-17-121-011-0000	103	25-17-124-011-0000	60
25-17-121-012-0000	104	25-17-124-014-0000	63
25-17-121-013-0000	105	25-17-124-015-0000	64
25-17-121-015-0000	107	25-17-124-016-0000	65
25-17-121-022-0000	114	25-17-124-017-0000	66
25-17-121-023-0000	115	25-17-124-018-0000	67
25-17-121-024-0000	116	25-17-124-019-0000	68
25-17-121-025-0000	117	25-17-124-020-0000	69
25-17-121-026-0000	118	25-17-124-022-0000	71
25-17-121-027-0000	119	25-17-124-023-0000	72
25-17-121-028-0000	120	25-17-124-026-0000	75
25-17-121-029-0000	121	25-17-124-027-0000	76
25-17-121-030-0000	122	25-17-124-028-0000	77
25-17-121-031-0000	123	25-17-125-001-0000	1
25-17-122-001-0000	4	25-17-125-002-0000	2
25-17-122-002-0000	5	25-17-125-003-0000	3
25-17-122-003-0000	6		
25-17-122-004-0000	7		
25-17-122-005-0000	8		
25-17-122-006-0000	9		
25-17-122-008-0000	11		
25-17-122-010-0000	13		
25-17-122-012-0000	15		
25-17-122-013-0000	26		
25-17-122-014-0000	27		
25-17-122-015-0000	28		
25-17-122-016-0000	29		
25-17-122-017-0000	30		
25-17-122-018-0000	31		
25-17-122-019-0000	32		
25-17-122-020-0000	33		
25-17-122-021-0000	34		
25-17-122-022-0000	35		
25-17-122-023-0000	36		
25-17-122-024-0000	37		
25-17-122-025-0000	38		
25-17-122-026-0000	39		
25-17-122-027-0000	40		
25-17-122-028-0000	41		
25-17-122-029-0000	42		
25-17-122-030-0000	43		
25-17-122-031-0000	44		
25-17-122-035-0000	48		
25-17-122-036-0000	49		
25-17-122-037-0000	50		
25-17-122-039-0000	52		
25-17-122-040-0000	53		
25-17-122-042-0000	55		
25-17-122-043-0000	56		
25-17-122-046-0000	59		
25-17-123-001-0000	A		
25-17-124-001-0000	16		
25-17-124-002-0000	17		
25-17-124-003-0000	18		

**NOTE:** In the event the subdivision plat creating The Renaissance at Beverly Ridge, which plat was recorded December 19, 2007 by the Cook County Recorder of Deeds (the "Recorder") as Document Number 0735303073 (the "Original Subdivision Plat"), is amended or superseded or made subject to any other form of corrective instrument recorded with the Recorder (a "Corrective Instrument"), the Lots referenced in this Exhibit shall thereafter mean each of the corresponding lots created or described pursuant to the Corrective Instrument, and the term "Property" as used in the attached instrument shall mean all of such corresponding lots created or described pursuant to the Corrective Instrument.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012  
EXHIBIT B-3

Legal Description of the Dispersed Lots

A legal description of the Dispersed Lots is attached to this exhibit cover sheet.

**EXHIBIT B-3**  
**LEGAL DESCRIPTION OF THE DISPERSED LOTS**

LOTS 10, 12, 14, 46, 47, 51, 58, 61, 62, 73, 78, 84, 87, 106 AND 110-113 IN THE RENAISSANCE OF BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

<b>PIN</b>	<b>Lot #</b>
25-17-121-006-0000	84
25-17-121-009-0000	87
25-17-121-014-0000	106
25-17-121-018-0000	110
25-17-121-019-0000	111
25-17-121-020-0000	112
25-17-121-021-0000	113
25-17-122-007-0000	10
25-17-122-009-0000	12
25-17-122-011-0000	14
25-17-122-033-0000	46
25-17-122-034-0000	47
25-17-122-038-0000	51
25-17-122-045-0000	58
25-17-124-012-0000	61
25-17-124-013-0000	62
25-17-124-024-0000	73
25-17-124-029-0000	78

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-3.5

Boundary of Infrastructure Construction

The Boundary of Infrastructure Construction is attached to this exhibit cover sheet

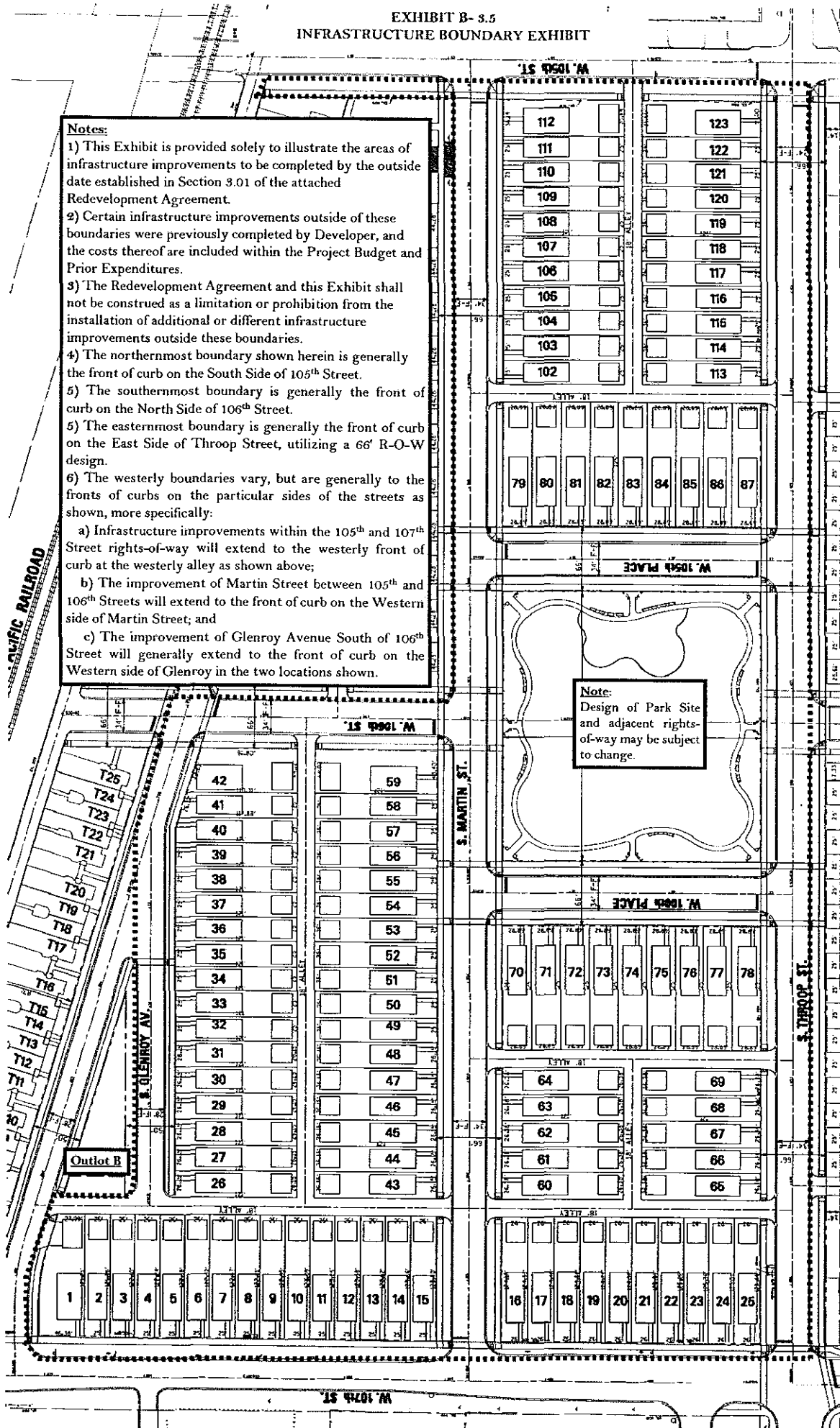


EXHIBIT B- 3.5  
 INFRASTRUCTURE BOUNDARY EXHIBIT

**Notes:**

- 1) This Exhibit is provided solely to illustrate the areas of infrastructure improvements to be completed by the outside date established in Section 3.01 of the attached Redevelopment Agreement.
- 2) Certain infrastructure improvements outside of these boundaries were previously completed by Developer, and the costs thereof are included within the Project Budget and Prior Expenditures.
- 3) The Redevelopment Agreement and this Exhibit shall not be construed as a limitation or prohibition from the installation of additional or different infrastructure improvements outside these boundaries.
- 4) The northernmost boundary shown herein is generally the front of curb on the South Side of 105<sup>th</sup> Street.
- 5) The southernmost boundary is generally the front of curb on the North Side of 106<sup>th</sup> Street.
- 5) The easternmost boundary is generally the front of curb on the East Side of Throop Street, utilizing a 66' R-O-W design.
- 6) The westerly boundaries vary, but are generally to the fronts of curbs on the particular sides of the streets as shown, more specifically:
  - a) Infrastructure improvements within the 105<sup>th</sup> and 107<sup>th</sup> Street rights-of-way will extend to the westerly front of curb at the westerly alley as shown above;
  - b) The improvement of Martin Street between 105<sup>th</sup> and 106<sup>th</sup> Streets will extend to the front of curb on the Western side of Martin Street; and
  - c) The improvement of Glenroy Avenue South of 106<sup>th</sup> Street will generally extend to the front of curb on the Western side of Glenroy in the two locations shown.

**Note:**  
 Design of Park Site and adjacent rights-of-way may be subject to change.



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-4

SITE PLAN FOR THE PROJECT

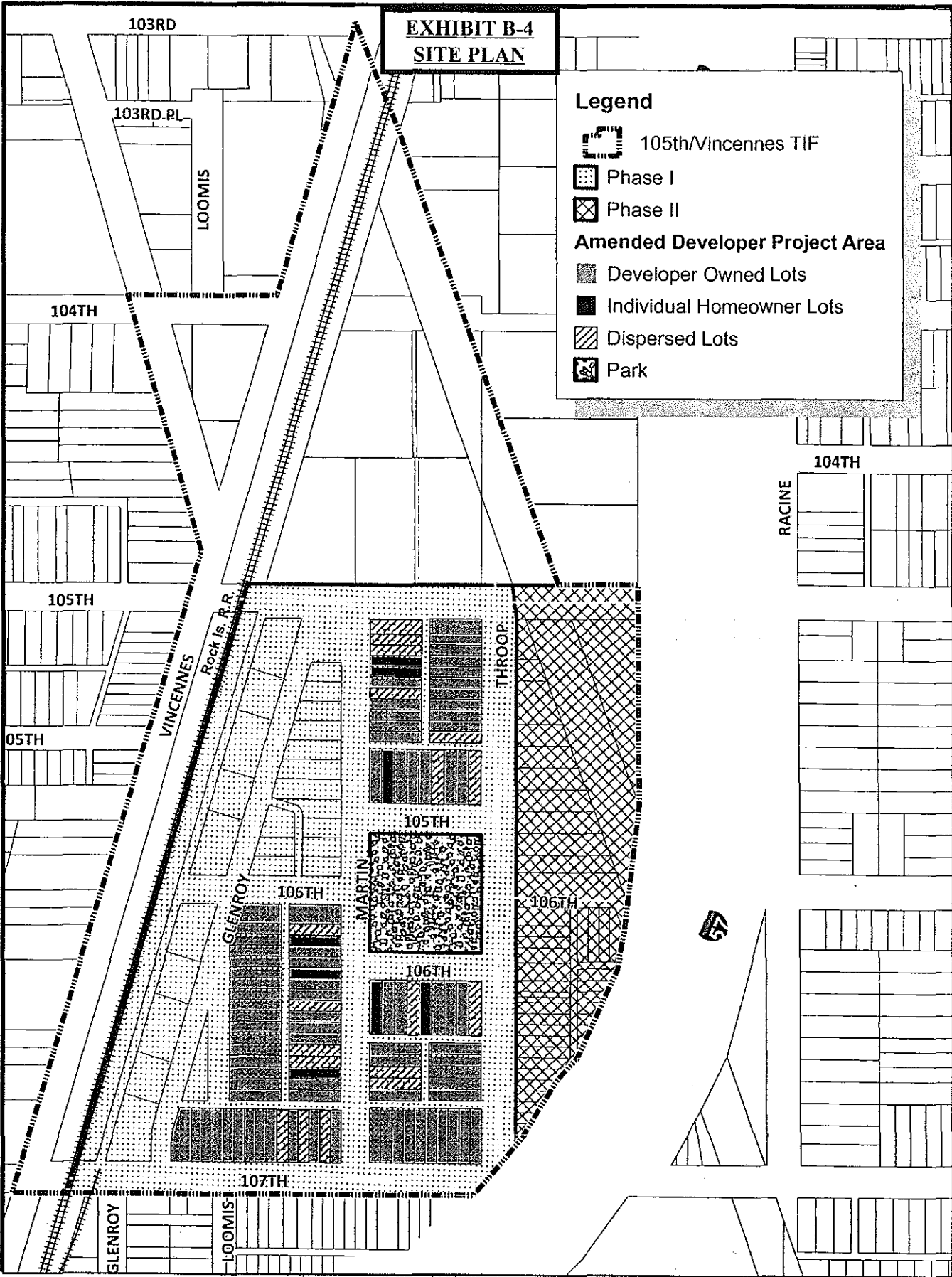
A site plan for the Project is attached to this exhibit cover sheet

This site reflects 83 Developer owned lots and the Park Site, for 84 lots in total.

**EXHIBIT B-4  
SITE PLAN**

**Legend**

-  105th/Vincennes TIF
-  Phase I
-  Phase II
- Amended Developer Project Area**
-  Developer Owned Lots
-  Individual Homeowner Lots
-  Dispersed Lots
-  Park



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-5

**AFFORDABLE SALES PRICES**

A Schedule of Affordable Sales Prices is attached to this exhibit cover sheet.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of \_\_\_\_\_, 2012

EXHIBIT B-5

**AFFORDABLE SALES PRICES**

<b>Model</b>	<b>Units</b>	<b>S.F.</b>	<b>Estimated Price/S.F.</b>	<b>Estimated Price</b>	<b>Total Revenue</b>
Single Family (3 BR, 1.5 BA)	10	1,444	\$138.50	\$199,990	\$1,999,900
Single Family (3 BR, 1.5 BA)	12	1,250	\$140.19	\$179,990	\$2,159,880
<b>Total/Average</b>	<b>22</b>	<b>1,338</b>	<b>\$139.42</b>	<b>\$189,081</b>	<b>\$4,159,780</b>

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-6

PLANNED DEVELOPMENT 1008

A copy of Planned Development 1008 is attached to this exhibit cover sheet.



DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

CITY OF CHICAGO

March 21, 2012

Danielle Meltzer Cassel  
Vedder Price P.C.  
222 North LaSalle Street, Suite 2600  
Chicago, Illinois 60601

**Re: One-year sunset extension for Residential Planned Development No. 1008  
West 105<sup>th</sup> Street, South Vincennes Avenue, West 107<sup>th</sup> Street**

Dear Ms. Cassel:

Please be advised that your request for a one-year sunset extension to the six-year construction period for Residential Planned Development No. 1008 has been considered by the Department of Housing and Economic Development pursuant to Section 17-13-0612-B of the Chicago Zoning Ordinance and Statement No. 14 of the Planned Development (PD).

Residential Planned Development No. 1008 was passed by the Chicago City Council on February 8, 2006. Statement No. 14 of the Planned Development contains the sunset provisions, which requires commencement of substantial construction of the improvements within six years of the effective date of the ordinance. As a result of economic conditions, the owner and developer of the site, is requesting a one-year extension of the sunset provisions.

Accordingly, pursuant to the authority granted by the Chicago Zoning Ordinance and Residential Planned Development No. 1008, I hereby approve a one-year sunset extension from February 8, 2012 to February 8, 2013.

Your letter also seeks clarification on what needs to be satisfied in order to avoid expiration on February 8, 2013. Each Planned Development is uniquely established for an individual site and can vary greatly in size, scale and complexity. While a specific value is not assigned to the term 'substantial compliance' in the ordinance, the Department has to balance a number of factors in determining whether the planned development will ever be completed.

These factors include, but are not limited to: whether the planned development will ever be realized as envisioned if it has not been diligently pursued to completion within the six-year timeframe under Section 17-13-0612; whether or not a neighborhood would be better served by re-establishing as-of-right zoning and allowing smaller developments to take hold; and whether or not rezoning would create too many non-conforming structures. The Department has concluded that constructing the infrastructure and building only 15% of the dwelling units does not meet the clause "diligently pursued to completion" under Section 17-13-0612. We encourage the property owners to continue their efforts in developing this site.

Sincerely,

Patricia A. Scudiero  
Zoning Administrator

PAS:HG:tm

2/8/2006

REPORTS OF COMMITTEES

15074  
70479

*Reclassification Of Area Shown On Map Number 26-G.  
(As Amended)*

(Application Number 15074) *EPD 1008*

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the current M2-3 Light Industry District symbols and M1-1 Limited Manufacturing/Business Park District symbols and indications as shown on Map Number 26-G in the area bounded by:

West 105<sup>th</sup> Street; South Throop Street; West 107<sup>th</sup> Street; and the eastern boundary line of the Chicago Rock Island and Pacific Railroad right-of-way,

to those of the RS3 Residential Single-Unit District.

SECTION 2. That the Chicago Zoning Ordinance be amended by changing the current RS3 Residential Single-Unit District symbols and indications as shown on Map Number 26-G in the area bounded by:

West 105<sup>th</sup> Street; South Throop Street, West 107<sup>th</sup> Street; and the eastern boundary line of the Chicago Rock Island and Pacific Railroad right-of-way,

to those of a Residential Planned Development which is hereby established in the area described above, subject to such use and bulk regulations as are set forth in the Plan of Development Statements and Bulk Regulations and Data Table attached hereto and to no others.

SECTION 3. This ordinance shall be in force and effect from and after its passage and due publication.

Plan of Development Statements referred to in this ordinance read as follows:

*Residential Planned Development Number 1008.*

*Plan Of Development Statements.*

1. The area delineated herein as Residential-Institutional Planned Development Number 1008 (the "Planned Development") consists of approximately six hundred thirty-four thousand ninety-eight (634,098) net square feet (approximately fourteen and fifty-three hundredths (14.53) acres) of property located in the area generally bounded on the north by



West 105<sup>th</sup> Street; on the east by South Throop Street; on the south by West 107<sup>th</sup> Street; and on the west by the eastern boundary line of the Chicago Rock Island and Pacific Railroad right-of-way (the "Property"). For purposes of this Planned Development, the Property is controlled by the applicant, MGM/TGI 105<sup>th</sup> Street L.L.C., an Illinois limited liability company.

2. All applicable official reviews, approvals or permits are required to be obtained by the applicant. Any dedication or vacation of streets, alleys or easements or any adjustment of rights-of-way shall require a separate submittal on behalf of the applicant, its successors, assignees or grantees and approval by the City Council.
3. The requirements, obligations and conditions contained within this Planned Development shall be binding upon the applicant, its successors and assigns and, if different than the applicant, the legal titleholders and any ground lessors and their respective successors and assigns. All rights granted hereunder to the applicant shall inure to the benefit of its successors and assigns and, if different than the applicant, the legal titleholder and any ground lessors and their respective successors and assigns. Furthermore, pursuant to the requirements of Section 17-8-0400 of the Chicago Zoning Ordinance, the Property, at the time applications for amendments, modifications or changes (administrative, legislative or otherwise) to this Planned Development are made, shall be under single ownership or under single designated control. Single designated control for purposes of this statement shall mean that any application to the City for any amendment to this Planned Development or any other modification or change thereto (administrative, legislative or otherwise) shall be made or authorized by all the owners of the Property and any ground lessors of the Property. For purposes of this Planned Development, where portions of the improvements located on the Property have been submitted to the Illinois Condominium Property Act, the term "owner" shall be deemed to refer solely to the condominium association of the owners of such portions of the improvements and not to the individual unit owners therein. In addition, where portions of the improvements located on the Property are owned by different persons, the term "owners" shall mean all of the owners (including any condominium association(s) with respect to any portions of the Property that consist of condominiums and all legal titleholders to any portions of the Property and any and all ground lessors of any portions of the Property). Nothing herein shall prohibit or in any way restrict the alienation, sale or any other transfer of all or any portion of the Property or any rights, interests or obligations therein. Upon any alienation, sale or any other transfer of all or any portion of the Property or the rights therein (other than an assignment or transfer of rights pursuant to a mortgage or otherwise as collateral for any indebtedness) and solely with respect to the portion of the Property so transferred, the term applicant shall be deemed amended to apply to the transferee thereof (and its

beneficiaries if such transferee is a land trust) and the seller or transferor thereof (and its beneficiaries if such seller or transferor is a land trust) shall thereafter be released from any and all obligations or liability hereunder with respect to the portion of the Property so transferred.

4. This plan of development consists of these fourteen (14) statements; a Bulk Regulations and Data Table; the following documents prepared by Johnson and Lee dated December 15, 2005 (collectively, the "Johnson Plans"): an Existing Zoning Map; a Property Line and Right-of-Way Adjustment Map; an Existing Land-Use Map; a Site and Landscape Plan; and the following documents prepared by the Shalvis Group dated December 15, 2005 (collectively, the "Shalvis Plans"): Building Elevations (the Johnson Plans and the Shalvis Plans are collectively referred to herein as the "Plans"). Full-sized copies of the Site and Landscape Plan and Building Elevations are on file with the Department of Planning and Development (the "Department"). These and no other zoning controls shall apply to the Property. This Planned Development conforms to the intent and purpose of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, and all requirements thereof, and satisfies the established criteria for approval as a Planned Development.
5. The following uses of the Property shall be permitted: dwelling units, accessory parking; recreational uses; open space; and accessory uses.
6. Identification signs shall be permitted upon the Property provided that such signs are compatible with the character of development authorized by this Planned Development and with the character of the area in which it is located. Temporary signs such as construction and marketing signs and temporary business identification signs shall be permitted within the Planned Development subject to the review and approval of the Department.
7. Service drives or other means of ingress or egress, including for emergency vehicles, shall be adequately designed and paved in accordance with the Municipal Code and the regulations of the Department of Transportation in effect at the time of construction. There shall be no parking within such paved areas or fire lanes. Ingress and egress shall be subject to the review and approval of the Departments of Transportation and Planning and Development. All work proposed in the public way must be designed and constructed in accordance with the Chicago Department of Transportation Construction Standards for Work in the Public Way and in accordance with Municipal Code of the City of Chicago. Off-street parking and loading facilities shall be provided in compliance with this Planned Development. A minimum of two percent (2%) of all parking spaces provided pursuant to this Planned Development shall be designated and designed for parking for the handicapped.

8. Height restrictions of any building or any appurtenance thereto, in addition to the Bulk Regulations and Data Table, shall be subject to height limitations as approved by the Federal Aviation Administration.
9. For purposes of floor area ratio ("F.A.R.") calculations, the definitions in the Chicago Zoning Ordinance in effect as of the date hereof shall apply.
10. The improvements on the Property shall be designed, constructed and maintained in substantial conformance with the exhibits described in Statement 4 of this Planned Development and shall not require site plan approval. The Building Elevations are illustrative and the applicant shall have the right to modify, substitute or add to the Building Elevations so long as the same are generally consistent with the nature and design of the improvements contemplated by this Planned Development and, subject to Statement Number 11 of this Planned Development, in such event no additional approvals (whether administrative, legislative or otherwise) shall be required. The park area shown on the Site and Landscape Plan shall be dedicated to the Chicago Park District at such time as applicant or its successors, assignees or grantees shall have acquired marketable title to the Property (or applicable portion thereof) and undertaken redevelopment thereof as provided herein. Applicant shall have no obligation to landscape or maintain the same.
11. (a) The requirements of the Planned Development may be modified administratively by the Commissioner of the Department upon application and a determination by the Commissioner of the Department that such modification is minor, appropriate and consistent with the nature of the improvements contemplated by this Planned Development and the purposes underlying the provisions hereof. Any such modification of the requirements of the Planned Development by the Commissioner of the Department shall be deemed to be a minor change in the Planned Development as contemplated by Section 17-13-0611 of the Chicago Zoning Ordinance. Notwithstanding the provisions of Section 17-13-0611 of the Chicago Zoning Ordinance, such minor changes may include a reduction in the minimum required distance between structures, a reduction in periphery setbacks and an increase of the maximum percent of land covered and modifications, substitutions or deletions relating to Building Elevations.  
  
(b) The Department acknowledges that the design, size and layout of the park and rights-of-way shown on the Plans may be modified prior to Part II Approval.
12. The Applicant acknowledges that it is in the public interest to design, construct and maintain all buildings in a manner, which promotes and maximizes the conservation of natural resources. The applicant shall use

commercially reasonable efforts to design, construct and maintain all buildings located within the Property in a manner generally consistent with the Leadership in Energy and Environmental Design ("L.E.E.D.") Green Building Rating provided, however, nothing set forth in this Planned Development shall be construed to require applicant to obtain L.E.E.D. certification for any of the improvements on the Property.

In the event a portion of the improvements in the Planned Development include affordable dwelling units, such affordable units will adhere to the Green Criteria that have been adopted by the Department of Housing as of the date of approval of this Planned Development; provided, however, nothing in this Planned Development requires applicant to provide affordable dwelling units. In the event a portion of any affordable dwelling units provided on the Property include townhouse units, such townhouse units will adhere to the Department of Housing requirements with respect to (i) the number of affordable townhouse units; and (ii) Green Criteria, as have been adopted by the Department of Housing as of the date of approval of this Planned Development. If no affordable dwelling units are provided, applicant will adhere to the Green Criteria that have been adopted by the Department as of the date of approval of this Planned Development.

13. The applicant acknowledges that it is in the public interest to design, construct and maintain the project in a manner which promotes, enables and maximizes universal access throughout the Property. Plans for all new buildings and improvements on the Property shall be reviewed and approved by the Mayor's Office for People with Disabilities ("M.O.P.D.") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility. No approvals shall be granted pursuant to Section 17-13-0610 of the Chicago Zoning Ordinance until the Director of M.O.P.D. has approved detailed construction drawings for each new building or improvement.
14. Unless substantial construction of the improvements contemplated by this Planned Development has commenced within six (6) years following adoption of this Planned Development, and unless completion of such improvements is pursued thereafter, then this Planned Development shall expire. If this Planned Development expires under the provisions of this section, then the zoning of the Property shall automatically revert to the pre-existing classification of an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District. Said six (6) year period may be extended for up to one (1) additional year if, before expiration, the Commissioner of the Department determines that good cause for such an extension is shown.

[Location Map; Plan Development Boundary and Property Line Map; Existing Land-Use Map; Property Line and Right-of-Way Adjustment Map; Site Plan; Landscape Plan; and Building Elevations referred to in these Plan of Development Statements printed on pages 70485 through 70500 of this *Journal*.]

Bulk Regulations and Data Table referred to in these Plan of Development Statements reads as follows:

*Residential Planned Development Number 1008*

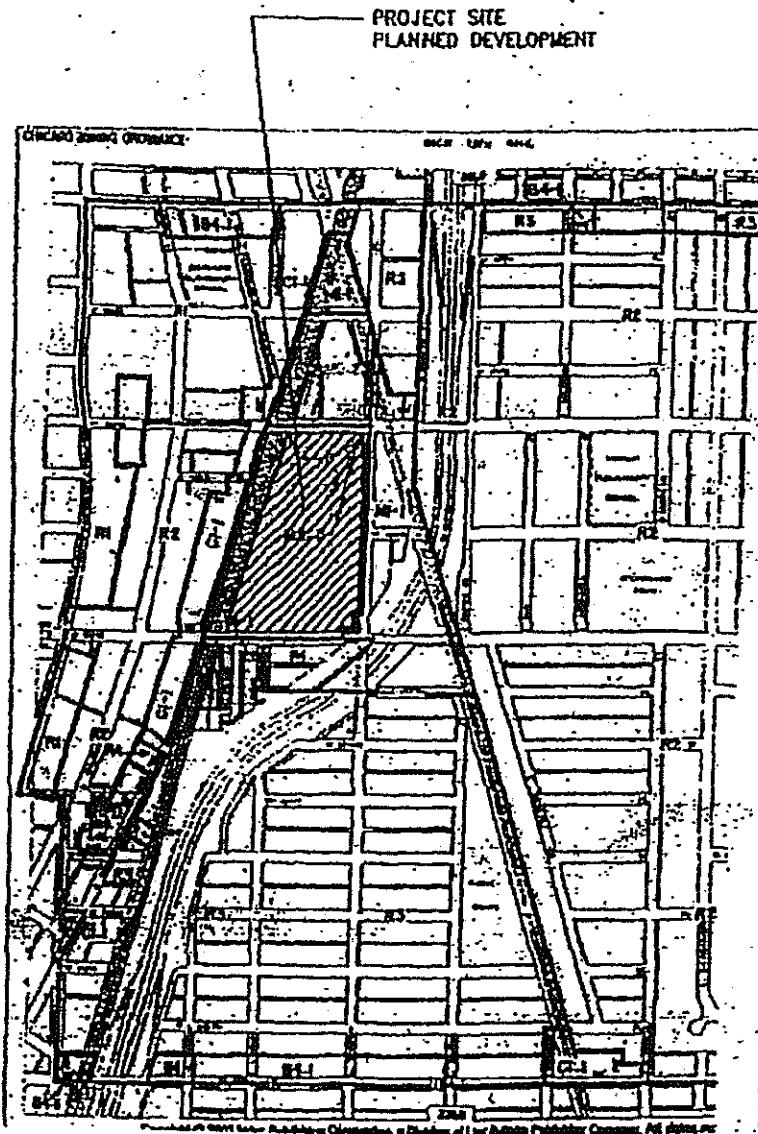
*Plan Of Development.*

*Bulk Regulations And Data Table.*

Gross Site Area (1,043,706 square feet) (23.91 acres) = Net Site Area (634,098 square feet)(14.53 acres) + Area Remaining in Public Right-of-Way (409,608 square feet)(9.38 acres)

Net Site Area:	634,098 square feet (14.53 acres)
Maximum Floor Area Ratio (F.A.R.):	.90
Minimum Building Setbacks:	15 feet
Maximum Number of Dwelling Units:	172
Maximum Site Coverage:	In accordance with the Site Plan
Minimum Number of Parking Spaces:	172
Minimum Number of Loading Berths:	0
Maximum Building Height:	35 feet

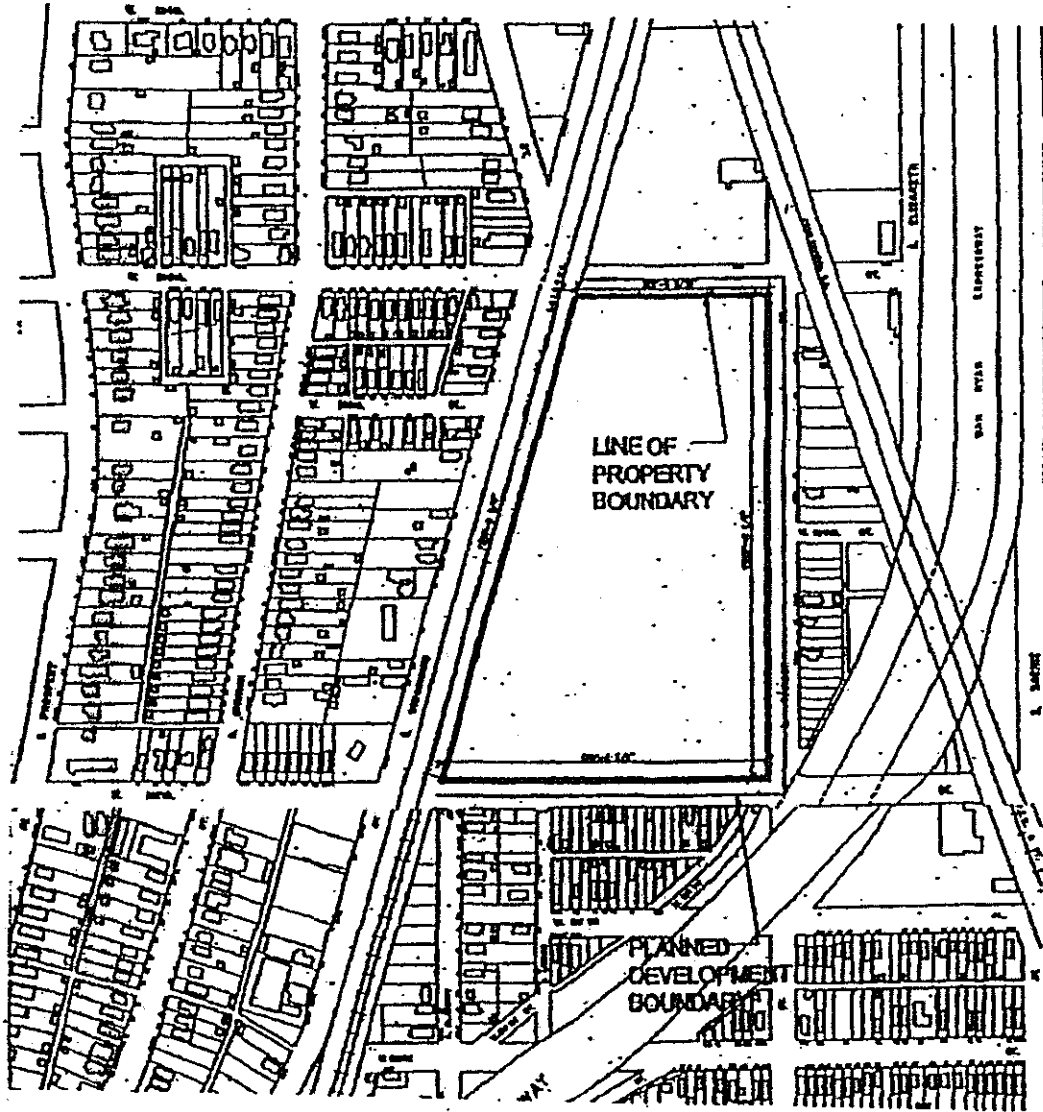
Location Map.



LOCATION MAP  
EXISTING ZONE



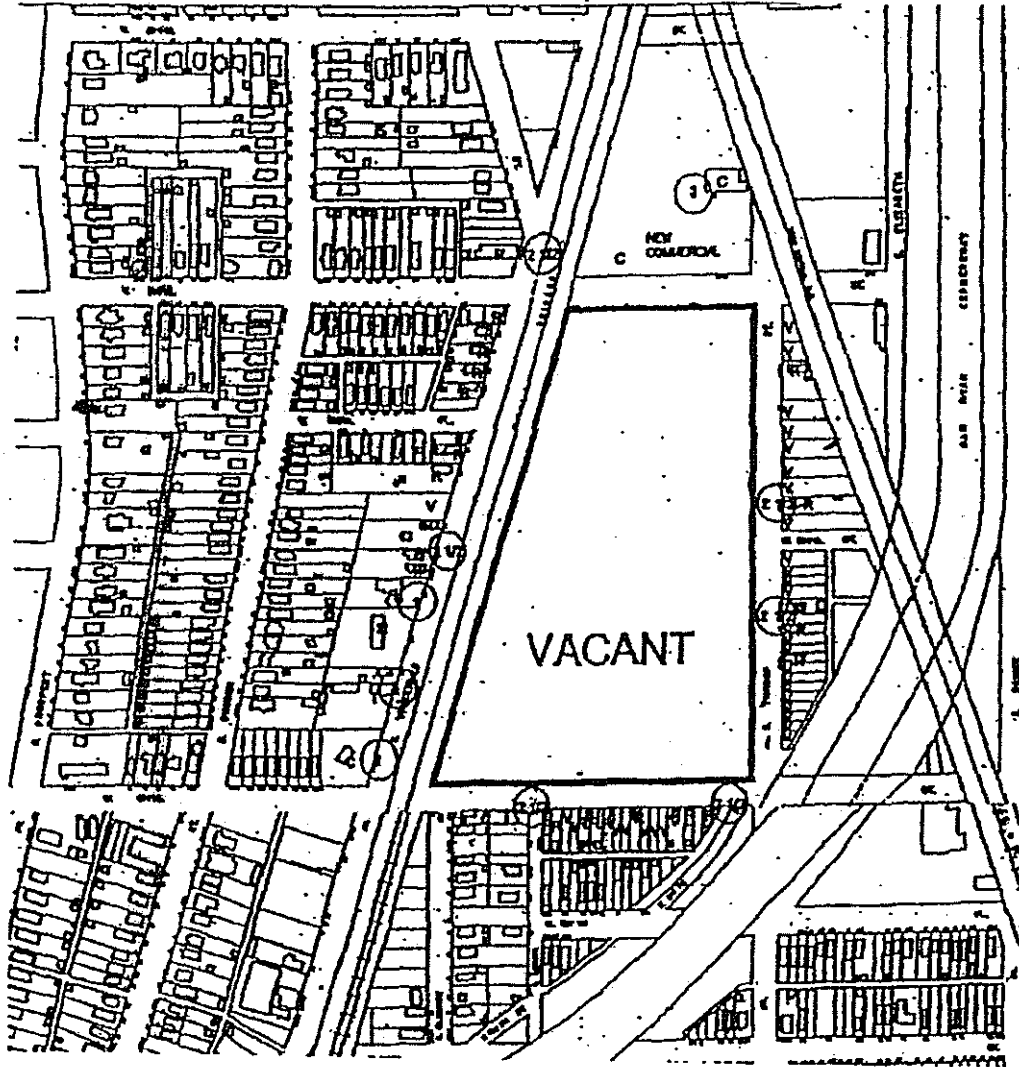
Plan Development Boundary And Property Line Map.



PLAN DEVELOPMENT BOUNDARY  
AND PROPERTY LINE MAP



Existing Land-Use Map.



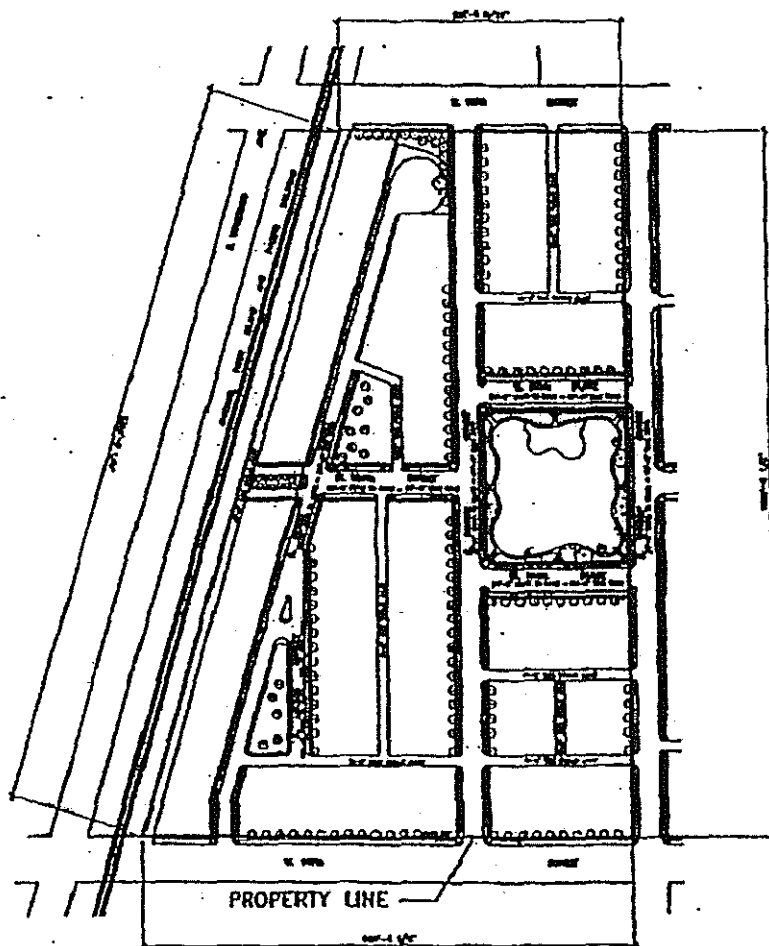
RESIDENTIAL	R
COMMERCIAL	C
VACANT	V
INSTITUTIONAL	I
NO. OF STORIES	X

EXISTING LAND USE MAP





Property Line And Right-Of-Way Adjustment Map.

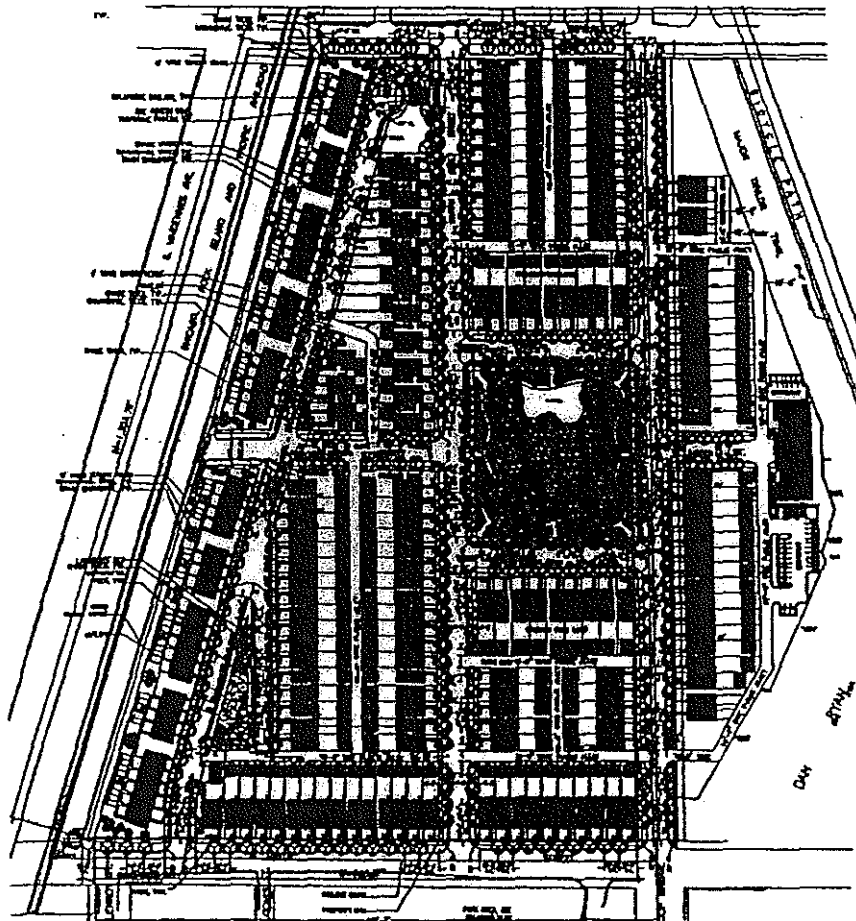


NOTE:  
ALL STREETS AND ALLEYS  
WITHIN BOUNDARY TO BE  
DEDICATED.

**PROPERTY LINE & R.O.W. ADJUSTMENT MAP**  
EXISTING ZONE



Site Plan.



SITE PLAN  
SCALE: "1"=1'



BRUSH SITE AREA-PHASE 1	1,642,700 SF	37.5 ACRES
NET SITE AREA	824,350 SF	18.7 ACRES
AREA PUBLIC'S USE	408,000 SF	9.2 ACRES
SHA. P.A.R.	6.00 ACRES	
ACTUAL P.A.R.	6.00	
ACTUAL GIVE COVERAGE	6.00	
MIN. ROAD SETBACK	10 FEET	
MIN. FRONTAGE OF WYTH	175	
MIN. PARKING	175	
MIN. LAUNDRY BERTH	0	
MIN. ROAD WIDTH	30 FEET	
BRUSH SITE AREA-PHASE 2	224,000 SF	5.1 ACRES

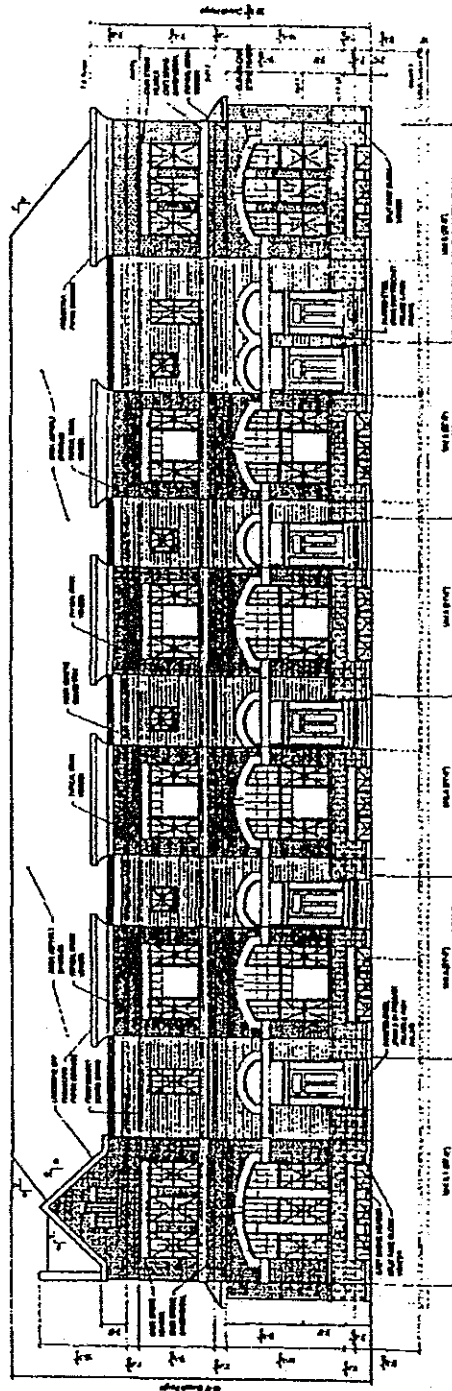


2/8/2006

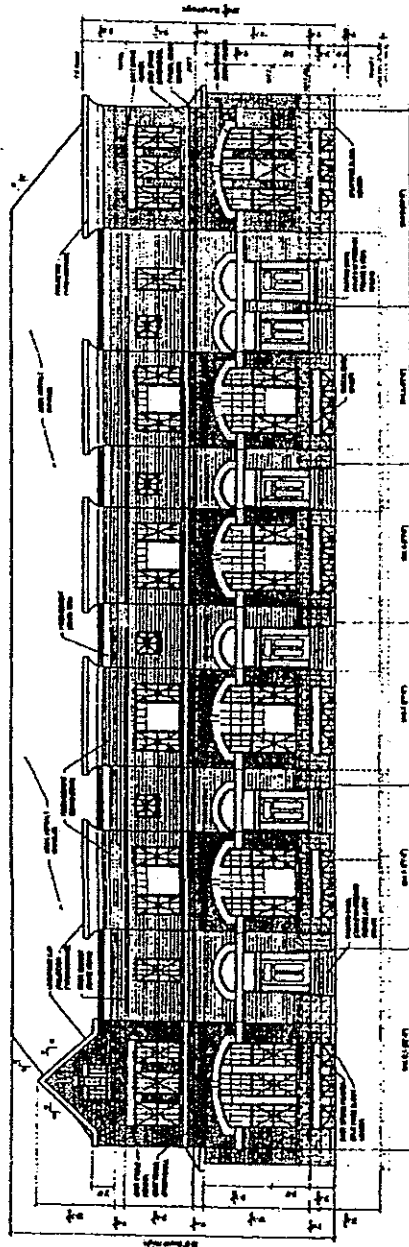
REPORTS OF COMMITTEES

70491

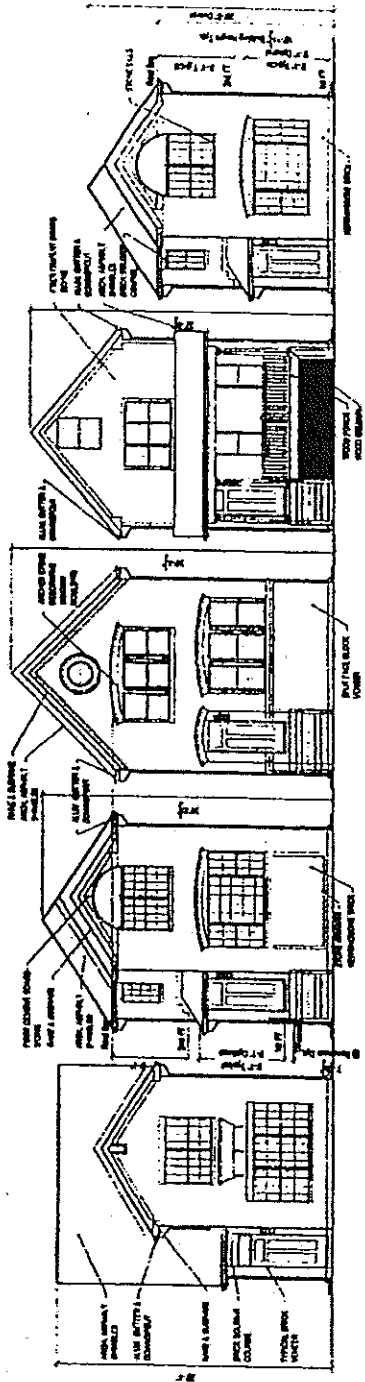
Townhome Product -- Front Elevation.  
(Page 1 of 2)



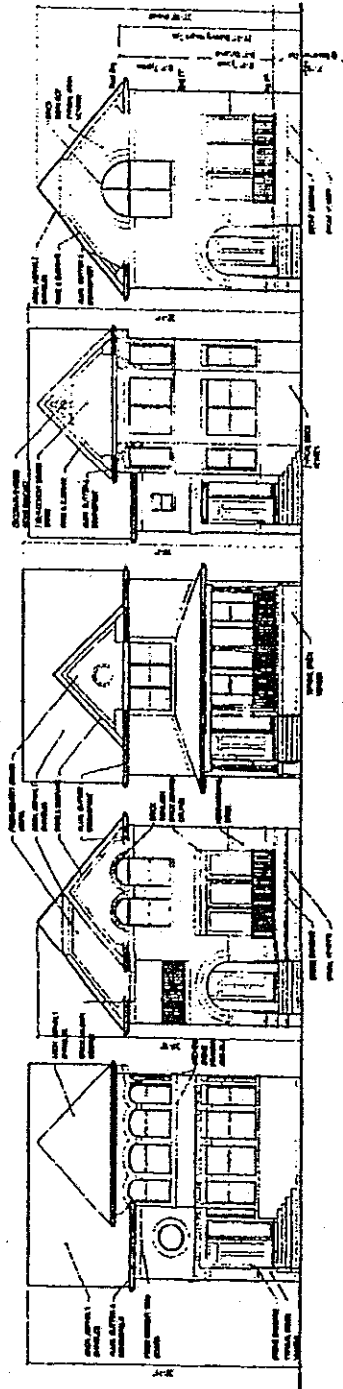
Townhome Product -- Front Elevation.  
(Page 2 of 2)



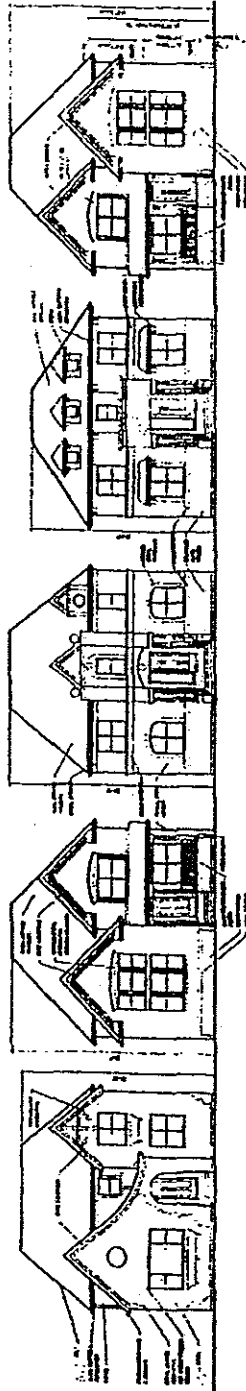
Single-Family 25 Foot Product -- Front Elevations.



Single-Family 28 Foot Product -- Front Elevations.

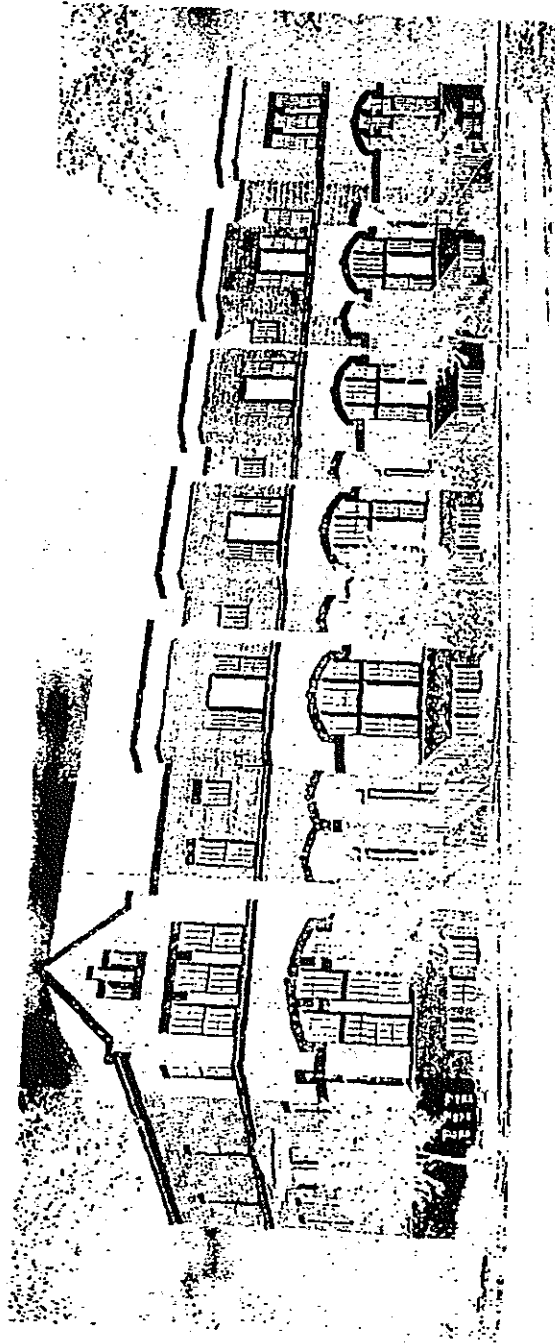


Single-Family 44 Foot Product -- Front Elevations.





Townhome Product -- Front Elevation.  
(Page 1 of 2)

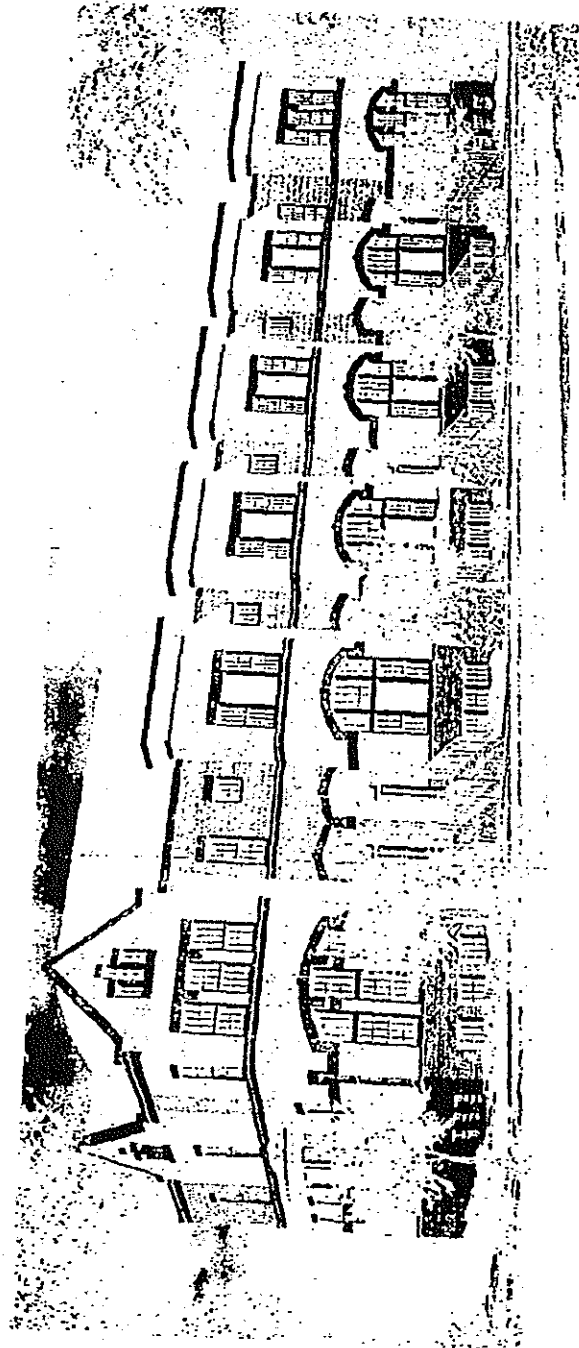


2/8/2006

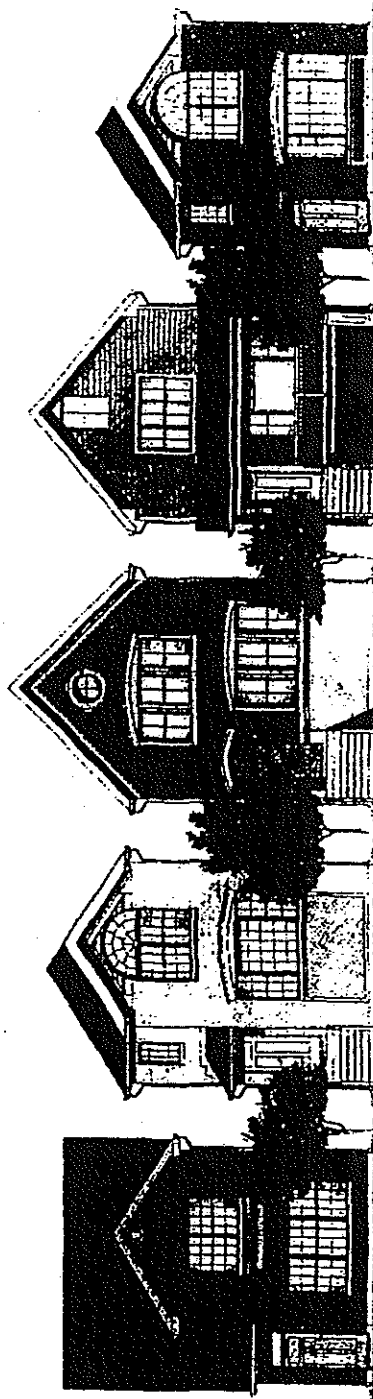
REPORTS OF COMMITTEES

70497

Townhome Product -- Front Elevation.  
(Page 2 of 2)



Single-Family 25 Foot Product -- Front Elevations.

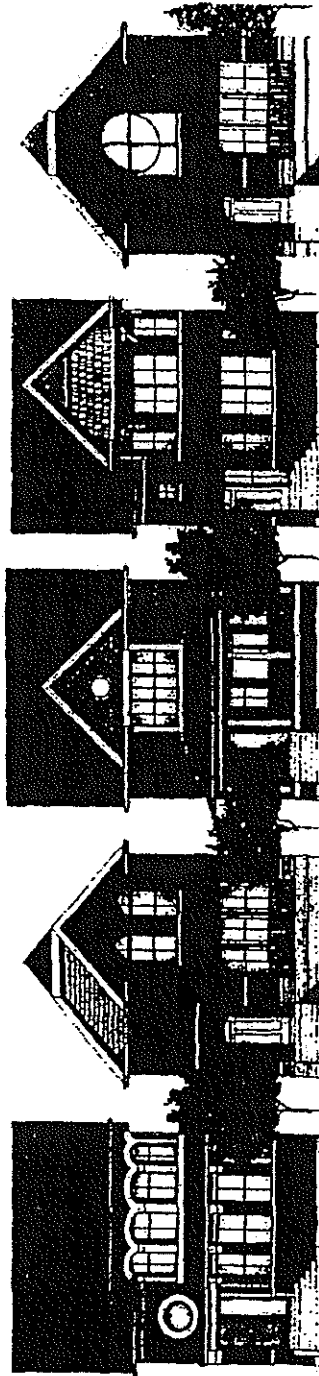


2/8/2006

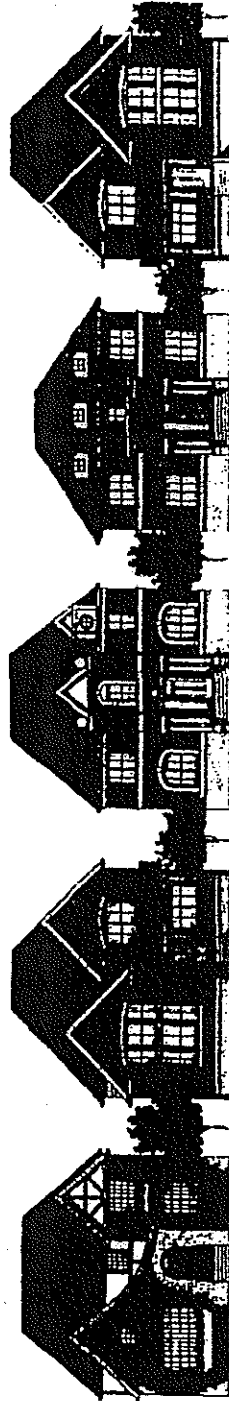
REPORTS OF COMMITTEES

70499

Single-Family 28 Foot Product -- Front Elevations.



Single-Family 44 Foot Product -- Front Elevations.



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT C

REDEVELOPMENT PLAN

A true and correct copy of the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area, Tax Increment Finance Program, Redevelopment Plan and Project dated May 12, 1997 and revised September 20, 2001, and passed by City Council on October 3, 2001, and any amendments thereto as of the Closing Date is attached to this exhibit cover sheet.

**AMENDED 105th STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

---

City of Chicago, Illinois

May 12, 1997  
Revised September 20, 2001  
Amended November 30, 2005

Prepared by:  
Johnson Research Group, Inc.

*This Amended Redevelopment Plan includes changes that may be considered substantial in nature. These changes may replace some or all of the revisions that were made in 2001. The 2001 revisions were not substantial in nature and were marked, "Revised as of September 20, 2001" in the footer of individual pages where revisions were made. All pages of this Amended Redevelopment Plan are marked "Amended November 30, 2005" regardless of whether a 2005 change has been proposed for that individual page.*

**AMENDED 105th STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

---

City of Chicago, Illinois

Prepared by:  
Johnson Research Group, Inc.

May 12, 1997  
Revised September 20, 2001  
Amended November 30, 2005



# TABLE OF CONTENTS

I.	INTRODUCTION.....	1
	A. Tax Increment Financing.....	2
	B. The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area.....	3
	C. The Amended 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project and Plan.....	4
II.	LEGAL DESCRIPTION.....	6
III.	ELIGIBILITY CONDITIONS.....	8
	A. Project Area Eligibility.....	8
	B. Surveys And Analyses Conducted.....	8
IV.	REDEVELOPMENT GOALS AND POLICIES.....	9
	A. General Goals.....	9
	B. Redevelopment Objectives.....	9
V.	REDEVELOPMENT PROJECT.....	11
	A. Overall Redevelopment Concept.....	11
	B. Development and Design Objectives.....	11
	C. Redevelopment Improvements and Activities.....	13
	D. General Land-Use Plan.....	17
	E. Redevelopment Project Costs.....	19
	F. Sources of Funds to Pay Redevelopment Project Costs.....	22
	G. Issuance of Obligations.....	23
	H. Valuation of the Project Area.....	23
VI.	LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE.....	25
VII.	FINANCIAL IMPACT.....	27
VIII.	DEMAND ON TAXING DISTRICT SERVICES.....	28
	A. Impact of the Redevelopment Project.....	29
	B. Program to Address Increased Demand for Services or Capital Improvements.....	30
IX.	CONFORMITY OF THE AMENDED REDEVELOPMENT PLAN TO THE PLANS FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE AND USES THAT HAVE BEEN APPROVED BY THE PLAN COMMISSION OF THE CITY.....	33
X.	PHASING AND SCHEDULING.....	34
XI.	PROVISIONS FOR AMENDING THE AMENDED REDEVELOPMENT PLAN.....	35
XII.	COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN.....	36
XIII.	HOUSING IMPACT AND RELATED MATTERS.....	37

## **TABLES AND FIGURES**

FIGURE 1. PROJECT AREA BOUNDARY .....	7
FIGURE 2. GENERAL LAND-USE PLAN .....	18
FIGURE 3. COMMUNITY FACILITIES.....	30

## **LIST OF EXHIBITS**

EXHIBIT I:	ESTIMATED REDEVELOPMENT PROJECT COSTS
EXHIBIT II:	105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY DATED MAY 12, 1997

## I. INTRODUCTION

The City of Chicago (the "City") is recognized throughout the world as the urban center of America's heartland, serving as a focal point of commerce, industry, finance, culture and education. The City is known for its economic wealth and vitality as well as its diverse population, eclectic neighborhoods and rich cultural heritage.

The subject of this report is an approximately 57.8 acre area located along the east side of Vincennes Avenue, between 103rd Street and 107th Street in the Washington Heights Community Area. Located approximately 11 miles south of the City's "Loop," the Washington Heights Community Area reflects much of the culture and diversity for which the City is known.

Settlement of the Washington Heights Community Area began in the 1860s, when railroad workers began to inhabit "the Crossing" of the Rock Island Railroad and the Panhandle Line (Pittsburgh, Cincinnati, Chicago and St. Louis Railroad) near the intersection of 103rd Street and Vincennes Avenue. The combination of excellent rail transportation and available land attracted the Chicago Bridge and Iron Works Company (CB&I) to the Crossing. This company provided jobs and a way of life to Washington Heights residents for more than 80 years. The suburb of Washington Heights grew quickly around the railroad station and was annexed to Chicago in 1890. Washington Heights remained largely vacant until housing booms in the 1920s and again following World War II, which resulted in the construction of primarily single family homes. By 1950, the area reached residential maturity and by 1970 population reached an all time high of 36,540. Over the last two decades, Washington Heights has lost 6,600 residents from a 1980 population of 36,453 to a year 2000 population of 29,843.

Washington Heights continues to be a middle class neighborhood. Three-fourths of the existing units are single-family structures and owner occupied. However, the community area lost housing units for the first time in the 1980s because virtually no new structures were built to replace demolitions over the decade. The site of the former Chicago Bridge and Iron Works Company spans 4 city blocks, has been largely vacant for more than 20 years, with little or no new private development or rehabilitation occurring on the site or in the area immediately surrounding it.

As part of a strategy to encourage managed growth and stimulate private investment on the site of the former Chicago Bridge and Iron Works Company and in the surrounding area, Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP"), was engaged to investigate whether an approximately 57.8 acre area qualifies as a "conservation area," a "blighted area," or a combination of both blighted and conservation areas under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) as amended (the "Act"). The area under investigation is generally bordered by 103rd Street on the north, the extension of the Dan Ryan Expressway (I-57) on the east, 107th Street on the south, and Vincennes Avenue on the west and is referred to as the 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area (the "Project Area").

The Project Area, described in more detail below as well as in the accompanying *105<sup>th</sup> Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study* (the "Eligibility Study"), has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and intervention of the City. Based on a proposed residential development plan, the *105<sup>th</sup> Street and Vincennes Avenue Tax Increment Financing Redevelopment Project and Plan* (the "Redevelopment Plan") and the accompanying Eligibility Study were prepared in 1997 and presented for public hearing but were not adopted at that time. Minor revisions were made to the Redevelopment Plan in 2001 to reflect updated Equalized Assessed Valuation and existing conditions in the Project Area. The Redevelopment Plan was adopted on October 3, 2001. Shortly thereafter, the developer of the proposed residential development filed for bankruptcy and the development did not occur. Johnson Research Group, Inc. was engaged by the development team of MGM Construction Company and The Terrell Group in 2005 with a new residential development proposal in the Project Area. To achieve the objectives of the original Redevelopment Plan and ensure the successful residential development of the 105<sup>th</sup> Street and Vincennes Avenue Project Area, it has become necessary to amend language and data contained herein, which will be referred to as the *Amended 105<sup>th</sup> Street and Vincennes Avenue Tax Increment Financing Redevelopment Area Project and Plan* (the "Amended Redevelopment Plan"). The related Eligibility Study has not been amended or revised since its preparation in 1997 and adoption in 2001.

This Amended Redevelopment Plan summarizes the analyses and findings of TPAP and Johnson Research Group's (the "consultants") work, which, unless otherwise noted, is the responsibility of the consultants. The City is entitled to rely on the findings and conclusions of this Amended Redevelopment Plan in designating the Redevelopment Project Area as a redevelopment project area under the Act. TPAP has prepared this Amended Redevelopment Plan, which includes as an Exhibit, the related Eligibility Study prepared by TPAP with the understanding that the City would rely (i) on the findings and conclusions of the Amended Redevelopment Plan and the related Eligibility Study in proceeding with the adoption and implementation of the Amended Redevelopment Plan, and (ii) on the fact that the consultants have obtained the necessary information so that the Amended Redevelopment Plan and the related Eligibility Study will comply with the Act.

## A. TAX INCREMENT FINANCING

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance redevelopment project costs (sometimes referred to as "Project Costs" or "Redevelopment Project Costs") with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed valuation ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate, which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within a project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. All taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess amounts are not otherwise pledged, earmarked or designated for future usage on other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid and the project area's term has expired or has been terminated.

### ***B. THE 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA***

The 105th Street and Vincennes Avenue Tax Increment Redevelopment Project Area (the "Project Area") consists of an area of approximately 57.8 acres, including perimeter and interior streets. The area also contains 1 active rail line servicing both Metra commuter and freight trains and 1 vacated rail line. The Project Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street. The smaller triangular block is included in the Project Area because its condition is more similar to those found in the Project Area than in the adjacent residential areas. Figure 1, *Project Area Boundary*, illustrates the boundary of the Project Area.

Although the internal street system is deficient, access to the Project Area from the surrounding community is generally good from all directions. Vincennes Avenue, 107th Street and 103rd Street provide access to the surrounding community as well as to the I-57 Expressway.

The Project Area consists of 8 irregularly shaped tax blocks, 3 of which contain exempt parcels and 5 of which contain taxable parcels. The largest of these blocks is comprised of 1 large parcel formerly the site of the Chicago Bridge and Iron Works Company. The irregular shape of the blocks within the Project Area is due primarily to the diagonal alignments of Vincennes Avenue and the Rock Island and Pacific Railroad, a rail line currently operated by Metra. Although the

Project Area is predominantly vacant, the Metra Commuter Station is located north of 104th Street, within the boundaries of the Project Area. A self-storage facility, built in 2003, is located immediately south of the commuter station.

In general, the Project Area is characterized by a large portion of vacant and underutilized land, deteriorated and obsolete buildings, extensive fly dumping, and the presence of building debris, high weeds and junk storage. The internal street system is fragmented and deficient, and there is an overall lack of sidewalks, curbs and gutters throughout the Project Area.

In addition to the 2 diagonal rights-of-way highlighted above, several other conditions have influenced the overall shape and character of the Project Area. First, construction of the I-57 Expressway along the eastern edge of the Project Area effectively cut off the Project Area from the residential neighborhood and the typical grid street pattern located to the east. Second, closure of the Chicago Bridge and Iron Works Company more than 20 years ago resulted in a large vacant parcel in the heart of the Project Area. Third, removal of the former Pittsburgh, Cincinnati, Chicago & St. Louis Railroad, which bisects the Project Area in a northwest to southeast direction, resulted in additional vacant land. Fourth, vacant parcels are widely scattered throughout the remaining blocks within the Project Area. Finally, the small triangular block bordered by St. Charles Street, Vincennes Avenue, and 104th Street is characterized by vacancies, obsolescence and physical deterioration.

The Project Area is dominated by the former Chicago Bridge and Iron Works plant site. A combination of long-term vacancy, weather damage, lack of building maintenance, fly dumping, and the existence of old foundations and other building remains and debris has resulted in extreme deterioration and a negative impact on adjacent property.

### ***C. THE AMENDED 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN***

As evidenced in Section VI, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

This Amended Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate growth and private investment in the Project Area as a whole. The goal of the City, through the implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned development basis to ensure that private investment in new development and rehabilitation occurs:

1. On a coordinated rather than piecemeal basis to ensure that the land use, pedestrian access, vehicular circulation, parking, service and urban design systems are functionally integrated and meet present-day principles and standards;

2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated;
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City; and
4. With a reasonable mix of new development and rehabilitation which supports and takes advantage of labor, financial institutions, and other resources or needs to be served within the community.

The Amended Redevelopment Plan sets forth the overall Redevelopment Project to be undertaken to accomplish the above-stated goal. During the implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels or any other lawful purpose. Items (i) and (ii) are collectively referred to as "Redevelopment Projects."

The Amended Redevelopment Plan specifically describes the Project Area and summarizes the blighting factors which qualify the Project Area for designation as a blighted area as defined in the Act.

Successful implementation of this Amended Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the conditions of blight which have limited development of the Project Area by the private sector.

The use of Incremental Property Taxes will permit the City to direct, implement, and coordinate public improvements and activities, which are intended to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- An increased property tax base arising from new residential and commercial development and the rehabilitation of existing buildings;
- Elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties;
- Increased opportunities for affordable housing within the City;
- Remediation of environmental contamination and the removal of a potential hazard to the health, safety and welfare of the surrounding community; and
- Increased job opportunities during the construction portions of the Redevelopment Project.

## II. LEGAL DESCRIPTION

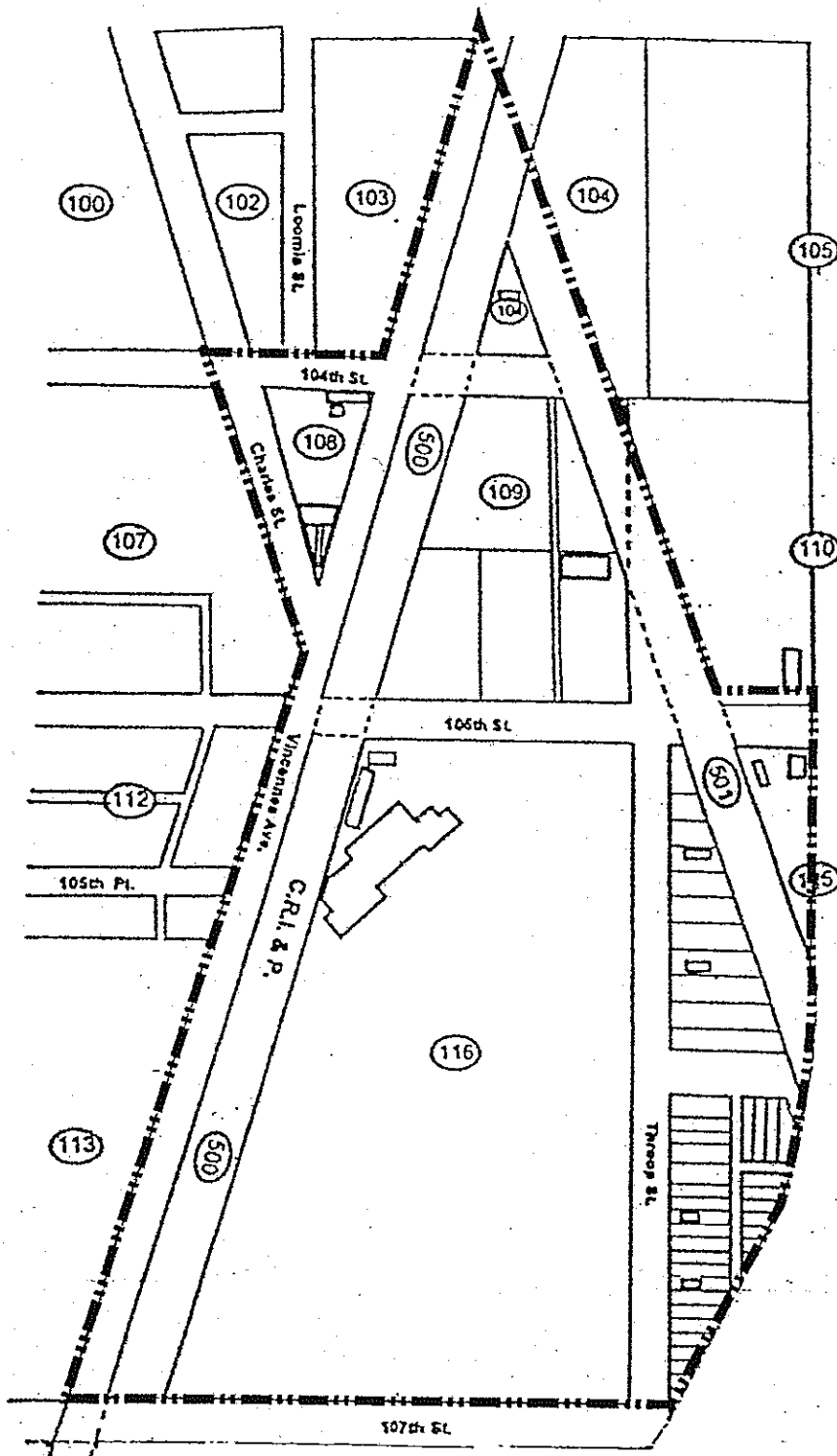
The boundaries of the Project Area have been carefully drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Amended Redevelopment Plan. The boundaries are shown in Figure 1, *Project Area Boundary*, and are generally described below:

The Project Area is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street.

The boundaries of the Project Area are legally described as follows:

THAT PART OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN TAKEN AS A TRACT AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF CHARLES STREET; THENCE NORTHWESTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 104TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF THE FORMER PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILROAD; THENCE SOUTHEASTERLY ON THE LAST DESCRIBED LINE TO THE NORTH RIGHT-OF-WAY LINE OF 105TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 57 EXPRESSWAY; THENCE SOUTHERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET; THENCE WESTERLY ON THE LAST DESCRIBED LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.





INTERSTATE 57

Project Area Boundary



Figure 1  
Project Area Boundary

105th Street & Vincennes Avenue

Chicago, IL

### III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the blight factors in the Project Area. The report, prepared by TPAP and entitled "105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study," is attached as Exhibit II to this Amended Redevelopment Plan.

#### A. PROJECT AREA ELIGIBILITY

Based upon surveys, inspections and analyses conducted by TPAP, the Project Area qualifies as a "blighted area" within the requirements of the Act. The Project Area is characterized by the presence of a combination of 5 or more of the blight factors listed in the Act for improved areas, rendering the area detrimental to the public safety, health and welfare of the citizens of the City. Specifically,

- Of the fourteen factors for "improved" blighted areas as set forth in the Act, 9 are present to a major extent and 1 is present to a minor extent.
- These 10 factors are reasonably distributed throughout the entire Project Area.
- The entire Project Area is impacted by and shows the presence of these 10 factors.
- Of the 7 criteria for "vacant" blighted areas as set forth in the Act, 3 are present within the Project Area.
- The Project Area includes only real property and improvements substantially benefited by the Redevelopment Project.

#### B. SURVEYS AND ANALYSES CONDUCTED

The blight factors found to be present in the Project Area are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, lighting, curbs and gutters, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to the current zoning ordinance and zoning map;
5. Comparison of exterior building conditions to property maintenance codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings; and
8. Review of previously prepared plans, studies and data.

## **IV. REDEVELOPMENT GOALS AND POLICIES**

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, additional construction employment and job training opportunities and an increase in the number and quality of affordable housing opportunities.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V of this Amended Redevelopment Plan presents more specific objectives for development and design within the Project Area, and describes the redevelopment activities the City intends to undertake to achieve the redevelopment goals and objectives presented in this Section.

### **A. GENERAL GOALS**

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Amended Redevelopment Plan.

1. An improved quality of life in the Project Area, the Washington Heights Community Area and the City through the elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
2. An environment within the Project Area which will contribute more positively to the health, safety and general welfare of the City, and preserve or enhance the value of properties adjacent to the Project Area.
3. An increased real estate tax base for the City and other taxing districts having jurisdiction over the Project Area.

### **B. REDEVELOPMENT OBJECTIVES**

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted area. These conditions are described in detail in Exhibit II to this Amended Redevelopment Plan.
2. Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
3. Strengthen the economic well-being of the Project Area and the City by increasing taxable values and affordable housing opportunities.

4. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Amended Redevelopment Plan and contemporary development needs and standards.
5. Create an environment which stimulates private investment in new construction and rehabilitation.
6. Provide needed improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
7. Provide needed incentives to encourage a broad range of improvements in preservation, rehabilitation and new development.
8. Create new job opportunities for City residents utilizing appropriate job training and hiring programs.
9. Establish job training and job readiness programs to provide residents of the City with the skills necessary to secure jobs in the Project Area during the construction period.
10. Provide opportunities for women-owned and minority-owned businesses to share in the redevelopment of the Project Area.

## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities in furtherance of this Amended Redevelopment Plan. The Redevelopment Project described in this Amended Redevelopment Plan and pursuant to the Act includes the overall redevelopment concept, development and design objectives, a description of redevelopment improvements and activities, a general land use plan, estimated redevelopment project costs, a description of sources of funds to pay estimated redevelopment project costs, a description of obligations that may be issued, identification of the most recent EAV of properties in the Project Area, and an estimate of future EAV.

### A. OVERALL REDEVELOPMENT CONCEPT

The Project Area should be redeveloped as a cohesive and distinctive urban neighborhood. It should consist of residential development that complements and enhances the range and styles of the existing housing stock in the community; limited commercial development that is compatible with surrounding residential uses; and complementary open space and pedestrian amenities.

The Project Area should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area. New development should be served by a street network that reflects and extends the traditional grid street system which exists in surrounding areas.

The Project Area should be characterized by a planned network of open spaces and private development which will organize and provide focus to the Project Area. An open space network should be created which links residential areas, parks and public spaces, landscaped streets and surrounding neighborhood amenities.

The Project Area should have a coherent neighborhood design and character. Individual developments should be visually and physically linked within the Project Area and to the larger community. The Project Area should respect Chicago's traditional neighborhood form, which is characterized by a grid pattern of streets, buildings facing the street, and a human scale that is attractive and inviting for pedestrians.

The Project Area should become an attractive and desirable "neighborhood of choice" which provides new affordable housing opportunities, and complements the sound existing community areas located nearby.

### B. DEVELOPMENT AND DESIGN OBJECTIVES

Listed below are the specific development and design objectives which will assist the City in directing and coordinating public and private improvement and investment within the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Amended Redevelopment Plan.

### *Land Use*

- Promote comprehensive, area-wide redevelopment of the Project Area as a planned and cohesive urban neighborhood.
- Remove or minimize physical barriers and other impediments to unified development.
- Promote quality new residential developments throughout the Project Area.
- Provide sites for a wide range of affordable housing types.
- Promote housing types that accommodate a diverse mix of households and income levels.
- Allow for limited and compatible commercial development in selected locations.
- Promote commercial uses that support the needs of the area's residents and employees.
- Ensure a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.
- Encourage maintenance and upgrading of existing commercial and industrial uses.
- Locate parks, open spaces and other community facilities within walking distance of residential developments.

### *Transportation and Infrastructure*

- Maintain and extend the grid pattern of streets and blocks that exists in surrounding areas.
- Improve street connections between the Project Area and surrounding neighborhoods to the east and west.
- Improve east-west circulation to and through the Project Area.
- Improve north-south circulation through the Project Area.
- Provide improved at-grade rail crossings at 107th, 105th and 104th Streets.
- Upgrade infrastructure throughout the Project Area.

### *Open Space and Pedestrian Facilities*

- Develop new, easily accessible neighborhood parks in the vicinity of new residential developments.
- Provide community parks to help serve the population within the surrounding area.
- Provide well-defined and safe pedestrian connections between residential developments within the Project Area, and between the Project Area and nearby neighborhood destinations.

### *Urban Design*

- Establish a distinctive and cohesive visual identity for the Project Area.
- Ensure that all new development reflects Chicago's traditional grid pattern of streets and blocks.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the streets and creating areas for pedestrian activity.
- Preserve buildings with historic and architectural value.
- Require new developments to respect the architectural character and scale of the surrounding community.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the Project Area.
- Screen the Metra - Chicago, Rock Island and Pacific Railroad corridor through the use of berming and landscaping.

## **C. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES**

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Amended Redevelopment Plan to construct, rehabilitate, renovate or restore improvements for public or private facilities on one or several parcels or any other lawful purpose (collectively referred to as "Redevelopment Projects"). Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Amended Redevelopment Plan and which include affordable housing requirements as described below.

Developers who receive TIF assistance for market-rate housing are to set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income.

### **1. Property Assembly**

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

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Amended Redevelopment Plan.

### **2. Relocation**

Relocation assistance may be provided to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City subsequent to this Amended Redevelopment Plan may be provided with relocation advisory and financial assistance as determined by the City. In the event that the implementation of the Amended Redevelopment Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.



As used in the above paragraph "low-income households", "very low-income households" and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Amended Redevelopment Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

**3. Provision of Public Works or Improvements**

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Amended Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

*a) Streets and Utilities*

A range of individual roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction, may be undertaken.

*b) Parks, Open Space and Landscaping*

Improvements to existing or future parks, open spaces and public plazas may be provided and a range of public improvements, including, the construction of public walkways, screening the active railroad through berming, landscaping, lighting and general beautification improvements which may be provided for the use of the general public.

**4. Rehabilitation of Existing Buildings**

The City will encourage the rehabilitation of buildings that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project.

**5. Job Training and Related Educational Programs**

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

**6. Taxing Districts Capital Costs**

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Amended Redevelopment Plan.

**7. Interest Subsidies**

Funds may be provided to developers or redevelopers for a portion of interest costs incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the developer or redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) costs paid or incurred by a developer or redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- (e) Up to 75 percent of interest costs incurred by a developer or redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

**8. Affordable Housing**

Funds may be provided to developers for up to 50 percent of the cost of construction, renovation and/or rehabilitation of all new low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.

**9. Analysis, Administration, Studies, Surveys, Legal, etc.**

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Amended Redevelopment Plan.

#### D. GENERAL LAND-USE PLAN

Figure 2 presents the General Land-Use Plan that will be in effect upon adoption of this Amended Redevelopment Plan.

As indicated in Figure 2, the Project Area should be redeveloped as a planned and cohesive urban neighborhood providing sites for a range of housing types, parks and open space, and limited new commercial development. The various land uses should be arranged and located so that there is a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.

The Land-Use Plan divides the Project Area into 5 subareas, each of which would be suitable for a somewhat different mix of uses and scale and character of development.

- Subarea 1 includes the major portion of the Project Area, and is generally bounded by 107th Street on the south; Throop Street on the east; 104th Street on the north; and the Metra railroad on the west. Subarea 1 also includes the vacated rail line right-of-way between 104th Street and 105th Street. This Subarea should be devoted primarily to planned residential development. A wide variety of housing types and styles could be accommodated, provided they are compatible with adjacent developments and are consistent with the overall objectives for the Project Area. Parks and institutional uses could also be appropriate in selected locations.
- Subarea 2 includes the properties along the east side of Throop Street, between 107th and 105th Streets and includes the portion of the vacated rail line right-of-way between 105th and 106th Streets. This Subarea would be suitable for residential development similar to that permitted in Subarea 1; parks, playgrounds and open spaces; public and institutional.
- Subarea 3 includes the triangular area east of the vacated rail line right-of-way, between 105th Street and 106th Street and encompasses the existing industrial use at this location. Although the existing use could remain, the site and building should be upgraded and improved, and the property screened and buffered from the adjacent residential area. If this property is redeveloped, it should be devoted to residential uses, similar to that recommended for Subarea 1.
- Subarea 4 includes the small triangular block along the west side of Vincennes Avenue, just south of 104th Street. This Subarea would be suitable for small-scale new commercial development; public uses; off-street parking; or public open space. The existing fire station building has historic interest and adaptive reuse of this structure should be encouraged.
- Subarea 5 includes the triangular area generally bounded by 103rd Street on the north; Vincennes Avenue on the west; 104th Street on the south; and the eastern boundary of the vacated rail line right-of-way on the east. This Subarea includes the Metra commuter station building and the vacated rail line right-of-way between 103rd Street and 104th Street. While the existing use should remain, additional parking should be considered for Metra commuters uses; or limited and compatible commercial development.

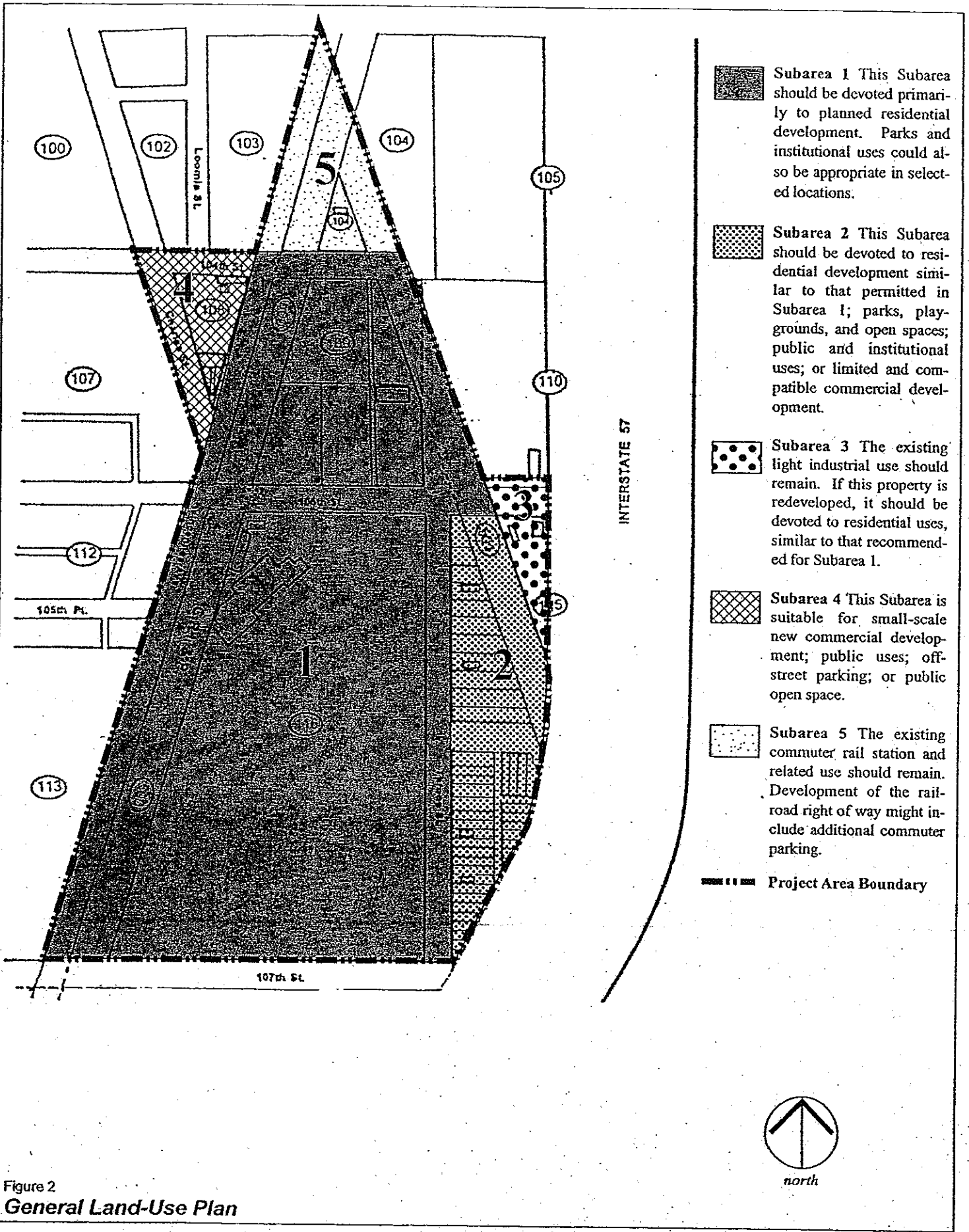


Figure 2  
**General Land-Use Plan**

## **E. REDEVELOPMENT PROJECT COSTS**

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Amended Redevelopment Plan (the "Redevelopment Project Costs").

In the event the Act is amended by the Illinois General Assembly after the date of the approval of this Amended Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Amended Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Amended Redevelopment Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Exhibit I or otherwise adjust the line items in Exhibit I without amendment to this Amended Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Amended Redevelopment Plan.

### **1. Eligible Redevelopment Project Costs**

Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Amended Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Amended Redevelopment Plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the Project Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment

project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the Project Area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Washington Heights Community Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Amended Redevelopment Plan ;
- i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see Section V.C.2 above) or otherwise determines that the payment of relocation costs is appropriate;
- j) Payment in lieu of taxes, as defined in the Act;
- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38,

805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code 105 ILCS 5/10-22.20a and 5/10-23.3a;

- l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  1. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
  2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
  5. Up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- n) An elementary, secondary, or units school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- o) Up to 50 percent of the cost of construction, renovation and/or rehabilitation of all new low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and
- p) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 *et. seq.*, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

**2. Estimated Redevelopment Project Costs**

A range of redevelopment activities and improvements will be required to implement this Amended Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit I of this Amended Redevelopment Plan. All estimates are based on 2004 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Amended Redevelopment Plan.

Redevelopment Project Costs described in this Amended Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Amended Redevelopment Plan.

**F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS**

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived partially from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur Redevelopment Project Costs which are paid for from funds of the City other than Incremental Property Taxes, and the City may then be reimbursed from such costs from Incremental Property Taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

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

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, *et seq.*). If the City finds that the goals, objectives and financial success of such contiguous



redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Amended Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Exhibit I of this Amended Redevelopment Plan.

### ***G. ISSUANCE OF OBLIGATIONS***

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e. City Council approved the Redevelopment Plan and designated the Project Area on October 3, 2001), by December 31, 2025. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Amended Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

### ***H. VALUATION OF THE PROJECT AREA***

#### **1. The Certified Initial EAV of Properties in the Project Area**

The Certified Initial EAV of all properties in the Project Area is \$1,268,074. This figure is based on 2000 EAV, certified by the County Clerk of Cook County, Illinois. The Certified Initial EAV of the Project Area is summarized by tax parcel in Table 1, Certified Initial EAV by Tax Parcel.

2. **Anticipated Equalized Assessed Valuation**

By the year 2024 (Collection Year 2025) and following the completion of the Redevelopment Project, the EAV of the Project Area is estimated to total approximately \$34.5 million. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) The EAV of existing development and new development will inflate at the rate of 3 percent per annum; 3) 233 housing units of a mixed variety will be constructed with an average sales price of \$286,762 per unit; and 4) the 5-year average state equalization factor of 2.3284 is used in all years to calculate estimated EAV.

**TABLE 1: CERTIFIED INITIAL EAV BY TAX PARCEL**

<b>Tax Parcel</b>	<b>Certified 2000 EAV</b>	<b>Tax Parcel</b>	<b>Certified 2000 EAV</b>
25-17-104-010-0000	Exempt	25-17-117-011-0000	2,139
25-17-108-001-0000	Exempt	25-17-117-012-0000	2,139
25-17-108-003-0000	14,573	25-17-117-013-0000	2,139
25-17-108-005-0000	Exempt	25-17-117-014-0000	10,747
25-17-109-014-0000	37,815	25-17-117-015-0000	1,834
25-17-109-016-0000	50,949	25-17-117-016-0000	1,672
25-17-109-017-0000	1,299	25-17-117-017-0000	1,456
25-17-109-018-0000	22,048	25-17-117-018-0000	1,212
25-17-109-019-0000	32,745	25-17-117-019-0000	954
25-17-109-020-0000	1,299	25-17-117-020-0000	700
25-17-109-021-0000	340,433	25-17-117-023-0000	2,139
25-17-115-001-0000	2,790	25-17-117-024-0000	2,139
25-17-115-002-0000	1,986	25-17-117-025-0000	2,139
25-17-115-003-0000	19,157	25-17-117-026-0000	1,512
25-17-115-004-0000	17,708	25-17-117-027-0000	1,681
25-17-115-005-0000	4,249	25-17-117-028-0000	1,441
25-17-115-006-0000	4,798	25-17-117-029-0000	1,274
25-17-115-007-0000	5,381	25-17-117-030-0000	1,101
25-17-115-008-0000	5,899	25-17-117-031-0000	907
25-17-115-009-0000	21,624	25-17-117-032-0000	736
25-17-115-010-0000	9,325	25-17-117-033-0000	525
25-17-115-011-0000	61,213	25-17-117-034-0000	218
25-17-116-002-0000	540,660	25-17-117-045-0000	2,995
25-17-117-001-0000	3,587	25-17-117-046-0000	Exempt
25-17-117-002-0000	2,139	25-17-500-001-0000	RR
25-17-117-003-0000	2,139	25-17-501-004-0000	RR
25-17-117-006-0000	Exempt	25-17-501-005-0000	RR
25-17-117-007-0000	Exempt		
25-17-117-008-0000	1,070	<b>TOTAL</b>	<b>\$1,268,074</b>
25-17-117-009-0000	17,250		
25-17-117-010-0000	2,139		

## VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in *Section III* of this Amended Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. Blighting factors within the Project Area are widespread and represent major impediments to sound growth and development.

The lack of private investment is evidenced by the following:

- The Project Area is characterized by age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use and layout, depreciation of physical maintenance and an overall lack of community planning.
- The Project Area is dominated by a large, dilapidated, abandoned industrial building, formerly occupied by the Chicago Bridge and Iron Works Company which had remained vacant for more than 20 years.
- Between 1991 and 1995, the Assessed Valuation ("AV") of the Project Area decreased by approximately 5.3 percent. Over this same period, the AV of the City as a whole increased by 7.1 percent.
- In the period between 1980 and 1990, the Washington Heights community area, which includes the Project Area, lost housing units.
- Within the last ten years, only one building was constructed in the Project Area.

The following impediments illustrate why the Project Area would not reasonably be anticipated to be developed without the intervention of the City and the adoption of this Amended Redevelopment Plan.

- The presence of fly dumping, building debris, soil piles, excavations and the deterioration of the main industrial building on the former CB&I property present a negative image that cannot be overcome without large-scale redevelopment.
- Site preparation requires the costly removal of concrete slabs, once used for iron processing activities.
- Remediation of environmental contamination is necessary to safeguard the health, safety and welfare of the surrounding community from potential hazards caused by previous uses.
- Most of the former CB&I property is unserved or underserved by modern infrastructure including sidewalks, curbs, street lights, water and sewer.
- The internal street system within the larger Project Area is fragmented and lacks sidewalks, curbs and gutters.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be expected to be

developed on a comprehensive and coordinated basis without the intervention of the City and the adoption of this Amended Redevelopment Plan for the Project Area.

## VII. FINANCIAL IMPACT

Without the adoption of this Amended Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives there is a prospect that blighted conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the investment and improvement of the community. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Amended Redevelopment Plan describes the comprehensive Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as the Redevelopment Project set forth in this Amended Redevelopment Plan. Successful implementation of this Amended Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and new construction on a scale sufficient to eliminate deteriorating problem conditions and to return the area to a long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Amended Redevelopment Plan. In the short-term, the City's effective use of TIF can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, the Redevelopment Project and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Project.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within the Project Area:

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

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

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

South Cook County Mosquito Abatement District. The district provides mosquito abatement services to the City of Chicago (south of 87th Street) and communities located in southern Cook County.

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth grade. No public school facilities are located within the boundaries of the Project Area. Public school facilities located within a ½-mile of the Project Area include Percy Julian High School, located immediately east of the Project Area, Barnard Elementary School, and Mt. Vernon Elementary School.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. There are no parks located within the Project Area. Park District facilities located within a ½-mile of the Project Area include Lamb, Mt. Vernon, and Graver Parks.

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

City of Chicago. The City is responsible for the provision of the full range of municipal services typically associated with large, mature cities, including the following: police and

fire protection; capital improvements and maintenance; water production and distribution; sanitation service; building, housing and zoning codes, etc.

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities. There are no libraries within the boundaries of the Project Area. The nearest library facilities are located outside the Project Area and include Woodson Regional Library at 9525 S. Halsted Street, the Walker Branch Library at 11071 S. Hoyne Avenue and the Beverly Branch Library at 2121 W. 95<sup>th</sup> Street.

#### **A. *IMPACT OF THE REDEVELOPMENT PROJECT***

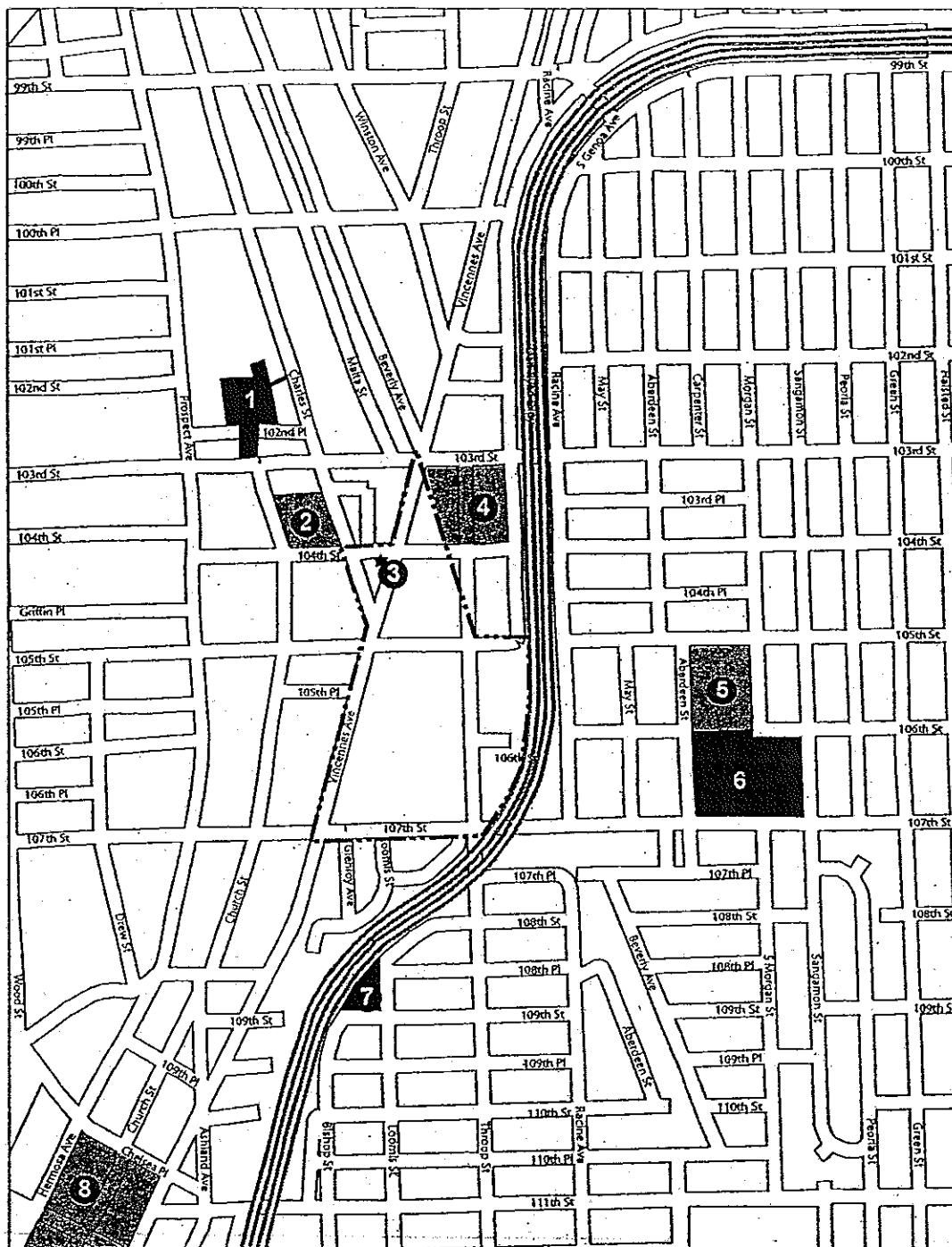
In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Amended Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City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

Metropolitan Water Reclamation District of Greater Chicago. The rehabilitation of or replacement of underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement or rehabilitation of underutilized properties with new development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education. The replacement or rehabilitation of underutilized properties with new residential development is likely to increase the demand for services and programs provided by the Board of Education. There are no public school facilities located within the Project Area. Three public schools are located within a ½-mile of the Project Area and include Percy L. Julian High School, Mt. Vernon Elementary School and Barnard Elementary School. These school facilities are illustrated in *Figure 3, Community Facilities*.

Chicago Park District. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. There are no public parks located within the Project Area. The nearest public parks within a ½-mile of the Project Area are identified in *Figure 3, Community Facilities*.



### Legend

- Project Area Boundary
- ▨ Educational
- Parks and Open Space
- ★ Fire house

### Community Facilities

1. Graver Park
2. Barnard Elementary
3. Fire Station
4. Percy Julian High School
5. Mount Vernon Elementary
6. Jackie Robinson Park
7. Lamb Playlot Park
8. Morgan Park High School

Figure 3  
Community Facilities



City of Chicago Library Fund. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the City of Chicago Library Fund.

**B. PROGRAM TO ADDRESS INCREASED DEMAND FOR SERVICES OR CAPITAL IMPROVEMENTS**

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, library facilities, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- It is expected that new residential development and the redevelopment of vacant, underutilized or non-residential property to residential use may generate additional demand for recreational services and programs and, therefore, would warrant additional open spaces and recreational facilities operated by the Chicago Park District. The *Land Policies Plan*, released by the Chicago Park District in 1990, established the goal of 2 acres of parkland per 1,000 residents for each community area. The *Parkland Needs Analysis*, released in 1993, indicates that Washington Heights does not meet this standard. Open space needed to meet the minimum standard was identified at 3.6 acres. Redevelopment of the Project Area anticipates the inclusion of a 2-acre park to be donated to the Chicago Park District. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential development.
- It is expected that new residential development and the redevelopment of vacant, underutilized or non-residential property to residential use will result in an increase in demand for services provided by the Board of Education. To determine this potential increase, the Ehlers & Associates' (formerly Illinois School Consulting Services) methodology for estimating school age children was utilized. Based on the possible development of 233 new residential units, including a mix of single-family detached and

attached units and condominium units, an increase of approximately 100 elementary school age children and approximately 32 high school age children could result.

There are 2 elementary schools and 2 high schools which serve the Project Area. New residential development within the Project Area would fall within the Mt. Vernon Elementary School attendance boundary. Mt. Vernon is operating at 39 percent of capacity and would be able to accommodate additional students. Barnard Elementary School is adjacent to the TIF district on the western boundary but is currently operating at capacity. High schools within a half-mile of the Project Area include Percy L. Julian High School, located adjacent to the Project Area and Morgan Park High School to the southwest. High school capacity analysis is approached from a regional perspective due to the number of students willing and able to travel longer distances to schools outside their attendance area. Chicago Public Schools representatives indicate that as a region, they would be able to handle additional high school students that might be generated by the Project Area.

It is anticipated that the current capacity at existing public schools in the area, particularly Mt. Vernon Elementary and Percy L. Julian High School, can accommodate children from the Project Area. However, the City will work with the Chicago Board of Education to monitor the number of school-aged children from the Project Area who may enroll at public schools. The City will assist in accommodating such students on an annual basis based on the available capacity of schools in the attendance area.

- It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, South Cook County Mosquito Abatement District and Chicago Community College District 508 services and programs associated with the Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

The City's program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in this Amended Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs; and (iii) the generation of sufficient Incremental Property Taxes to pay for the Redevelopment Project Costs in Exhibit I. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise its program to address increased demand, to the extent permitted by the Act, without amending this Amended Redevelopment Plan.

Exhibit I to this Amended Redevelopment Plan illustrates the present allocation of estimated Redevelopment Project Costs.

**IX. CONFORMITY OF THE AMENDED REDEVELOPMENT PLAN TO THE PLANS FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE AND USES THAT HAVE BEEN APPROVED BY THE PLAN COMMISSION OF THE CITY**

This Amended Redevelopment Plan and the Redevelopment Project described herein include land uses which were approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.

## **X. PHASING AND SCHEDULING**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Redevelopment Plan was adopted, which occurred in 2001 (i.e. December 31, 2025).

## **XI. PROVISIONS FOR AMENDING THE AMENDED REDEVELOPMENT PLAN**

This Amended Redevelopment Plan may be amended pursuant to the Act.

## **XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN**

The City is committed to and will affirmatively implement the following principles with respect to this Amended Redevelopment Plan:

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) Redevelopers must meet the City's standards for participation of 24 percent Minority Business Enterprises and 4 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

### **XIII. HOUSING IMPACT AND RELATED MATTERS**

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Project Area contains 4 inhabited residential units. The Amended Redevelopment Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 4 inhabited residential units could occur.

Given that this Amended Redevelopment Plan would not result in the displacement of residents from 10 or more inhabited residential units and the Project Area does not contain 75 or more inhabited residential units, the completion of a housing impact study is not required under the Act.

# EXHIBIT I: Estimated Redevelopment Project Costs

## 105<sup>th</sup> Street and Vincennes Avenue TIF

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$ 1,300,000
Property Assembly -Acquisition, Site Prep, Demolition, and Environmental Remediation	\$ 6,200,000
Public Works & Improvements <sup>[1]</sup> -Streets and Utilities, Community Facilities, Parks and Open Space, and Landscaping	\$ 4,450,000
Taxing District's Capital Costs	\$ 1,300,000
Job Training, Retraining, Welfare-to-Work	\$ 300,000
Day Care Services	\$ 200,000
Developer Interest Subsidy	\$ 400,000
<b>TOTAL REDEVELOPMENT COSTS<sup>[2][3]</sup></b>	<b>\$ 14,150,000<sup>[4]</sup></b>

<sup>[1]</sup> This category may also include paying for or reimbursing (i) elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

<sup>[2]</sup> Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

<sup>[3]</sup> The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right of way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

<sup>[4]</sup> Increases in estimated Total Redevelopment Project Costs of more than 5 percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.



**EXHIBIT II: 105TH STREET AND VINCENNES AVENUE TAX INCREMENT  
FINANCING REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY  
DATED MAY 12, 1997**

**105TH STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AREA**

**ELIGIBILITY STUDY**

---

---

City of Chicago, Illinois

---

---

Prepared by  
Trkla, Pettigrew, Allen & Payne, Inc.

May 12, 1997

# TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	1
I. BASIS FOR REDEVELOPMENT.....	4
II. THE 105TH AND VINCENNES PROJECT AREA.....	7
III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS.....	11
A. AGE.....	14
B. DILAPIDATION.....	14
C. OBSOLESCENCE.....	17
D. DETERIORATION.....	19
E. ILLEGAL USE OF INDIVIDUAL STRUCTURES.....	22
F. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS.....	22
G. EXCESSIVE VACANCIES.....	24
H. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES.....	24
I. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES.....	27
J. INADEQUATE UTILITIES.....	27
K. EXCESSIVE LAND COVERAGE.....	27
L. DELETERIOUS LAND-USE OR LAYOUT.....	28
M. DEPRECIATION OF PHYSICAL MAINTENANCE.....	30
N. LACK OF COMMUNITY PLANNING.....	32
IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: VACANT AREAS.....	34
V. DETERMINATION OF PROJECT AREA ELIGIBILITY.....	35

# LIST OF TABLES AND FIGURES

## TABLES

TABLE 1, ACREAGE DISTRIBUTION.....	7
TABLE 2, SUMMARY OF BUILDING DETERIORATION.....	21

## FIGURES

FIGURE 1A: PROJECT AREA BOUNDARY.....	9
FIGURE 1B: SUBAREAS BOUNDARY.....	10
FIGURE 2, EXISTING LAND-USES.....	12
FIGURE 3, EXTERIOR SURVEY FORM.....	13
FIGURE 4, AGE.....	15
FIGURE 5, DILAPIDATION.....	18
FIGURE 6, OBSOLESCENCE.....	20
FIGURE 7, DETERIORATION.....	23
FIGURE 8, STRUCTURES BELOW MINIMUM CODE STANDARDS.....	25
FIGURE 9, EXCESSIVE VACANCIES.....	26
FIGURE 10, EXCESSIVE LAND COVERAGE.....	29
FIGURE 11, DELETERIOUS LAND-USE OR LAYOUT.....	31
FIGURE 12, DEPRECIATION OF PHYSICAL MAINTENANCE.....	33
FIGURE 13, DISTRIBUTION OF BLIGHT FACTORS.....	37

## EXECUTIVE SUMMARY

The purpose of this study is to determine whether the *105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area* (the "Project Area") qualifies for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act-5, Section 11-74.4-1 *et seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") for the Project Area of approximately 57.8 acres located approximately 11 miles south of the central business district of Chicago, Illinois.

The Project Area consists of approximately 57.8 acres generally bounded by 103rd Street on the north, the extension of the Dan Ryan Expressway (I-57) on the east, 107th Street on the south and Vincennes Avenue on the west. The Project Area is dominated by a large, vacant, industrial site formerly occupied by the Chicago Bridge and Iron Works Company, and includes eight irregularly shaped tax blocks, including two railroad rights-of-way (the Metra-Rock Island Line and the vacated Pittsburgh, Cincinnati, Chicago, and St. Louis Rail Line). Street and rail line rights-of-way consist of 21.0 acres within the Project Area. The Project Area contains a large portion of vacant land, several isolated residential buildings, two public uses, an industrial use and one commercial establishment.

The boundaries of the Project Area are shown on Figure 1A, *Project Area Boundary*. A more detailed description of the Project Area is presented in *Section II, The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area*.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light

or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by: (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of way, or (5) the area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 or more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) above relating to vacant areas, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of blight, this evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighting factors throughout the project area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Project Area is found to be eligible as a blighted area within the definition set forth in the Act. Included in the Project Area are three subareas: (i) Improved Areas with 10 of the 14 factors set forth in the Act; (ii) Vacant Areas with 3 of the 5 factors set forth in the Act; and (iii) Vacant railroad right-of-way.

Figure 1B, *Subareas Boundary* illustrates the three subareas described in more detail below.

### **Improved Areas**

The improved area within the Project Area is found to be eligible as an "improved" blighted area within the definition set forth in the Act. Specifically,

- Of the fourteen factors set forth in the Act for "improved" blighted areas, ten are present in the improved portion of the Project Area.
- The factors present are reasonably distributed throughout the improved portion of the Project Area.

- All blocks within the improved portion of the Project Area show the presence of blight factors.
- The improved portion of the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

#### **Vacant Areas**

The vacant area within the Project Area is found to be eligible as a “vacant” blighted area within the definition set forth in the Act. Specifically,

- Approximately 26.2 acres within the vacant area are characterized by 3 of the 5 factors listed under the first requirement for “vacant” blighted areas as set forth in the Act. These factors include: obsolete platting, diversity of ownership, and deterioration of structures and site improvements in areas adjacent to the vacant land.
- The factors are reasonably distributed throughout this vacant area within the Project Area.
- All blocks within this vacant area show the presence of blight factors.
- This vacant area within the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

#### **Vacant Railroad Right-Of-Way**

The vacant area within the Project Area is found to be eligible as a “vacant” blighted area within the definition set forth in the Act. Specifically,

- Approximately 4 acres within the vacant area consist of unused railroad right-of-way.

## I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key findings in adopting the Act:

1. That there exist in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that the prospective Redevelopment Project Area qualifies as a "blighted area" within the definitions set forth in the Act (Section 11-74.4-3). These definitions are paraphrased below:

### ELIGIBILITY OF A BLIGHTED AREA

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

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



If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant.
- The area immediately prior to becoming vacant qualified as a blighted improved area, or
- The area consists of an unused quarry or unused quarries, or
- The area consists of unused railyards, rail tracks or railroad right-of-way, or
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or (is) in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in the first bullet item above for a vacant blighted area, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

## ELIGIBILITY OF A CONSERVATION AREA

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the fourteen factors listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Abandonment
- Excessive vacancies
- Overcrowding of structures and community facilities

- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning.

While the Act defines a blighted area, it does not define the various factors, nor does it describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as a blighted area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present and the presence of each must be documented;
2. For a factor to be found present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the Project Area as a whole; it is not required that eligibility be established for each and every property in the project area.

The City of Chicago is entitled to rely on the findings and conclusions of this report in designating the Project Area as a redevelopment project area under the Act. TPAP has prepared this report with the understanding that the City would rely (i) on the findings and conclusion of this report in proceeding with the designation of the Project Area as a redevelopment project area under the Act, and (ii) on the fact that TPAP has obtained the necessary information to conclude that the Project Area can be designated as a redevelopment project area in compliance with the Act.

## II. THE 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

The Project Area consists of an area of approximately 57.8 acres, including perimeter and interior streets. The area contains one active rail line servicing both Metra commuter and freight trains and one vacated rail line formerly used by the Pittsburgh, Cincinnati, Chicago, & St. Louis Railroad. The Project Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street. Figure 1A, *Project Area Boundary*, illustrates the boundary of the Project Area.

The Project Area consists of both vacant and built-up areas. As indicated in Figure 1B, vacant areas exist in five of the eight tax blocks comprising the Project Area. Vacant land areas, including vacated streets in Block 116 and the vacated railroad right-of-way, total 30.2 acres, or 52.2 percent of the total acreage within the Project Area.

Table 1 illustrates the acreage of various subareas within the Project Area.

**Table 1, Acreage Distribution**

### 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area

Area	Acres	Percent of total
• Vacant land/parcels	26.2	45.3
• Vacant land consisting of former railroad right-of-way	4.0	6.9
• Improved land/parcels	6.6	11.4
• Streets and Metra rail line right-of-way	21.0	36.4
<b>Total Project Area</b>	<b>57.8</b>	<b>100.0</b>

The Project Area consists of eight irregularly shaped tax blocks, three of which contain exempt parcels and five of which contain taxable parcels. The largest of these blocks is comprised of one large parcel which spans four city blocks and was formerly the site of the Chicago Bridge and Iron Works Company. The triangular shape of the blocks was established decades earlier by the diagonal alignment of Vincennes Avenue and the Metra -Rock Island and Pacific Rail Line which run parallel to, and along side of, each other.

In addition to these conditions, several other factors have influenced the overall shape and character of the Project Area. First, the construction of the I-57 Expressway effectively cut off the Project Area from the residential neighborhood and typical grid street pattern located to the east. Second,

the closure of the Chicago Bridge and Iron Works Company resulted in a large vacant parcel in the heart of the Project Area. Third, the removal of the former Pittsburgh, Cincinnati, Chicago, and St. Louis Railroad, which bisects the area in a northwest to southeast direction, further contributed to the amount of vacant land within the Project Area. Finally, vacant parcels are widely scattered throughout the remaining blocks within the Project Area.

The Project Area is dominated by the former Chicago Bridge and Iron Works plant site. A combination of long-term vacancy, weather damage, lack of maintenance of the main building, fly dumping and the existence of building remains and debris on the former Chicago Bridge and Iron Works plant site as well as in the surrounding area, has resulted in the current condition of extreme deterioration and has adversely impacted adjacent property.

The Metra Station is at the north end within the Project Area. Access to the Project Area is good from all directions and is provided by Vincennes Avenue, 107th Street, and 103rd Street; which provides access to all parts of the surrounding area in this part of the City and to the I-57 Expressway.

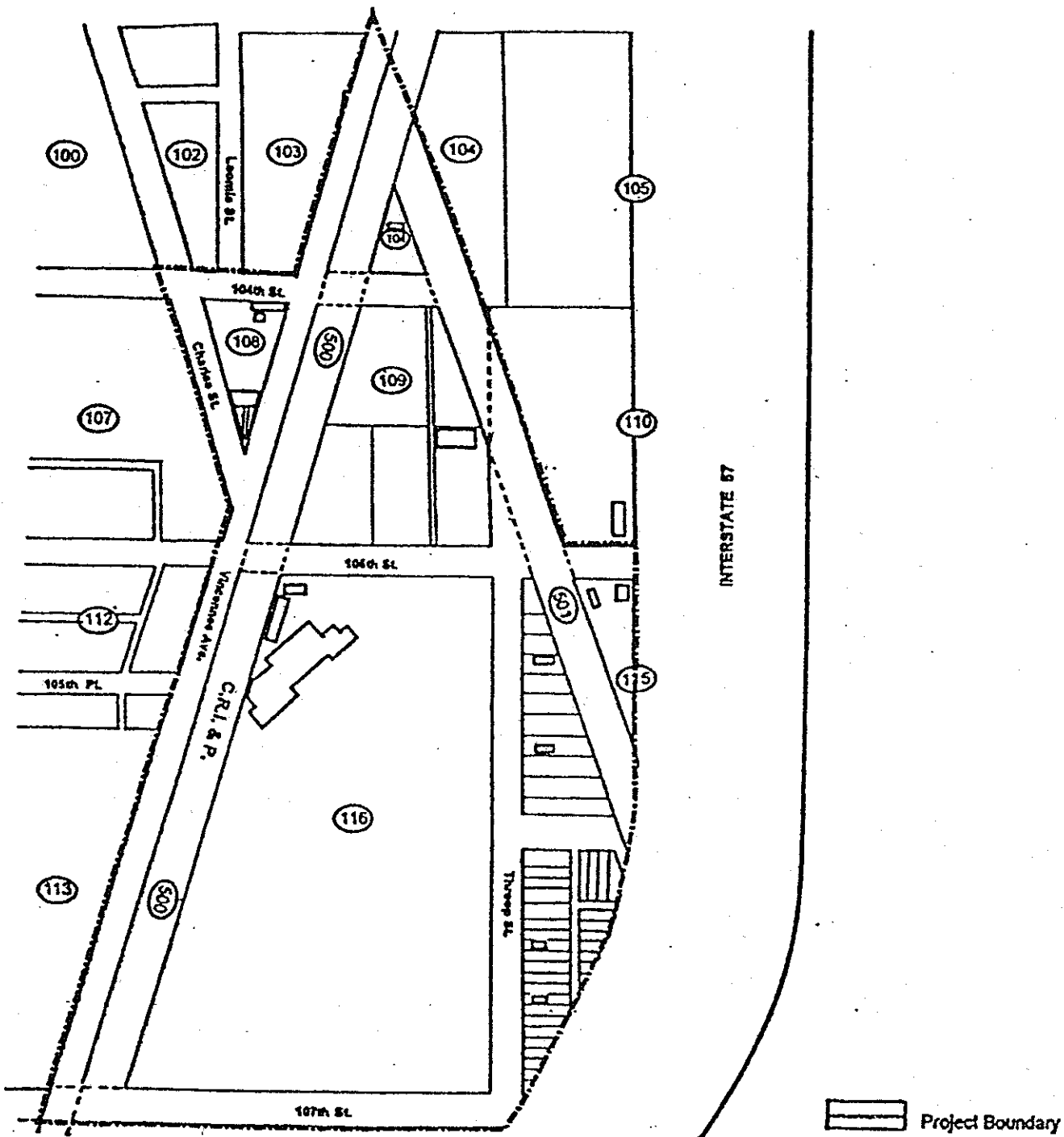


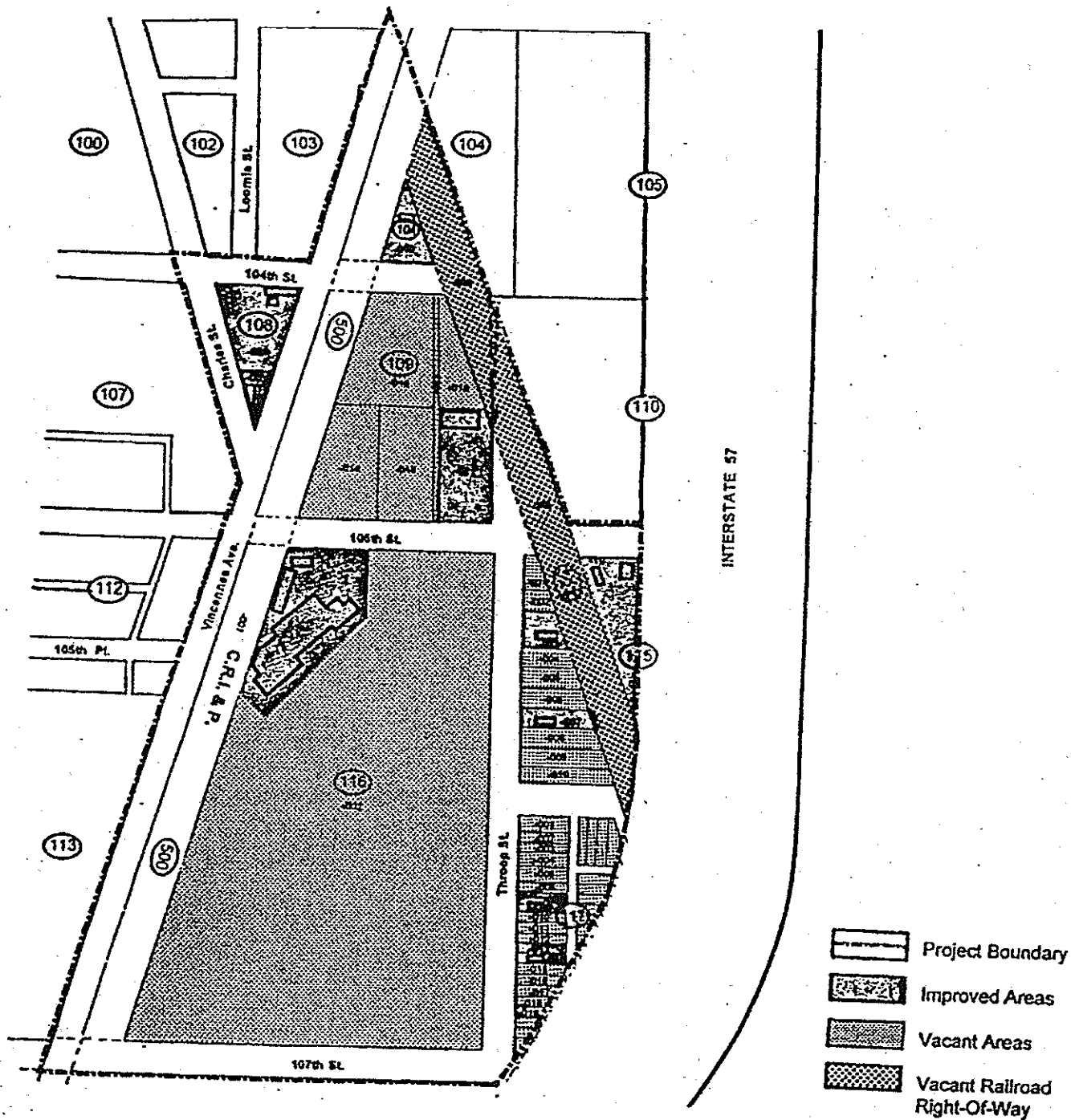
Figure 1A  
**PROJECT AREA BOUNDARY**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing and Development Project



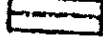



-  Project Boundary
-  Improved Areas
-  Vacant Areas
-  Vacant Railroad Right-Of-Way



Figure 1B  
**SUBAREAS BOUNDARY**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

### III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS

An analysis was completed for each of the blighted area eligibility factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP included:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, lighting, curbs and gutters, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of exterior building conditions to property maintenance codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings; and
8. Review of previously prepared plans, studies and data.

In October of 1996 and again in March of 1997, TPAP documented conditions based on exterior inspections of all buildings. Noted during the inspection were structural deficiencies of individual buildings and related environmental deficiencies in the Project Area. Figure 2, *Existing Land Use* identifies existing land uses within the Project Area and Figure 3, *Exterior Survey Form*, illustrates the building condition survey form used to record building conditions.

The following statement of findings is presented for each blighted area eligibility factor listed in the Act. The conditions that exist and the relative extent to which each factor is present in the Project Area are described.

A factor noted as not present indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist which document that the factor is present, but that the distribution or impact of the blight condition is limited. Finally, a factor noted as present to a major extent indicates that conditions exist which document that the factor is present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

What follows is the summary evaluation of the 14 factors for an "improved" blighted area. The factors are presented in order of their listing in the Act.

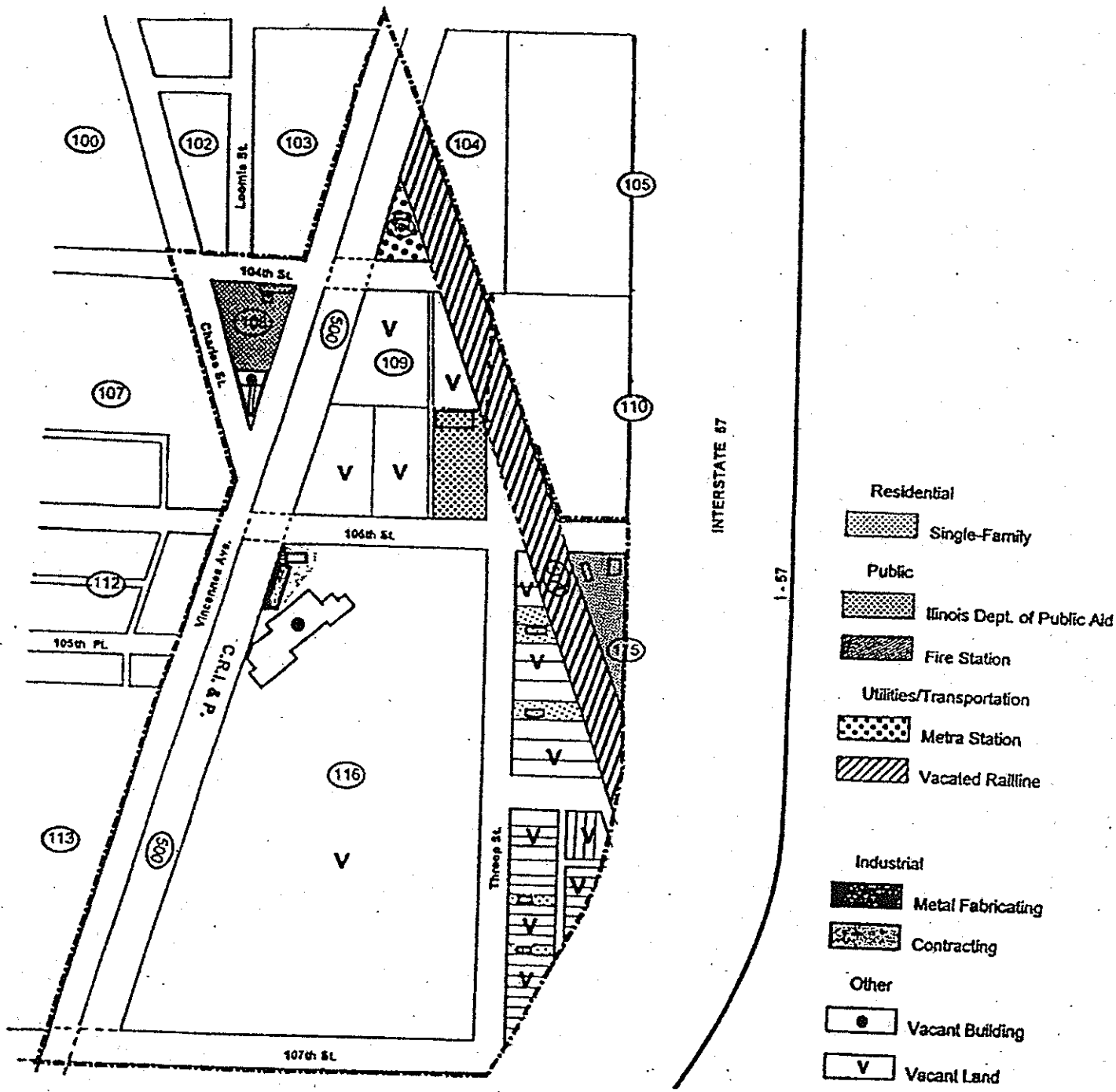


Figure 2  
**EXISTING LAND-USES**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.





## A. AGE

Age as a blighting factor presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, temperature and moisture, structures which are 35 years or older typically exhibit more problems and require a greater level of maintenance than more recently constructed buildings.

Figure 4, *Age* illustrates the location of all buildings in the Project Area which are more than 35 years of age.

### **Conclusion**

Of the total thirteen principal buildings and related accessory buildings and structures, all thirteen, or 100 percent, are 35 years of age or older. Age as a factor of blight is present to a major extent.

## B. DILAPIDATION

Dilapidation refers to advanced disrepair of buildings and site improvements. Webster's New Collegiate Dictionary defines "dilapidate," "dilapidated," and "dilapidation" as follows:

- Dilapidate, "...to become or cause to become partially ruined and in need for repairs, as through neglect."
- Dilapidated, "...falling to pieces or into disrepair; broken down; shabby and neglected."
- Dilapidation, "...a dilapidating or becoming dilapidated; a dilapidated condition."

To determine the existence of dilapidation, an assessment was undertaken of all buildings within the Project Area. The process used for assessing building conditions, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation are presented below.

The building condition analysis is based on an exterior inspection of buildings and site improvements undertaken during October of 1996 and again in March of 1997. Noted during the inspections were structural deficiencies in building components and related environmental deficiencies in the Project Area. Dilapidation as a factor can refer to site improvements but for purposes of this study has been documented in the section describing *Deterioration*.

### ***1. Building Components Evaluated***

During the field survey, each component of a subject building was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

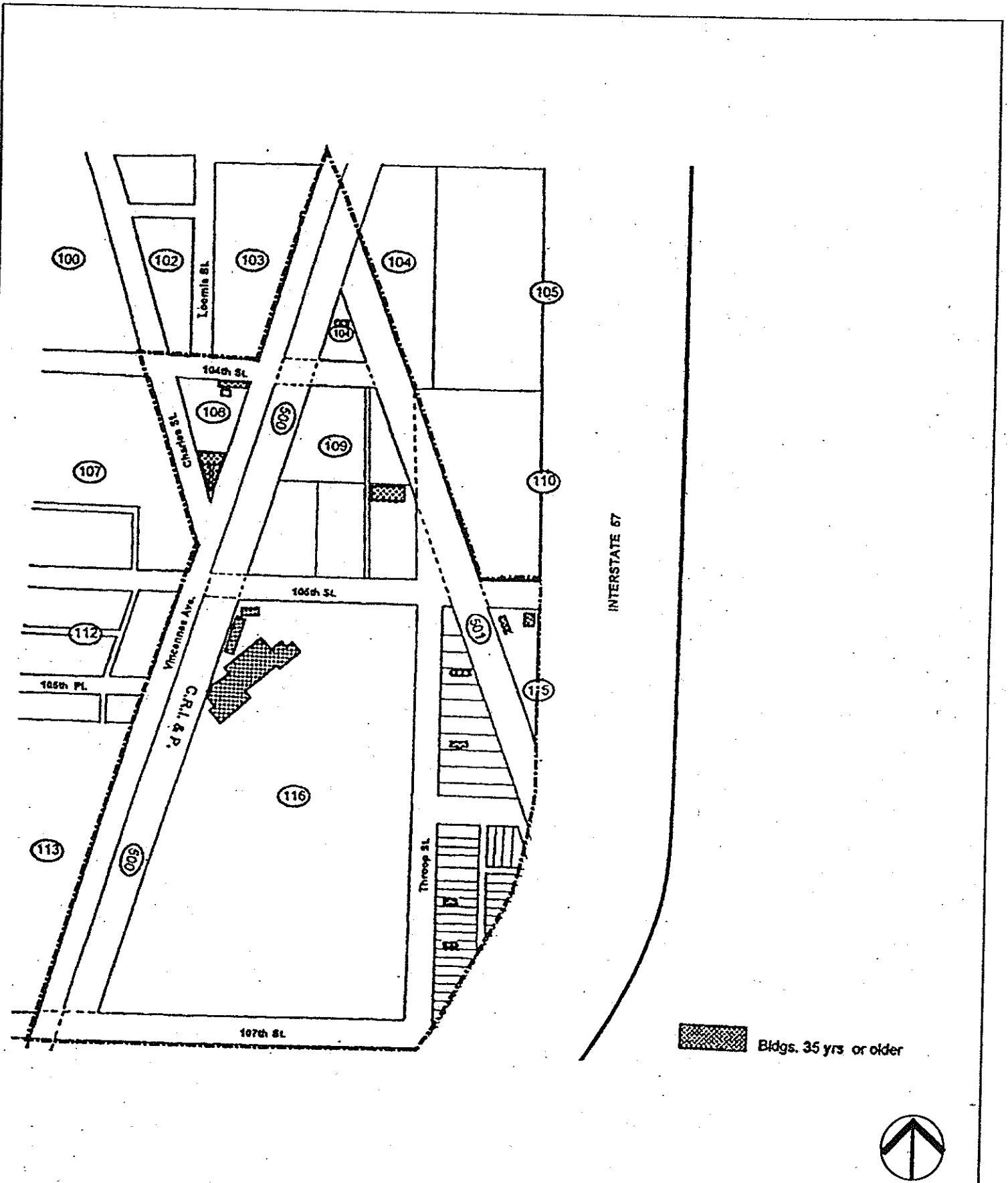


Figure 4  
AGE

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

105th Street & Vincennes Avenue

Chicago, Illinois

-- Primary Structural.

These include the basic elements of any building: foundation walls, load bearing walls and columns, roof and roof structure.

-- Secondary Components.

These are components generally added to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys, and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in the various components have on the remainder of the building.

## ***2. Building Rating Classifications***

Based on the evaluation of building components, each building was rated and classified into one of the following categories:

### Sound

Buildings which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.

### Deficient

Buildings which contain defects (loose or missing material or holes and cracks) over a limited or widespread areas which may or may not be correctable through the course of normal maintenance (depending on the size of the building or number of buildings in a large complex). Deficient buildings contain defects which, in the case of limited or minor defects, clearly indicate a lack or a reduced level of maintenance. In the case of major defects, advanced defects are present over widespread areas, perhaps including mechanical systems, and would require major upgrading and significant investment to correct.

### Dilapidated

Building which contain major defects in primary and secondary components and mechanical systems over widespread areas within most of the floor levels. The defects are so serious and advanced that building is considered to be substandard, requiring improvements or total reconstruction which may either be infeasible or difficult to correct.

### **Conclusion**

Of the thirteen buildings, four are in a substandard (dilapidated) condition. These include the largest remaining building on the former Chicago Bridge and Iron Works site, one commercial building and two residential buildings. The factor of dilapidation is present to a major extent in the Project Area.

Figure 5, *Dilapidation* illustrates the location of substandard (dilapidated) buildings in the Project Area.

### C. OBSOLESCENCE

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

- Functional Obsolescence

Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupant at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

- Economic Obsolescence.

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence

#### 1. Obsolete Building Types

Functional or economic obsolescence in buildings, which limits their long-term use or reuse, is typically difficult and expensive to correct. Deferred maintenance, deterioration and vacancies often result, which can have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

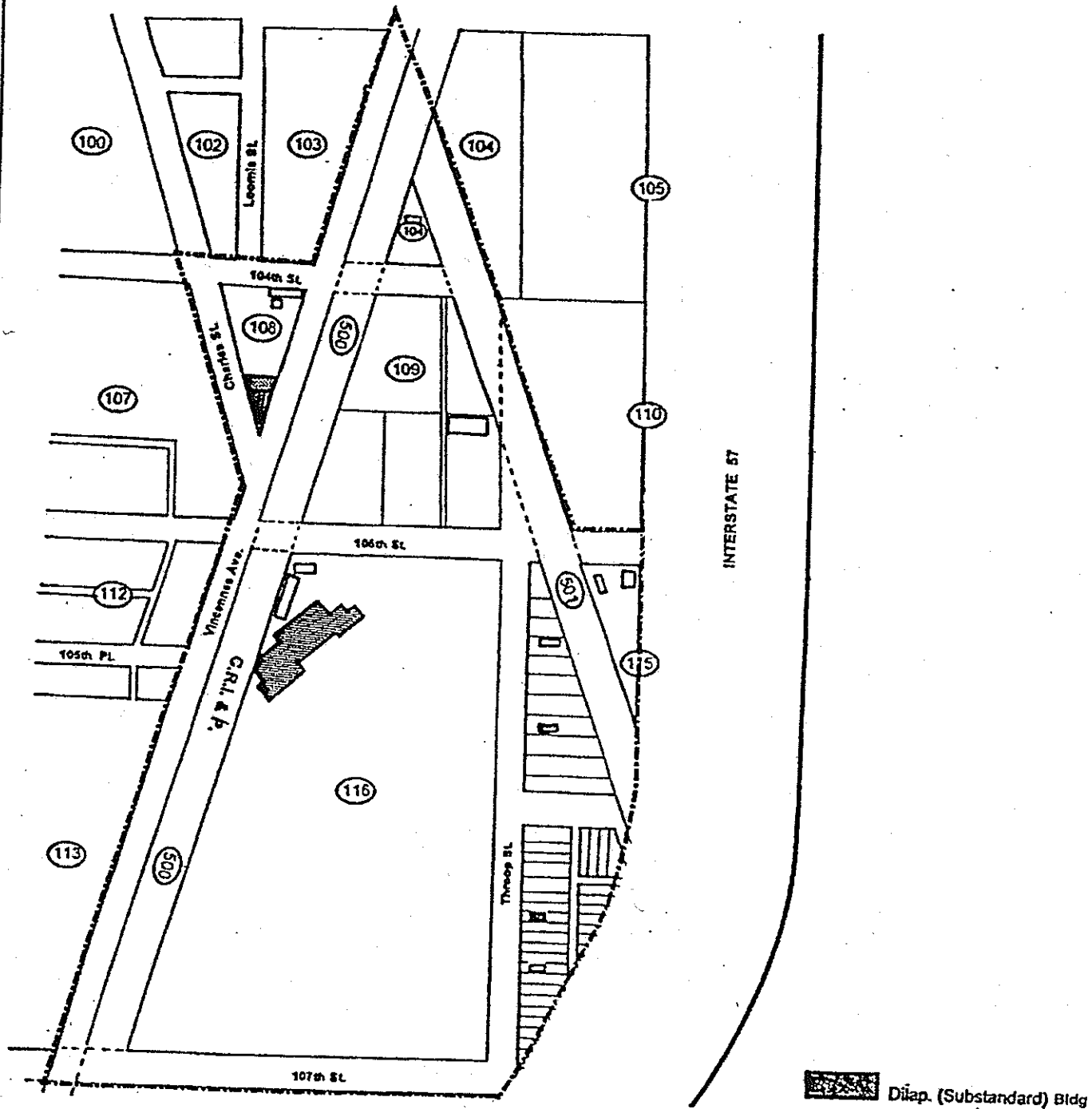


Figure 5  
**DILAPIDATION**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing and Development Project

Functional obsolescence is present in seven of the thirteen buildings in the Project Area. Characteristics observed in the obsolete buildings include both large and small, single-purpose industrial buildings not suitable for improvement or conversion to accommodate other activity, small structures with limited utility or adaptable design for expansion and re-use; older buildings of narrow width or irregular shape with limited space and amenities for existing use or potential for conversion to accommodate future activity (fire station and vacant commercial building previously occupied by a pet service); and older buildings converted from their original use to accommodate present activity such as the Public Aid facility.

These buildings are characterized by obsolescence which limit their efficient or economic use consistent with contemporary standards. All thirteen buildings in the Project Area are impacted by functional and economic obsolescence.

### 1. Obsolete Site Improvement/Platting

While the layout of the area, including block and parcel size and shape, is the result of the alignment of two rail lines and the construction of I-57, these existing characteristics are nevertheless present. This poor layout is compounded by the platting of small lots in two residential blocks which are unsuitable for development on an individual lot basis. Two very narrow parcels which are unsuitable for development also exist in Block 109. The vacant building located on parcel -003 in Block 108 occupies the entire lot and provides no provision for off-street parking. The Metra station is located on a small triangular parcel with very limited parking space for commuters, forcing vehicles to park along 104th Street and along the vacated rail line right-of-way. Streets such as 104th Street, east of Vincennes and 105th Street, east of the vacated rail line were never completed with curbs, gutters and sidewalks and contain only semi-permanent street surfaces with extensive deterioration and pot holes. 106th Street, similarly, was never fully constructed and consists of a narrow gravel path.

### Conclusions

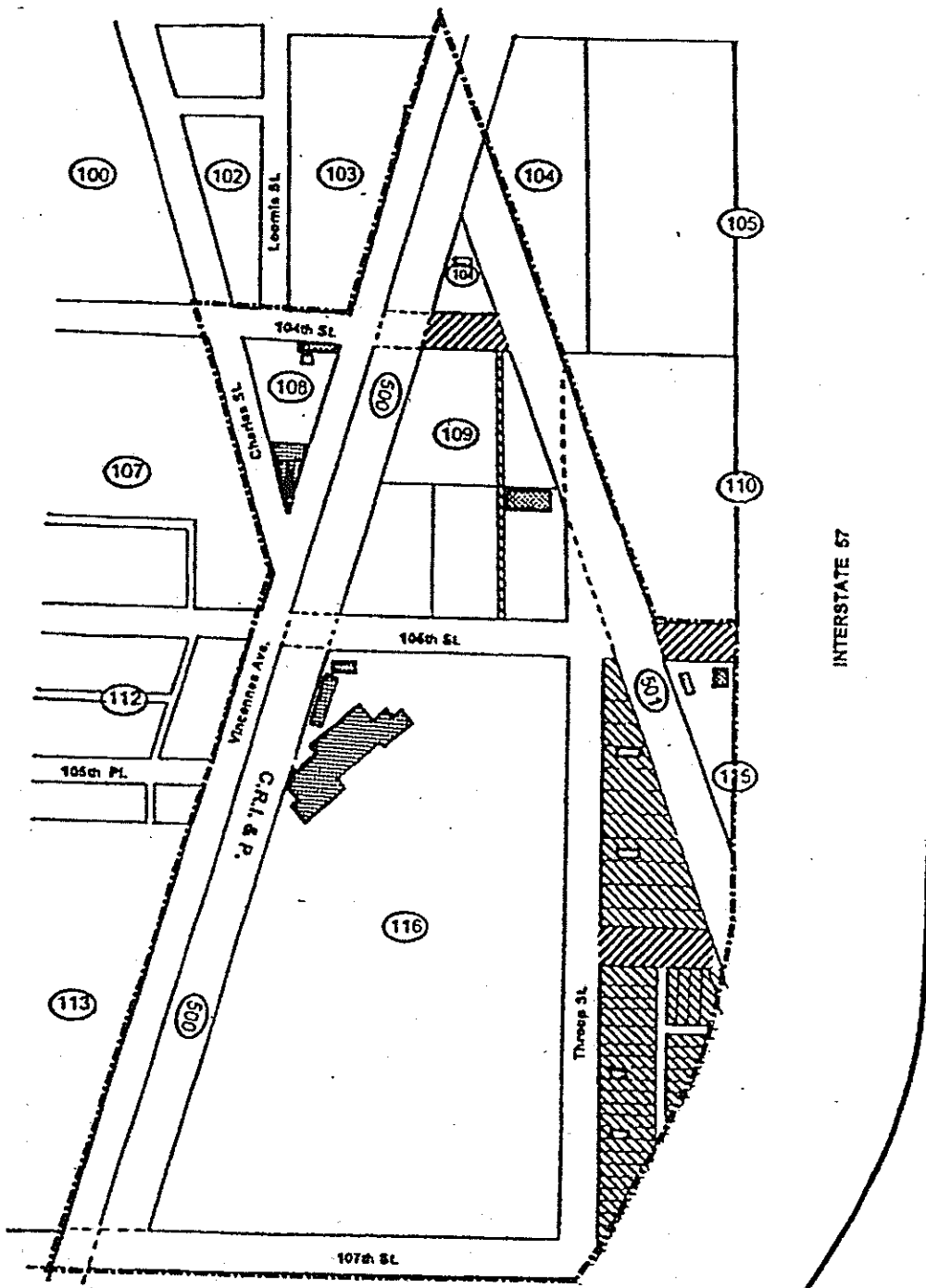
All of the 13 buildings in the Project Area are obsolete and obsolete platting is present throughout the Project Area. Obsolescence as a factor is present to a major extent in the Project Area.

Figure 6, *Obsolescence* illustrates the location of obsolete buildings in the Project Area.

### D. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of paint, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.






-  Obsolete Buildings
-  Obsolete Platting
-  Obsolete Streets



Figure 6  
OBSOLESCENCE

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing



- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. Minor deficient and major deficient buildings are characterized by defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, interior walls, ceilings, stairs etc.), and defects in primary building components (e.g., foundations, frames, roofs, floors, load-bearing walls or building systems etc.), respectively.

It should be noted that all buildings classified as dilapidated are also deteriorated.

### Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Of the total thirteen buildings and related structures, 11 buildings, or 84.6 percent, are classified as deteriorated or deteriorating.

Table 2, *Summary of Building Deterioration*, summarizes building deterioration within the blocks containing buildings in the Project Area.

**Table 2, Summary of Building Deterioration**

Block	Total Structures	No. Sound	Minor Deficient	Major Deficient	Substandard (Dilap.)	Percent Deteriorated
104	1	--	1	--	--	100.0
108	3	1	1	--	1	66.7
109	1	--	1	--	--	100.0
115	4	1	--	2	1	75.0
116	2	--	--	1	1	100.0
117	2	--	--	1	1	100.0
<b>Total</b>	<b>13</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>100.0</b>
<b>Percent</b>	<b>100.0</b>	<b>15.3</b>	<b>23.1</b>	<b>30.8</b>	<b>30.8</b>	<b>84.6</b>

### Deterioration of Parking and Site Surface Areas

Field surveys were conducted to identify the condition of parking and surface storage areas. All parcels contain either gravel or sandy surfaces or deteriorated asphalt and/or concrete around the perimeter of all buildings within each of the properties. These surface areas contain depressions, pot holes, debris (including junk and fly dumping), overgrowth of high weeds (including weeds protruding through concrete or asphalt), weed trees, and exposed storage of industrial equipment (including inoperable junk vehicles).

### **Deterioration of Street Pavement, Curbs and Gutters**

Several interior streets (105th Street and 106th Street, east of Throop) are gravel or sand surface with depressions, weed growth and pot holes. 104th Street and 105th Street contain rough pavement, pot holes, deteriorated curbing, and limited sections of broken sidewalk. Additionally, 104th and 105th Streets lack sidewalks and curbs in several sections and are impacted by fly dumping, weeds and debris.

### **Conclusion**

Deterioration is present in 11 of the 13 buildings in the Project Area and deterioration of site improvements is present throughout the Project Area. Deterioration as a factor is present to a major extent in the Project Area.

Figure 7, *Deterioration* illustrates deterioration within the improved portions of the Project Area.

### **E. ILLEGAL USE OF INDIVIDUAL STRUCTURES**

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

A review of the City's Zoning Ordinance indicates that the entire area is zoned for either a manufacturing district, east of Vincennes Avenue or for commercial activity, west of Vincennes Avenue. While the residential properties and the Public Aid facility are not in compliance with this zoning, the Public Aid facility is permitted by special use and the residential properties are legal non-conforming uses and therefore are not considered illegal activities.

### **Conclusion**

No illegal uses of individual structures were evident from the field surveys conducted.

### **F. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS**

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed so they will be strong enough to support the loads expected, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

Of the thirteen structures in the Project Area, eight contain visible defects over major portions of the various components, including advanced defects which are below the current building and property maintenance code for existing buildings.



## Conclusion

The results of the analysis, based on exterior surveys, indicate that the factor of structures below minimum code standards is present to a major extent within a large portion (four of the eight tax blocks) of the Project Area.

Figure 8, *Structures Below Minimum Code Standards* illustrates buildings and site improvements which are below minimum code standards.

## G. EXCESSIVE VACANCIES

Excessive vacancies as a factor refers to the presence of buildings or sites which are either unoccupied or not fully utilized, and which represent an adverse influence on the surrounding area because of the frequency, or the duration of vacancies. Excessive vacancies include properties for which there is little expectation for future occupancy or utilization.

Two of the largest commercial and industrial buildings are vacant. The largest building on the former Chicago Bridge and Iron Works site has been vacant since 1972 when the company moved to a suburban location. The multi-story commercial building in Block 108, formerly occupied by the Beverly Veterinary Clinic, has been vacant for over a year and is for sale. While smaller buildings, including residential structures remain occupied, these two large buildings and the vacant nature of the Project Area continue to adversely impact major portions of the surrounding area.

## Conclusion

Excessive vacancies are present in the two largest buildings in the Project Area, one of which has been vacant for 25 years. The factor of excessive vacancies is present to a major extent in the Project Area.

Figure 9, *Excessive Vacancies* illustrates buildings in the Project Area which are 20 percent or more vacant.

## H. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

Overcrowding of structures and community facilities refers to the utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without regard for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

## Conclusion

No conditions of overcrowding of structures and community facilities have been documented as part of the surveys and analyses undertaken within the Project Area.

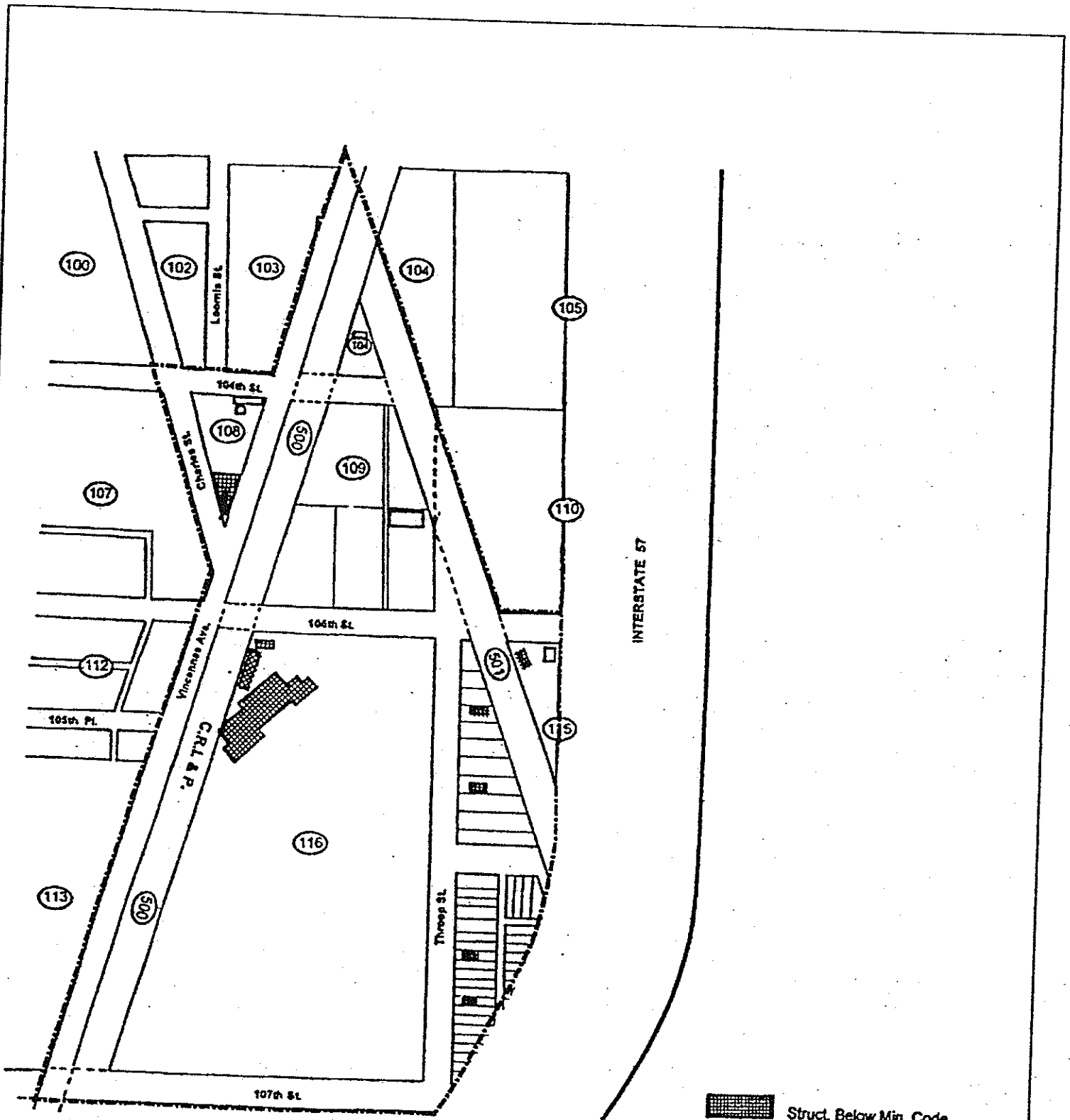


Figure 8  
**STRUCTURES BELOW  
 MINIMUM CODE STANDARD**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing

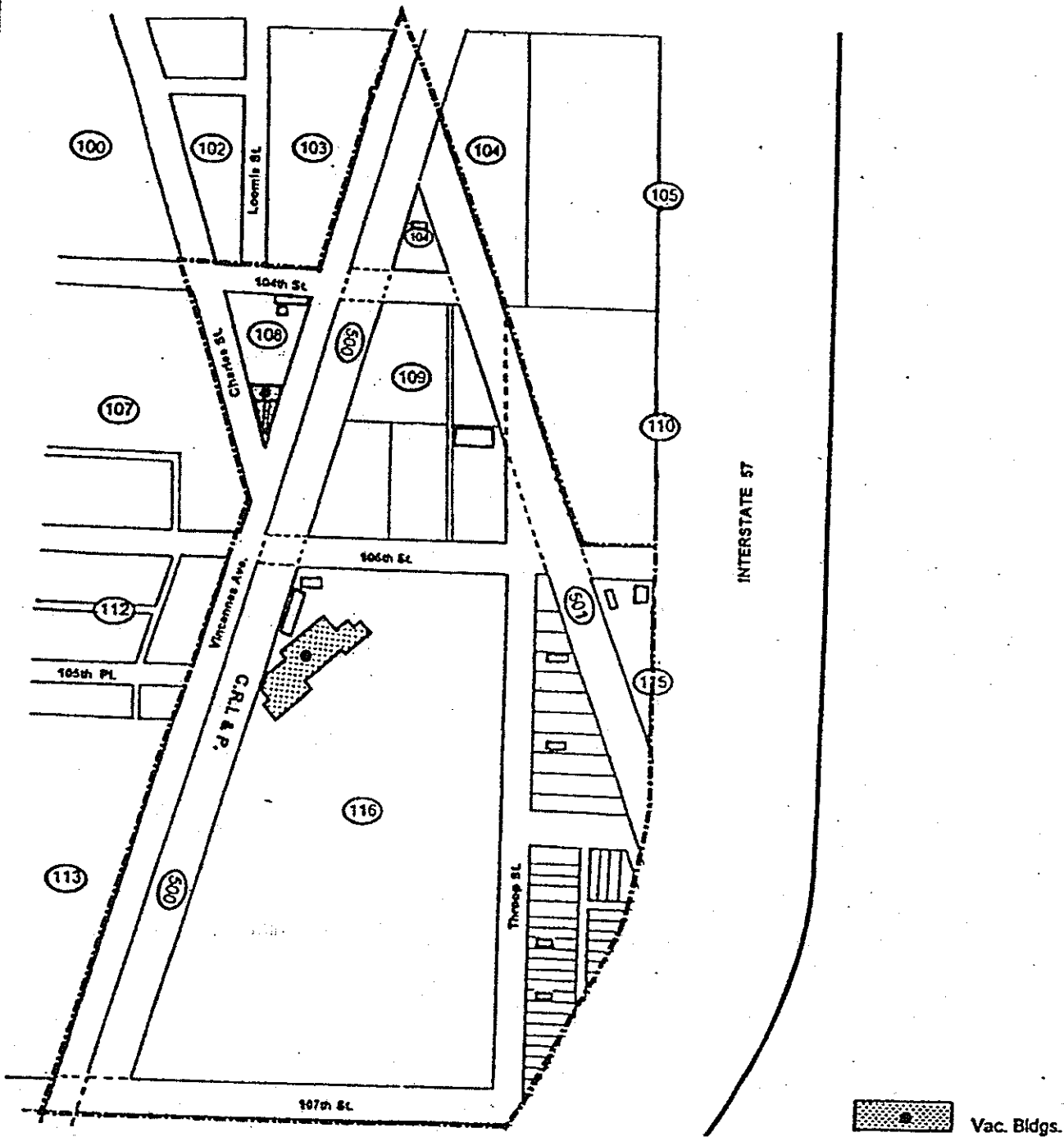


Figure 9  
**EXCESSIVE VACANCIES**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

## **I. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES**

Lack of ventilation, light, or sanitary facilities refer to substandard conditions which adversely affect the health and welfare of building occupants, *e.g.*, residents, employees, or visitors. Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, *i.e.*, bathrooms, and rooms that produce dust, odor or smoke;
- Adequate natural light and ventilation by means of skylights or windows, proper window sizes and adequate room area to window area ratios; and
- Adequate sanitary facilities, *i.e.*, garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

### **Conclusion**

The factor of lack of ventilation, light or sanitary facilities is not documented as part of this report.

## **J. INADEQUATE UTILITIES**

Inadequate utilities refers to deficiencies in the capacity or condition of utilities which service a property or area, including but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, and natural gas lines.

### **Conclusion**

While the extension of existing sewers, drains and structures is required and water supply and sanitary sewers would need to be upgraded and extended to accommodate any new development in the future, no conditions of inadequate utilities in place have been documented as part of the surveys and analysis undertaken within the Project Area.

## **K. EXCESSIVE LAND COVERAGE**

Excessive land coverage refers to the over-intensive use of land and the crowding of buildings and accessory facilities on a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, and increased threat of the spread of fires due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking and inadequate provision for loading and service. Excessive land coverage has an adverse or blighting effect on nearby development.

One multi-story building, previously occupied by Beverly Veterinary Clinic and more recently occupied by a pet grooming business, has been vacated. This property, which includes the main brick building and frame sheds, covers nearly 95 percent of a small triangular parcel. The result is that no provision for off-street parking, loading and service is possible without using the adjacent parking area of the Fire Department property.

### **Conclusion**

The factor of excessive land coverage is present to a limited extent, impacting one parcel out of the entire Project Area.

Figure 10, *Excessive Land Coverage* illustrates the presence of this factor in the Project Area.

## **L. DELETERIOUS LAND-USE OR LAYOUT**

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, and uses which may be considered noxious, offensive, or environmentally unsuitable.

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other nearby buildings.

### **Incompatible Uses**

Four single family residences in two of the eight blocks in the Project Area are inappropriately located in an area zoned as a manufacturing district. While the major industrial activity has terminated, industrial uses remain in the area. The residential uses are located in the area as a result of the I-57 expressway which has severed these blocks from the residential neighborhood east of the expressway and are also isolated from the residential neighborhood to the south.

### **Improper platting/layout**

The entire Project Area is impacted by triangular small blocks including two blocks platted for residential development with small narrow parcels. A vacated rail line right-of-way which runs diagonally through the area further dissects the block pattern of the area, restricting land assembly and contributing to the existing block and parcel configuration. Several interior streets were never fully improved with permanent pavement, curbs, gutters and sidewalks.



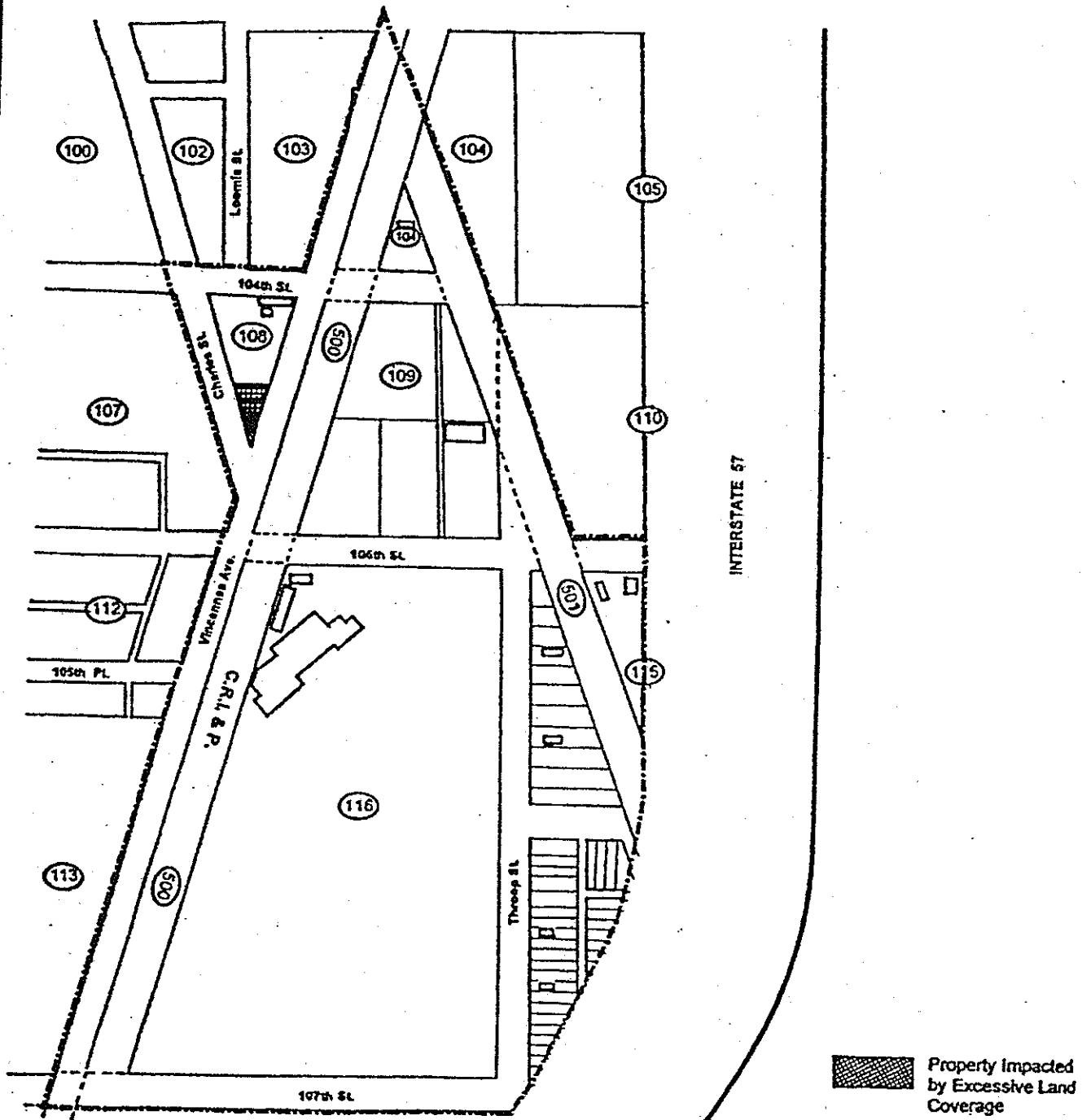


Figure 10  
**EXCESSIVE LAND COVERAGE**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

## Conclusion

Deleterious land-use or layout is present to a major extent throughout the entire Project Area.

Figure 11, *Deleterious Land-Use or Layout* illustrates the presence of this factor in the Project Area.

## M. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the deferred maintenance of buildings, parking areas and public improvements such as alleys, sidewalks, and streets.

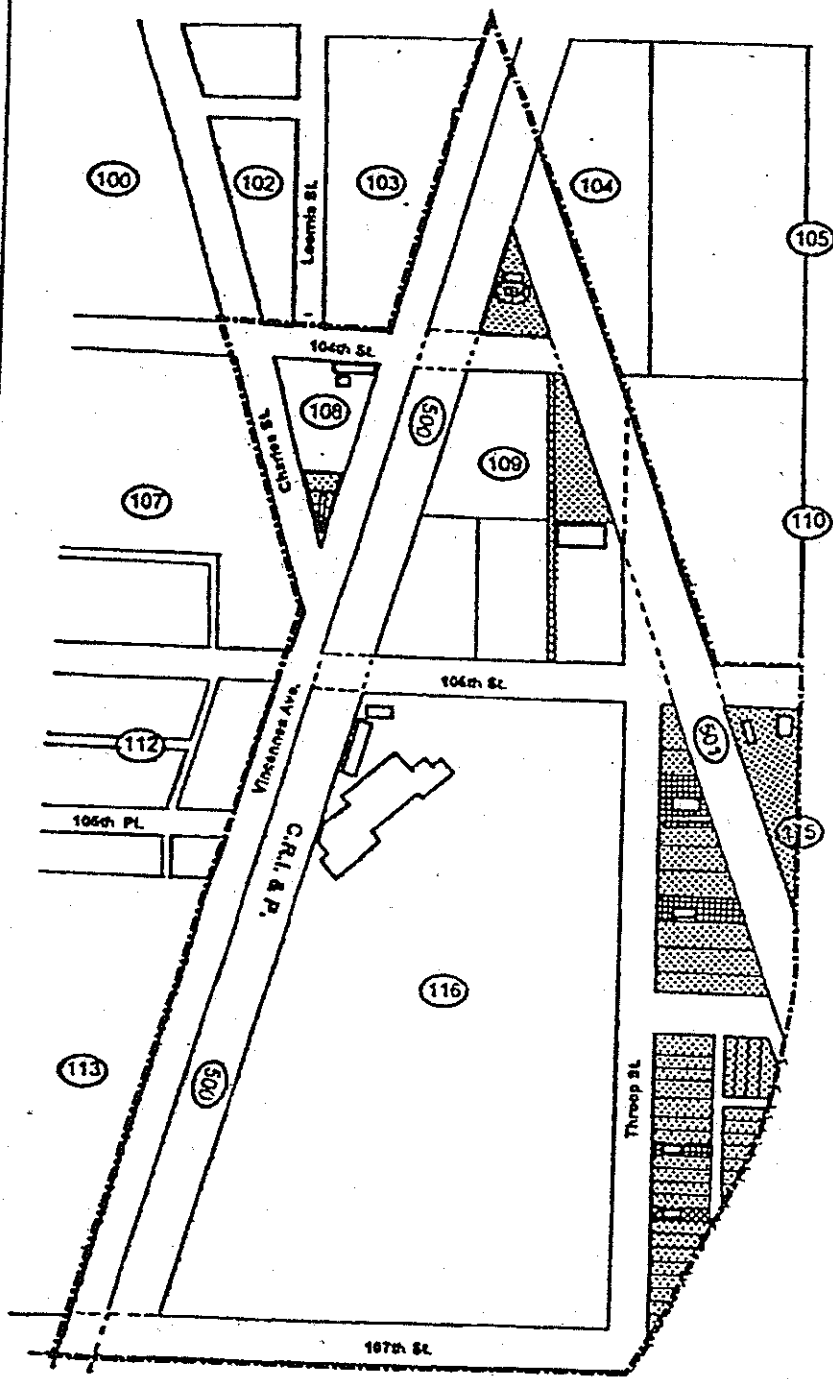
The presence of this factor within the Project Area includes:

- Buildings. All properties, including the remains of the former Chicago Bridge and Iron Works Company plant complex, suffer from advanced deterioration and deferred maintenance of building components, including roofs, fascias, exterior walls, doors and windows, loading docks, porches and steps, gutters and downspouts.
- Storage Yards, Premises and Fences. In addition to the deferred maintenance of buildings with advanced deterioration, all improved properties contain areas with junk storage and debris, abandoned cars, broken concrete sections, high weeds, gravel site surfaces with pot holes, and lack screening and general upkeep. The cyclone perimeter fencing around the former Chicago Bridge and Iron Works site is rusted, contains bent posts and is overgrown with high weeds. Several building remains are still present on the site as well as excavations from underground storage tank removal and piles of building debris. Fly dumping is evident on widespread portions of the site and along interior streets. Two of the residential properties contain excessive storage of vehicles, including cars, buses and semi trucks and trailers. Parking areas at the Metra Station, fire station and at the Public Aid facility are deteriorated and overgrown with weeds or contain gravel with depressions and irregular surfaces.
- Streets. Three of the four interior streets serving the Project Area are poorly maintained, lack provisions for storm water drainage and contain irregular semi-permanent or gravel surfaces, narrow width, pot holes, weeds and debris.

## Conclusion

Depreciation of physical maintenance as a factor exists to a major extent throughout the Project Area.

Figure 12, *Depreciation of Physical Maintenance* illustrates the presence of this factor in the Project Area.



INTERSTATE 57



-  Incompatible Uses
-  Improper Platting  
(Small Parcels of Limited Size/Shape Unsuitable for Development - Lack of or Limited Off-Street Parking)



Figure 11  
DELETERIOUS LAND-USE  
OR LAYOUT

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing and Development

## N. LACK OF COMMUNITY PLANNING

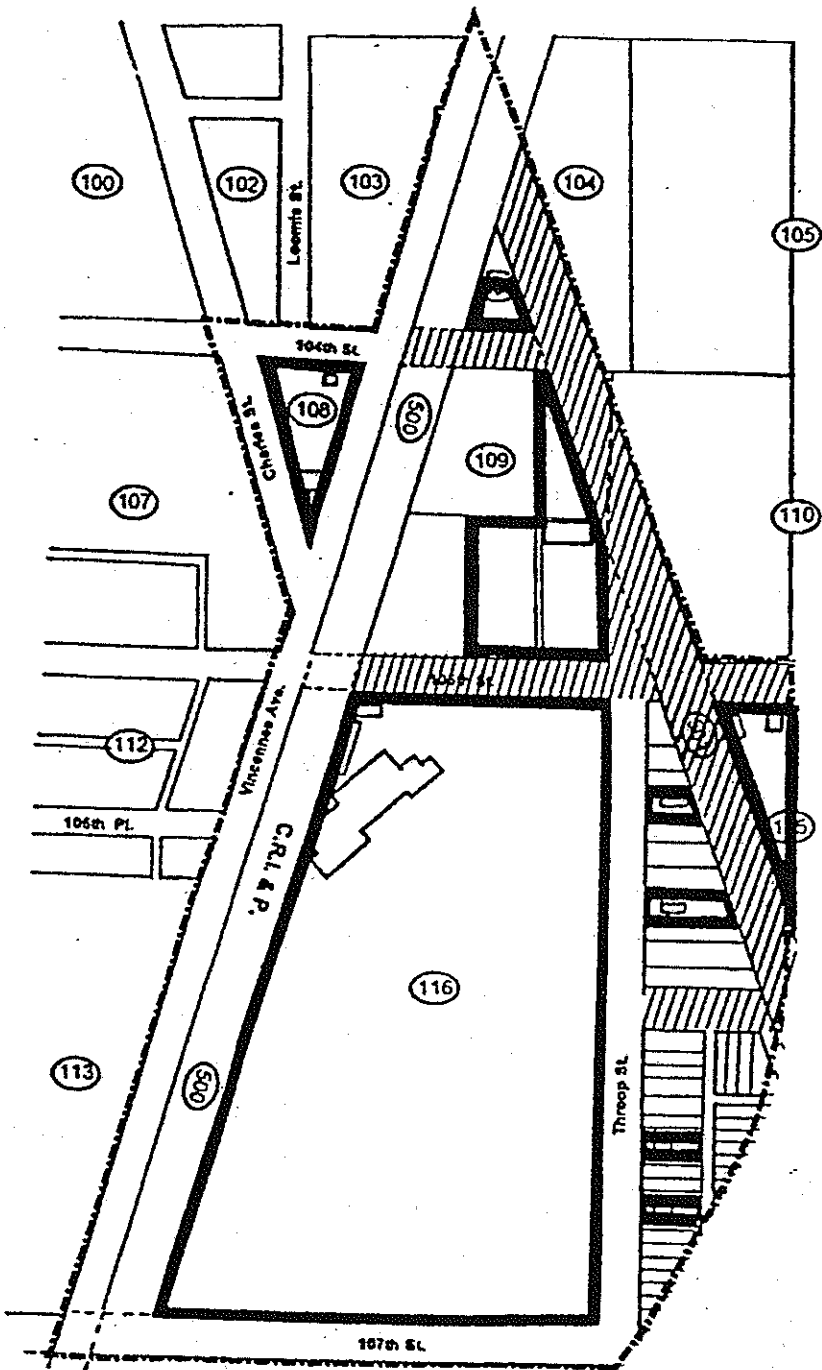
The Project Area was developed without the benefit or guidance of overall community planning. The Project Area developed on a parcel by parcel basis without development controls for industrial uses and the proper separation from residential areas in adjacent blocks at the time. The former Chicago Bridge and Iron Works Company, which provided the main activity in the area, was constructed back in 1889, long before other development occurred in adjacent blocks. The construction of the I-57 Expressway severed the area from the neighborhood to the east. The freight line, which has been vacated for numerous years further dissected blocks from the patterns and activity of surrounding areas.

In addition to the above-mentioned constraints of the Project Area, a lack of building and site planning guidelines during the original development of the area has partly contributed to the problem conditions which characterize the Project Area.

The current block, parcel and building configuration, lack of definable parking, inadequate loading and service areas, and the orientation of buildings and set backs are not consistent with present-day standards for industrial development.

### **Conclusion**

Lack of community planning as a factor is present to a major extent throughout the Project Area.



INTERSTATE 57



-  Properties Lacking Maintenance
-  Streets and Rail Line Right-of-Way Indicating Deferred Maintenance



Figure 12  
**DEPRECIATION OF  
 PHYSICAL MAINTENANCE**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing

#### **IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: VACANT AREAS**

The vacant areas in the Project Area meet the requirements of the Act for "vacant" blighted areas under two criteria. These criteria are described as follows:

**1. Three of the five eligibility factors for "vacant" blighted areas are present in the vacant area within the Project Area. Only two are required under the Act.**

**a) Obsolete platting of the vacant land.**

Obsolete platting exists in five blocks which contain vacant land. Block 104 is bisected by the vacated rail line, resulting in one small triangular parcel remaining for Metra Station use. Block 109 contains one small irregularly shaped parcel and two parcels limited to 10 feet in width. Block 116 consists of a single parcel which spans four city blocks, includes vacated streets and has no interior access. Blocks 115 and 117 contain small narrow parcels, some of which are limited in depth or irregularly shaped as a result of the alignment of the vacated rail line and I-57 Expressway rights-of-way.

**b) Diversity of ownership.**

While most of the vacant land areas are under similar ownership, a total of nine (9) separate owners of record are indicated for all vacant parcels within the Project Area.

**c) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.**

All vacant land areas are adjacent to deteriorating structures or site improvements as described in Section III.

**2. A portion of the vacant area is eligible as "vacant" blighted area due to the presence of unused rail yards, rail tracks or railroad rights-of-way.**

Part of the Project Area includes a vacated Pittsburgh, Cincinnati, Chicago, & St. Louis rail line, which forms part of the eastern boundary and bisects four blocks. This right-of-way contains close to four acres within the Project Area, a portion of which is used as vehicular access and spill-over parking for the Metra Station.

#### **Conclusion**

The vacant area meets the minimum criteria required for eligibility as a "vacant" blighted area.

## V. DETERMINATION OF PROJECT AREA ELIGIBILITY

### VACANT AREA

The vacant areas within the Project Area meet the requirements of the Act for designation as a "vacant" blighted area. The sound growth of the taxing districts is impaired by a reasonable presence and distribution of the following criteria:

1. The vacant area exhibits 3 of the 5 "vacant" blighted area factors set forth in the Act including:
  - a) Obsolete platting of the vacant land.
  - b) Diversity of ownership of such land.
  - c) Deterioration of structures and site improvements in neighboring areas adjacent to the vacant land.
2. A portion of the vacant area consist of unused railyards, rail tracks or railroad rights-of-way.

### IMPROVED AREA

The improved areas within the Project Area meet the requirements of the Act for designation as an "improved" blighted area. There is a reasonable presence and distribution of 10 of the 14 factors listed in the Act for improved blighted areas. These blighting factors include the following:

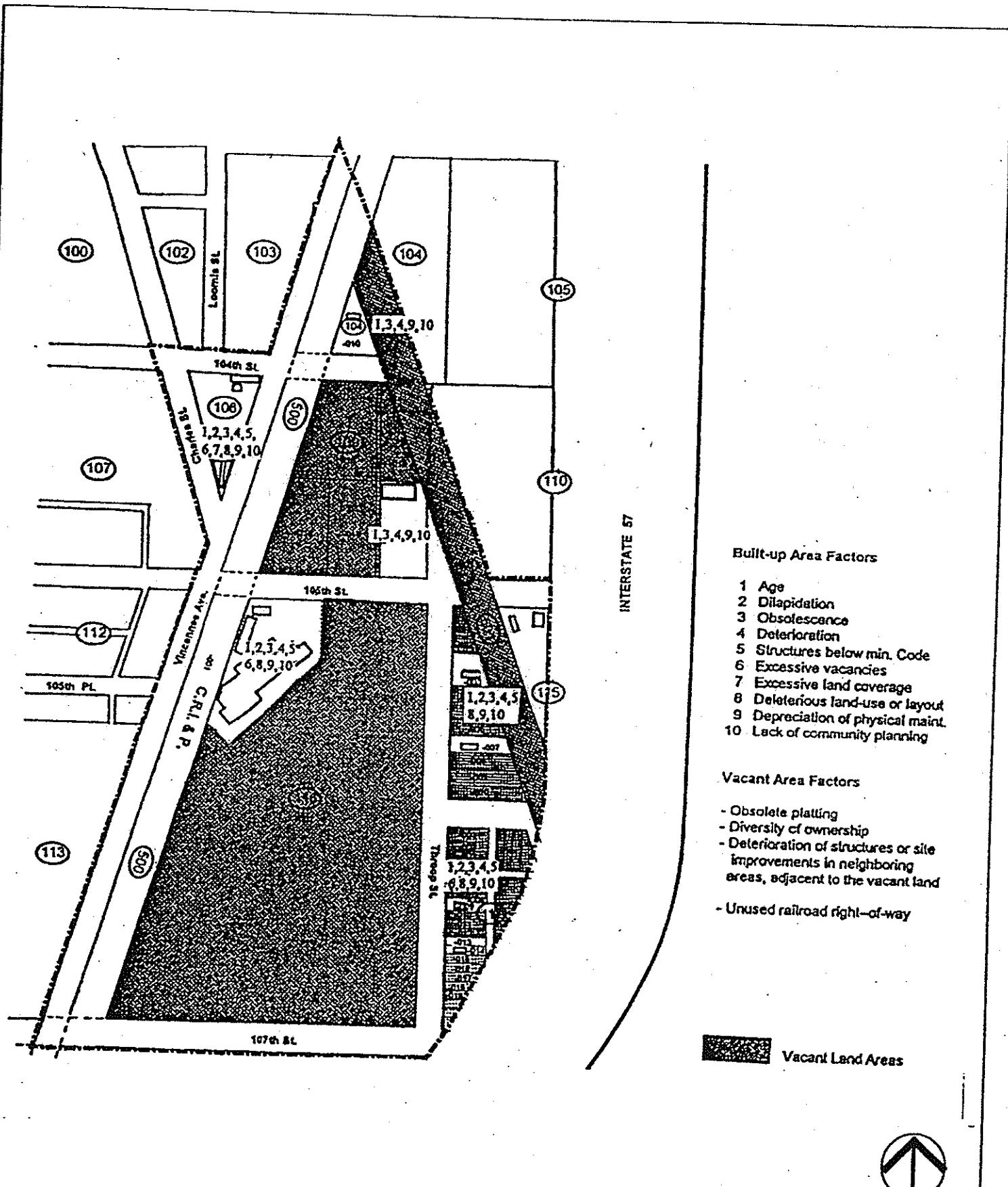
1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures below minimum code standards
6. Excessive vacancies
7. Excessive land coverage
8. Deleterious land-use or lay-out
9. Depreciation of physical maintenance
10. Lack of community planning

The distribution and summary of blighting factors is indicated in Figure 13, *Distribution of Blight Factors*.

The eligibility findings indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the

City. The Project Area is deteriorating and declining. All factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.





**Built-up Area Factors**

- 1 Age
- 2 Dilapidation
- 3 Obsolescence
- 4 Deterioration
- 5 Structures below min. Code
- 6 Excessive vacancies
- 7 Excessive land coverage
- 8 Deleterious land-use or layout
- 9 Depreciation of physical maint.
- 10 Lack of community planning

**Vacant Area Factors**

- Obsolete platting
- Diversity of ownership
- Deterioration of structures or site improvements in neighboring areas, adjacent to the vacant land
- Unused railroad right-of-way

 Vacant Land Areas



Figure 13  
**DISTRIBUTION OF BLIGHT FACTORS**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing and Development

**SUPPLEMENT TO THE  
105TH STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY**

**Summary of Existing Conditions**

The site at the northwest corner of Block 116 was occupied previously by two Chicago Bridge and Iron Works structures. Initial field analysis of the site completed in 1996, 1997, and in 1998 identified the two large structures which remained on the site. Site visits conducted in April 1999 and September 2001 documented that the structures and related site improvements have been demolished and the site is now vacant. Prior to becoming vacant, this improved area qualified as a Blighted Area under the Act as documented in the Eligibility Report dated May 12, 1997 and introduced to City Council on October 1, 1997. Nine of the fourteen factors set forth in the Act for Blighted Areas were present prior to the removal of these structures including: age, dilapidation, obsolescence, deterioration, structures below minimum code, excessive vacancies, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning.

The owners of the above-mentioned property were notified in 1997 that the existing site conditions and buildings were not in compliance with City codes and ordinances. Problem conditions cited roof damage, broken windows, and miscellaneous debris that included piles of railroad ties, drums of hazardous waste, concrete rubble and wood chips. The property owners were ordered to secure the site with fencing and remove the debris and buildings. The site was secured and debris was removed in 1998 and the buildings were razed in 1999.

**Impact to Eligibility**

With the removal of these buildings, this site no longer qualifies as an improved area. The area now qualifies as a vacant area that was blighted prior to becoming vacant. These changes reduce the acreage of the improved areas as well as the building count within the overall Project Area. References to building count, acreage, existing conditions and eligibility factors as they pertain to the above mentioned buildings which are affected by the change in existing conditions are found in the Eligibility Study on pages 1-3, 7-12, 14-16, 18-24, 26-31, 33-35 and 37. An additional reference affected by this change is found in the Redevelopment Plan on page 8.

The change in the number of buildings does not change the overall eligibility for either the vacant or improved portions of the Project Area. The total improved area factors remain at 10 of the 14 qualifying factors. One additional vacant site has been added to the vacant portion of the Project Area and qualifies under the criteria that the area was blighted prior to becoming vacant. The other remaining vacant areas in the Project Area are not affected by the eligibility analysis update.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-1

PROJECT BUDGET

	<b>TOTAL</b>
Land Acquisition	\$ 7,748,469
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$ 10,155,433
Hard costs in connection with the construction of residential units (foundation to finishes)	\$ 22,640,720
Soft Costs (professional fees, surveys, marketing, etc.)	\$ 6,321,598
<u>Financing &amp; Interest Expense</u>	<u>\$ 2,750,000</u>
<b><u>TOTAL</u></b>	<b><u>\$ 49,616,220</u></b>

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-2

CONSTRUCTION (MBE/WBE) BUDGET

	<b>TOTAL*</b>	<b>MBE 24%</b>	<b>WBE 4%</b>
Land Acquisition	n/a	n/a	n/a
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$10,155,433	\$2,437,304	\$406,217
Hard costs in connection with the construction of residential units (foundation to finishes)	\$22,640,720	\$5,433,773	\$905,629
Soft Costs (professional fees, surveys, marketing, etc.)	\$5,775,598	\$1,386,144	\$231,024
Financing & Interest Expense	n/a	n/a	n/a
<b><u>TOTAL</u></b>	<b><u>\$38,571,751</u></b>	<b><u>\$9,257,221</u></b>	<b><u>\$1,542,870</u></b>

---

\*Total Costs subject to MBE/WBE Requirements  
Actual MBE/WBE expenditures may vary among budgeted line items. However, the Total  
Actual MBE/WBE expenditures will equal or exceed the Total MBE/WBE budget.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT E

SCHEDULE OF TIF-FUNDED IMPROVEMENTS

Land Acquisition	\$ 7,748,469
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$10,155,433
Soft Costs (professional fees, surveys, marketing, etc.)	\$ 1,108,478
<u>Financing &amp; Interest Expense</u>	<u>\$ 2,750,000</u>
<b><u>TOTAL</u></b>	<b><u>\$21,762,380</u></b>

Note: Notwithstanding the total of TIF-Funded Improvements, the assistance to be provided by the City is limited to not more than \$11,900,000.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT F

RESERVED

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT G

**CONSTRUCTION CONTRACT**

The construction contract for the Project is attached to this exhibit cover sheet.

AMENDED AGREEMENT BETWEEN OWNER AND GENERAL CONTRACTOR

AGREEMENT made as of the 29 day of June in the year of 2012

BETWEEN the Owner:

MGM/TGI 105<sup>th</sup> Street, LLC, an Illinois Limited Liability Company

and the Contractor:

The Terrell Group, Inc., an Illinois corporation

The Project is:

105<sup>th</sup> Street and Vincennes TIF Redevelopment Project Area

The Owner and Contractor agree as follows.



**ARTICLE 1 THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 8.

**ARTICLE 2 THE WORK OF THIS CONTRACT**

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

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

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

[REDACTED]

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

[REDACTED]

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

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than the dates set forth in the MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement, dated \_\_\_\_\_, (hereinafter referred to as the "RDA", a copy of which has been provided to the Contractor.

[REDACTED]

**Portion of Work**

**Substantial Completion Date**

[REDACTED]

[REDACTED]

, subject to adjustments of this Contract Time as provided in the Contract Documents.

**ARTICLE 4 CONTRACT SUM**

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be the "GC Per Home Fee" as set for in the Forbearance Agreement dated June 29, 2012, entered into between MGM/TGI 105<sup>th</sup> Street, LLC, the Terrell Group, Inc., Patrick C. Terrell, and Bridgeview Bank Group. In addition, upon execution of this Amended Agreement, Owner agrees to pay the Contractor an initial General Contractor Fee of One Hundred Thousand and 00/100 Dollars (\$100,000.00) for past work completed under the original Agreement dated October, 2006. Such past work consists of project management, lien and judgment research; facilitating communication, community outreach, and meetings with Aldermen Austin and Brookins; meetings with residents; attendance at and participation in City council and commission meetings, project budget revisions, infrastructure cost estimates, development of park site plans and negotiation of park dedication to Chicago Park District; meetings with marketing broker @Properties to develop pricing; contact with developers of prior homes to ensure their compliance; meetings with City's compliance department; preparing closing documents related to insurance, economic disclosures, work related to re-activating LLC status.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

None.

§ 4.3 Unit prices, if any, are as follows:

**Description**

**Units**

**Price (\$ 0.00)**

[REDACTED]

[REDACTED]

[REDACTED]

**ARTICLE 5 Intentionally Deleted.**

**ARTICLE 6 TERMINATION OR SUSPENSION**

§ 6.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-1997.

§ 6.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997.

**ARTICLE 7 MISCELLANEOUS PROVISIONS**

§ 7.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 7.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

( ) per annum

§ 7.3 The Owner's representative is:

Patrick Terrell

§ 7.4 The Contractor's representative is:

Patrick Terrell

§ 7.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 7.6 Other provisions:

None.

**ARTICLE 8 ENUMERATION OF CONTRACT DOCUMENTS**

§ 8.1 Scope of Work: Contractor agrees to construct single family residences in accordance with the plans and specifications for the "Regal", "Diplomat", "Monarch" and "Diplomat Deluxe" plans, and such further plans and specifications as may from time to time be approved by Owner's Lender, and in accordance with budgets to be approved by Owner's lender. Contractor further agrees that the construction of the residences shall be in accordance with the MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement.

§ 8.1.1 The Agreement is this executed 1997 Amended edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A101-1997.

§ 8.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997, as modified by the parties, and to the extent consistent with the Amended Agreement.

§ 8.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows

Document	Title	Pages

§ 8.1.4 The Specifications are those contained in the Project Manual dated as in Section 8.1.3, and are as follows:

Title of Specifications exhibit:

§ 8.1.5 The Drawings are as follows, and are dated unless a different date is shown below:

Title of Drawings exhibit:

§ 8.1.6 The Addenda, if any, are as follows:

Number	Date	Pages

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 8.

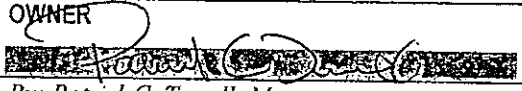
§ 8.1.7 Other documents, if any, forming part of the Contract Documents are as follows:

See Rider A to Amended Agreement

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.


MGM/TGI 105<sup>TH</sup> STREET, LLC

OWNER

  
By: Patrick C. Terrell, Manager

THE TERRELL GROUP, INC.

CONTRACTOR

  
Patrick C. Terrell, President

Rider A to Amended Agreement between Owner and General Contractor

General Contractor agrees to comply with all terms of the MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement, dated July 19, 2012, (hereinafter referred to as the "RDA") a copy of which has been provided to General Contractor. General Contractor agrees that any and all contracts entered into between the General Contractor and any subcontractor shall contain all the necessary terms and provisions required by said RDA.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT H

APPROVED PRIOR EXPENDITURES

A Schedule of Approved Prior Expenditures  
is attached to this exhibit cover sheet.



DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT  
CITY OF CHICAGO

July 19, 2012

Patrick Terrell  
MGM/TGI 105<sup>th</sup> Street LLC  
616 South Access Road  
Suite 305  
Chicago, IL 60666

Re: MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement  
Confirmation of Prior TIF - Eligible Expenses

Dear Mr. Terrell:

The City of Chicago's Department of Housing and Economic Development ("**HED**") is providing this letter as confirmation for MGM/TGI 105<sup>th</sup> Street LLC ("**Developer**") and its successors and assigns that the City of Chicago (the "**City**") is in receipt of and has certified the eligibility of \$14,342,961.14 of TIF eligible expenses incurred and paid relating to the Amended and Restated Redevelopment Agreement referred to above (the "**Amended and Restated RDA**").

The City issued a Certificate of Expenditure of \$9,250,000 in connection with the City's issuance of a note of even amount on April 16, 2008 (the "**Old Note**") and that certain Redevelopment Agreement by and between the City and Developer dated as of October 20, 2006 and referred to in the Amended and Restated RDA as (the "**2006 RDA**"). As part of the closing of the Amended and Restated RDA (the "**Closing**");

- (i) The Old Note and related \$9,250,000 Certificate of Expenditure will be cancelled;
- (ii) The City will issue a new Certificate of Expenditure for \$3,200,000 to establish the opening value of the City Note referred to in the Amended and Restated RDA (the "**New Note**");
- (iii) The City will be providing funds in the amount of \$1,100,000 for reimbursement of the certified TIF eligible expenses.

Patrick Terrell  
July 19, 2012  
Page 2

The Closing elements described above will not in any way cancel or limit the remaining \$10,042,961.14 of certified TIF eligible expenses for purposes of future pay-as-you-go reimbursements (if any) in accordance with the terms of the Amended and Restated RDA.

The Department of Housing and Economic Development looks forward to working with you toward successful completion of this development.

Sincerely,



Andrew J. Mooney  
Commissioner

cc: Beth McGuire  
William Nyberg

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT I

PERMITTED LIENS

1. Liens or encumbrances against the Property (and related improvements):

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

2. Liens or encumbrances against Developer or the Project, other than liens against the Property (and related improvements), if any:

NONE



105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT J

FORM OF OPINION OF DEVELOPER'S COUNSEL

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

\_\_\_\_\_, 2012

City of Chicago  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company, in connection with the construction of certain improvements on the property in the 105th Street and Vincennes Avenue Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) MGM/TGI 105<sup>th</sup> Street LLC Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of each of Developer's
  - (i) Articles of Organization, as amended to date, (ii) Operating Agreement, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all limited liability company proceedings relating to the Project; and

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

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

Based on the foregoing, it is our opinion that:

1. Developer is a limited liability company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's Articles of Organization or Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of any lender providing lender financing.

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

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies the members of Developer and the number of membership interests held by each member. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the

equity of Developer. Each outstanding membership interest of Developer is duly authorized, validly issued, fully paid and non-assessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

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

8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

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

This opinion is issued at Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

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

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

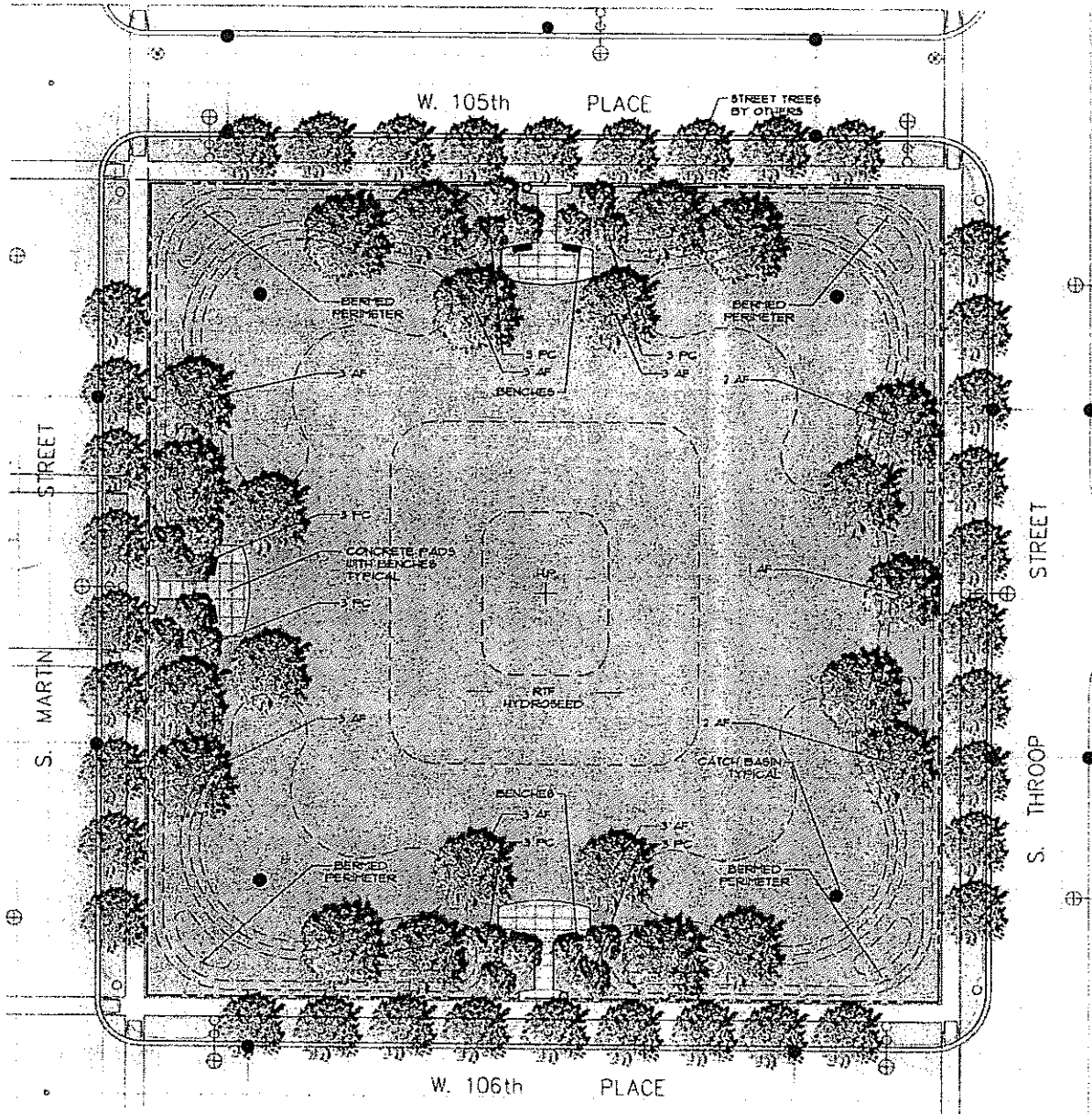
Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT K

PARK SITE PLAN

The Park Site Plan is attached to this exhibit cover sheet.

# EXHIBIT K PARK SITE PLAN



## PLANT LIST

CODE	BOTANICAL NAME	COMMON NAME	SIZE	ROOT	TOTAL	ADDITIONAL NOTES
DECIDUOUS TREES						
AF	ACER x FREEMANII 'AUTUMN BLAZE'	AUTUMN BLAZE MAPLE	5" CALIPER	B 4 B	23	BRANCHED UP 6'
PC	PYRUS CALLERYANA 'CHANTICLEER'	CHANTICLEER PEAR	3" CALIPER	B 4 B	18	BRANCHED UP 6'



DANIEL WEINBACH  
&  
PARTNERS, LTD.

Landscape Architects

53 W. Jackson Blvd., Suite 250  
Chicago, Illinois 60604  
312.427.2886  
Fax 427.7648

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT L

**FORM OF PAYMENT AND PERFORMANCE BOND**

A form of payment and performance bond is attached to this exhibit cover sheet.

# CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of \_\_\_\_\_ lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 199 \_\_\_\_\_

The Condition of the Above Obligation is such, That whereas the above

undersigned Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing date the

\_\_\_\_\_ day of \_\_\_\_\_ A.D. 19 \_\_\_\_\_ for \_\_\_\_\_

SPECIMEN

The said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and there shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs, and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any capacity whatsoever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all claims and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with respect to persons not so employed, shall pay the same as if they had been so employed, and shall insure its liability to pay the compensation, and shall pay all claims and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.



And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any case based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injury, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this litigation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless recision thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no office of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the claimant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice herein provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of any of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_

Purchasing Agent

Approved as to form and legality:

Assistant Corporation Counsel

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT M

FORM OF CERTIFICATE OF EXPENDITURE AND CITY NOTE

A form of the Certificate of Expenditure and City Note are attached to this exhibit cover sheet

CERTIFICATE OF EXPENDITURE FOR CITY NOTE

\_\_\_\_\_, 2012

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$3,200,000 Tax Increment Allocation Revenue Note  
(MGM/TGI 105th Street LLC Redevelopment Project),  
Taxable Series A (the "City Note")

This Certificate is submitted to you, as Registered Owner of the City Note, pursuant to the Ordinance of the City authorizing the execution of the City Note adopted by the City Council of the City on \_\_\_\_\_, 2012 (the "Ordinance"). All terms used herein shall have the same meanings as when used in the Ordinance.

The City hereby certifies that \$3,200,000 is advanced as principal under the City Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note is \$3,200,000.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of \_\_\_\_\_, 2012.

CITY OF CHICAGO

By: \_\_\_\_\_ Commissioner  
Department of Housing and Economic  
Development

AUTHENTICATED BY:

\_\_\_\_\_  
REGISTRAR

TAXABLE SERIES A  
REGISTERED  
NO. R-1

PRINCIPAL AMOUNT  
\$3,200,000

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT), TAXABLE SERIES A

Registered Owner: MGM/TGI 105th Street LLC, an Illinois limited liability company

Interest Rate: \_\_\_% per annum (but not more than 8.50%)

Issue Date: \_\_\_\_\_, 2012

Principal Amount: \$3,200,000

Maturity Date: December 31, 2025, unless extended in accordance with Section 4.03 of the attached Redevelopment Agreement

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from those certain Pledged Revenues hereinafter identified, the principal amount of this Note (\$3,200,000) and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above from the Issue Date specified above. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above beginning on February 1st of each year until paid. Principal of and interest on this Note are payable annually on February 1st of each year in accordance with the attached amortization schedule from the following City Funds: (i) first from

funds within the 119th Street/I-57 Redevelopment Project Area in accordance with Section 4.03(c)(v)(A) of the Redevelopment Agreement, as defined below; (ii) only in the event such ported funds are insufficient to pay the amounts of principal and interest under the Note when due, from Available Incremental Taxes in accordance with Section 4.03(c)(v)(B) of the Redevelopment Agreement.

As described in the Redevelopment Agreement dated as of \_\_\_\_\_, 2012 (the "Redevelopment Agreement") between the City and Developer, Developer has agreed to construct the Project (as defined in the Redevelopment Agreement) and to advance funds under the TIF Act for certain eligible redevelopment project costs related to the Project. Prior to the date hereof, Developer has expended no less than \$3,200,000 for such redevelopment project costs, as evidenced by the certificate of expenditure executed by the City in accordance with the Redevelopment Agreement and attached hereto (the "Certificate of Expenditure").

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner or registered assigns hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the 15th day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner or registered assigns as it appears on such registration books or at such other address furnished in writing by such Registered Owner or registered assigns to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is issued by the City in fully registered form in the aggregate principal amount of \$3,200,000 for advances made prior to the date hereof by MGM/TGI 105th Street LLC, an Illinois limited liability company (the “Developer”) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Developer in connection with the redevelopment of property in the 105th Street and Vincennes Avenue Redevelopment Project Area (the “Redevelopment Area”) in the City, with such redevelopment work and related construction being defined as the “Infrastructure Project”, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) as amended (the “TIF Act”), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) as amended and an Ordinance adopted by the City Council of the City on \_\_\_\_\_, 2012 (the “Ordinance”), in all respects as by law required.

The City has assigned and pledged in the Redevelopment Agreement certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the 119th Street/I-57 Redevelopment Project Area and from the Redevelopment Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of the Note. The revenues so pledged are described in Section 4.03 of the Redevelopment Agreement and defined herein as the “Pledged Revenues”. Reference is hereby made to the Ordinance for a description, among others, with respect to the determination, custody and application of said Pledged Revenues, the nature and extent of such security with respect to the Note and the terms and conditions under which the Note is issued and secured. THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE CITY BUT IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM

THE PLEDGED REVENUES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER OR REGISTERED ASSIGNS HEREOF ONLY AGAINST SAID PLEDGED REVENUES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER AND REGISTERED ASSIGNS OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

The principal of this Note is subject to prepayment and/or redemption at any time without premium or penalty.

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

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

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

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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of \_\_\_\_\_, \_\_\_\_\_.

Mayor

(SEAL)  
Attest:

City Clerk

CERTIFICATE  
OF  
AUTHENTICATION

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

This Note is described in the within mentioned Ordinance and is the \$3,200,000 Tax Increment Allocation Revenue Note (MGM/TGI 105th Street LLC Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date: \_\_\_\_\_

TAXABLE SERIES A  
REGISTERED  
NO. R-1

PRINCIPAL AMOUNT  
\$3,200,000

ATTACHMENT TO UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(MGM/TGI 105<sup>TH</sup> STREET LLC  
REDEVELOPMENT PROJECT), TAXABLE SERIES A

NO. R-1

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: \_\_\_\_\_

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to as of: \_\_\_\_\_

City of Chicago, Illinois

By: \_\_\_\_\_  
Title \_\_\_\_\_, Department of  
Housing and Economic Development

ATTACHMENT TO UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(MGM/TGI 105<sup>TH</sup> STREET LLC  
REDEVELOPMENT PROJECT), TAXABLE SERIES A

NO. R-1

PAYMENT AND AMORTIZATION SCHEDULE

Payment and Amortization Schedule to be attached to this Cover Sheet at Closing

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT N

**CITY FUNDS REQUISITION FORM**

A form of the City Funds Requisition Form is attached to this exhibit cover sheet.

REQUISITION FORM

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

The affiant, MGM/TGI 105<sup>th</sup> Street LLC, (“Developer”), hereby certifies that with respect to that certain MGM/TGI 105<sup>th</sup> Street LLC Amended and Restated Redevelopment Agreement between Developer and the City of Chicago dated as of \_\_\_\_\_, 2012 (the “Redevelopment Agreement”):

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

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

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

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

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

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

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

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

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

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

MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company

By: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT O

FORM OF CITY SUBORDINATION AGREEMENT

This document prepared by and after recording return to:  
William A. Nyberg, Esq.  
Assistant Corporation Counsel  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement (“Agreement”) is made and entered into as of the day of, \_\_\_\_\_ between the City of Chicago by and through its Department of Housing and Economic Development (the “City”), [Name Lender], a [national banking association] (the “Lender”).

WITNESSETH:

WHEREAS, [description of the Project]

WHEREAS, [description of financing and security documents] as part of obtaining financing for the Project, Developer (the “Borrower”), have entered into a certain Construction Loan Agreement dated as of \_\_\_\_\_, 200\_\_ with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$July 19 (the “Loan”), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the “Note”), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated \_\_\_\_\_, 200\_\_ and recorded \_\_\_\_\_, 200\_\_ as document number \_\_\_\_\_ made by the Borrower to the Lender; and (ii) other security (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the “Loan Documents”);

WHEREAS, Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the

“Redevelopment Agreement,” referred to herein along with various other agreements and documents related thereto as the “City Agreements”);

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02 and 8.16 of the Redevelopment Agreement (the “City Encumbrances”);

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with Developer as of the date hereof, subject, among other things, to (a) the execution by Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit any of the Lender’s other rights or other priorities under the Loan Documents, including without limitation the Lender’s right to receive, and Developer’s ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein. Furthermore, nothing herein shall have any effect whatsoever on the respective rights, obligation and covenants of the Lender and the City under that certain Redevelopment Agreement dated \_\_\_\_\_, 2012. The liabilities and obligations of the Lender with respect to the City Encumbrances and the City Agreements shall be as set forth in Section 16 of the Redevelopment Agreement.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of Developer’s default in connection therewith. Under no circumstances shall Developer or any third party be entitled to rely upon the agreement provided for herein. Failure of either party to deliver such notices or waivers shall in no instance alter the rights or remedies of such party under the Loan Documents or the City Agreements.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and



decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

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

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

If to the Lender:                   \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_  
  Attention: \_\_\_\_\_

With a copy to:                   \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_  
  Attention: \_\_\_\_\_

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By: \_\_\_\_\_

Its: \_\_\_\_\_

CITY OF CHICAGO

By: \_\_\_\_\_

Its: \_\_\_\_\_ Commissioner, Department of  
Housing and Economic Development

ACKNOWLEDGED AND AGREED TO  
THIS \_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

[Developer], a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such \_\_\_\_\_ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK)

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of [Lender], a \_\_\_\_\_, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)

EXHIBIT A - LEGAL DESCRIPTION

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT P

**FORM OF CITY RECAPTURE MORTGAGE**

The form of the City Recapture Mortgage is attached to this exhibit cover sheet.

CITY RECAPTURE MORTGAGE

This instrument prepared by  
and after recording return to:

\_\_\_\_\_  
Department of Law  
City of Chicago  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,  
INCLUDING RESTRICTIVE COVENANTS

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS (“this Mortgage”) is made as of this \_\_\_ day of \_\_\_\_\_, 200\_\_ from \_\_\_\_\_ (“Mortgagor”), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 (the “City” or “Mortgagee”).

RECITALS

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller: (i) that certain real property legally described on Exhibit A attached hereto and a single family home or townhome located thereon, or (ii) that certain condominium unit as described on Exhibit A attached hereto (the property described on Exhibit A hereto is hereinafter referred to as the “Home”) (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto); and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any; and

WHEREAS, the City’s TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as encumbrances and as covenants running with the land; and

WHEREAS, the Affordability Requirements are necessary to implement certain requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and the City’s TIF Affordability Guidelines; and

WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and (unless Mortgagor is permitted and elects to repay to the City the City Subsidy Recapture



Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Qualified Household at an Affordable Price; and

WHEREAS, Mortgagor's household is a Qualified Household and the Purchase Price is an Affordable Price; and

WHEREAS, Mortgagor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgagor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage; and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgagor would have been unable to purchase the Home for an Affordable Price; and

WHEREAS, the City has required Mortgagor to execute this Mortgage in order to both: (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgagor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgagor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgagor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions,

improvements, betterments, renewals and replacements of any of the foregoing (“Improvements”);

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, as provided in the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable under this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage.

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals stated above constitute an integral part of the Mortgage and are hereby incorporated in this Mortgage by this reference with the same force and effect as if stated in this Mortgage as agreements of the parties.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period:

#### 2.01 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner’s association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and will, upon Mortgagee’s written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, material men's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Mortgagor will keep the Mortgaged Property continuously insured (or will use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same must not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Mortgaged Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor must not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor will promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property is damaged by fire or other casualty, then Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the fire or other casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage is subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that are superior to the lien of this

Mortgage will in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2.04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2.04.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, met the income eligibility requirements established by the City applicable to a purchaser of the Home, as set forth in the definition of Qualified Household on Exhibit B hereto.

### ARTICLE III

#### RECAPTURE OF CITY SUBSIDY PROVISIONS

3.01 Acknowledgment of City Subsidy. Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price.

3.02 Primary Residence; No Leasing. Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without the prior written consent of the City, which will be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount stated to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3.03 Permitted Transfers.

(a) Mortgagor covenants that during the Recapture Period, it will not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except: (i) to a Qualified Household, and (ii) for an Affordable Price, and provided that (iii) the Qualified Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing. If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (i), (ii) and (iii), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).

(b) Any transfer of ownership: (x) resulting from Mortgagor's death and occurring by: (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, or (y) to a spouse or member of Mortgagor's Qualified Household, or (z) resulting from Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, will be subject to the transfer restrictions stated

in Section 3.03(a), for further transfers, and provided, further that the transferee taking ownership under this Section 3.03(b) will be bound by all of the affordable housing covenants contained in this Mortgage.

3.04 Right to Request Waiver or Modification. The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

3.05 Approval of Transfer and Release of Mortgage. Upon either: (a) a permitted transfer described in Section 3.03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon 10 business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer under this Mortgage and effective to deliver legal title to the transferee. In addition, within 30 days of receipt of a written request from Mortgagor, Mortgagee will execute a release of the Mortgage in recordable form.

3.06 REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT: (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING LOW-INCOME AND VERY LOW-INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.

## ARTICLE IV

### DEFAULT

4.01 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Failure by Mortgagor to comply with any of the Affordability Requirements stated in Sections 3.02 or 3.03;

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in this Mortgage after the expiration of the applicable cure periods provided in Section 4.02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure under the Senior Mortgage.

4.02 City Remedies. The City has the following remedies depending on the nature and timing of the Event of Default.

(a) Recapture Payment Event. If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration, any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property makes the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture Amount (as defined below) in the event that the City determines that specific enforcement of the Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The “City Subsidy Recapture Amount” shall be an amount equal to the City Subsidy Amount plus simple, non-compounding interest on such amount at the rate of one percent (1.0%) per annum (assuming twelve 30 day months) calculated from the date of this Mortgage to the date of the Recapture Payment Event.

For example, if (x) this Mortgage was dated January 1, 2002, (y) the date of the Recapture Payment Event was July 1, 2008, and (z) the City Subsidy Amount was \$20,000, then (i) the interest on the City Subsidy Amount would be \$1,300 (\$200/year for 6 years, plus \$100 for one half-year), and (ii) the City Subsidy Recapture Amount would be \$21,300 (\$20,000 plus \$1,300).]

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within 10 days of the Mortgagee’s delivery of written notice of such failure to Mortgagor (a “Monetary Event of Default”), then Mortgagee may immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand.

(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within 60 days of the Mortgagee's delivery of written notice of such failure to Mortgagor, then Mortgagee may immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. If such default cannot be cured within such 60 day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, then such event of default will (notwithstanding anything in this Section 4.02 to the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee may immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount); and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

#### 4.03 Other Remedies.

(a) If any amounts due under and secured by this Mortgage become due, whether by acceleration or otherwise, Mortgagee has the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder will not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there will be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, will be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property will be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in

this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor must not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, BUT HEREBY WAIVES the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, WAIVES ANY AND ALL RIGHT to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor HEREBY WAIVES any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time:

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and

(iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage.

Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable:

(aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes);



(bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions;

(cc) the cost of such insurance;

(dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay;

(ee) other proper charges upon the Mortgaged Property or any part thereof; and

(ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee

shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default has occurred and is continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, is entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver will otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and is entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy is cumulative and concurrent and is in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy or will be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder will be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other

obligations of Mortgagor. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, will not constitute a waiver by Mortgagee of its rights or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns This Mortgage inures to the benefit of and is binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, includes all other genders; the singular includes the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references to articles, sections or paragraphs refers to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance becomes invalid or unenforceable to any extent, then the remainder of this Mortgage and the application of such provision to other persons or circumstances will not be affected thereby and will be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage must be construed as a "Security Agreement" within the meaning of and will create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee has all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, will be valid unless in writing and signed by the parties or their respective successors and assigns. Mortgagor has no right to convey the Home into a land trust without obtaining the prior written consent of the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof will not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law. This Mortgage must be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing and Economic Development, or any successor department thereto. All notices, requests, or other communications to the City hereunder must be made to the Department of Housing at the following address:

Department of Housing and Economic Development  
ATTN: Commissioner  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60604

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

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be signed as of the day and year first above written.

MORTGAGOR(S):

\_\_\_\_\_  
\_\_\_\_\_

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK)

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_ to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this  
\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public

My commission expires  
\_\_\_\_\_.

Exhibit A  
(City Recapture Mortgage)

Legal Description of the Home

Exhibit B  
(City Recapture Mortgage)

Definitions

“Affordability Requirements” means the affordability requirements contained in Sections 3.02 and 3.03 hereof.

“Affordable Price” means an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Qualified Household.

“Base Purchase Price” means \_\_\_\_\_, being the amount of the Purchase Price exclusive of upgrades.

“City Subsidy Amount” means \$ \_\_\_\_\_, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence as shall be acceptable to the Department of Housing and Economic Development) and the Base Purchase Price.

“City Subsidy Recapture Amount” has the meaning set forth in Section 4.02 hereof.

“Closing Date” means the date of signing of this Mortgage.

“Home” has the meaning stated in the recitals.

“Initial Seller” means MGM/TGI 105<sup>th</sup> Street, LLC, an Illinois limited liability company, Developer.

“Monthly Homeownership Costs” means the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,
- (iii) annual insurance premiums, divided by 12, for homeowners’ insurance in the amount of the replacement value of the Home, and

- (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable.

"Purchase Price" means \$ \_\_\_\_\_, being the sum of the Base Purchase Price plus upgrades.

"Recapture Period" means for the period commencing on the Closing Date and ending upon the 30th anniversary of the Closing Date.

"Qualified Household" means a single person, family or unrelated persons living together whose adjusted income is not more than 100% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows:

<u># of Persons In Household</u>	<u>100% of AMI</u>
1	\$
2	\$
3	\$
4	\$
5	\$
6	\$

"Senior Lender" means \_\_\_\_\_, being the mortgagee under the Senior Mortgage.

"Senior Mortgage" means that certain mortgage dated as of \_\_\_\_\_, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on \_\_\_\_\_ as document # \_\_\_\_\_ to secure indebtedness in the original principal amount of \$ \_\_\_\_\_.

"TIF Contribution" means a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.

## COLLATERAL ASSIGNMENT OF REDEVELOPMENT AGREEMENT

This **COLLATERAL ASSIGNMENT OF REDEVELOPMENT AGREEMENT** (this "**Assignment**") is made as of December 17, 2014 by **105<sup>th</sup> & VINCENNES PHASE ONE/CHICAGO, LLC**, an Illinois limited liability company ("**Assignor**") in favor of **BRIDGEVIEW BANK GROUP**, an Illinois banking corporation ("**Assignee**").

### RECITALS

- A. Pursuant to that certain Construction Loan Agreement (as amended, the "**MGM Loan Agreement**") dated July 18, 2006, as modified by that certain Forbearance Agreement of dated as of July 19, 2012, among MGM/TGI 105<sup>th</sup> Street, LLC, an Illinois limited liability company ("**MGM**"), The Terrell Group, Inc., Patrick C. Terrell and Assignee (the "**Forbearance Agreement**"), and certain other documents and instruments (collectively, the "**MGM Loan Documents**"), Assignee has heretofore made a loan to MGM in the aggregate originally stated principal amount not to exceed Eighteen Million Seven Hundred Seventy-Five Thousand and No/100ths Dollars (\$18,775,000.00) (the "**MGM Loan**") as evidenced by that certain Construction Loan Note #1 in the principal amount of TWELVE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND AND NO/100THS DOLLARS (\$12,275,000.00) ("**MGM Note #1**"), Construction Loan Note #2 in the principal amount of FOUR MILLION AND NO/100THS DOLLARS (\$4,000,000.00) ("**MGM Note #2**"), and Construction Loan Note #3 in the principal amount of ONE MILLION AND NO/100THS DOLLARS (\$1,000,000.00) ("**MGM Note #3**"), each executed by MGM in favor of Assignee and dated as of even date with the Loan Agreement, and as evidenced by that certain Note #4 in the principal amount of ONE MILLION FIVE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$1,500,000.00) executed by MGM in favor of Assignee and dated as of July 19, 2012 ("**MGM Note #4**"). Note #1, Note #2, Note #3 and Note #4, as amended by the Loan Amendment Documents, are hereinafter collectively referred to as the "**MGM Notes**" and are secured by, among other things, that certain Mortgage made by MGM to Assignee dated October 14, 2005, and recorded October 18, 2005, as Document 0529127053, as amended and restated by instrument dated July 18, 2006 and recorded August 30, 2006, as Document 0624210146 and by Amendment No. 2 to Mortgage dated July 19, 2012, and recorded July 23, 2012, as Document Number 1220539066 (collectively the "**Senior Mortgage**").
- B. Pursuant to that certain Construction Loan Agreement (as amended, the "**Developer Loan Agreement**") dated June 11, 2014, by and between Assignor and Assignee and certain other documents and instruments (collectively, the "**Developer Loan Documents**"), Assignee has heretofore made a loan to Assignor in the aggregate originally stated principal amount not to exceed Three Million and No/100ths Dollars (\$3,000,000.00) (the "**Developer Loan**") evidenced by that certain Revolving Construction Mortgage Note in the principal amount of THREE MILLION AND NO/100THS DOLLARS (\$3,000,000.00) (the "**Developer Note**") and is secured by, among other things, that certain Junior Construction Mortgage, Assignment of Leases and Rents, and Security Agreement in favor of Assignee recorded September 9, 2014, as Document No. 1425219073 (the "**Junior Mortgage**").
- B. As used herein, the term "**Obligations**," shall mean, collectively, all sums now or at any time due Assignee, including without limitation, the payment of principal and interest due under the MGM and Developer Notes, the amounts advanced by Assignee pursuant to the MGM Loan Documents and Developer Loan Documents, and any and all other amounts due Assignee pursuant to any other documents evidencing or securing the MGM and/or Developer Notes, and any extensions, modifications, amendments and renewals thereof; and the performance and discharge of the



obligations, covenants, conditions and agreements of Assignor contained herein and in the Developer Note, the Developer Loan Agreement and the related Developer Loan Documents securing the Developer Note; provided, however, that the "Obligations" shall specifically refer and be limited to those amounts owed to Assignee for or arising in connection with expenditures or financing by Assignee of Redevelopment Project Costs, as such term is defined in that certain MGM/TGI 105<sup>th</sup> Street LLC Amended and Restated Redevelopment Agreement, a true, correct and complete copy of which is attached hereto as **Exhibit A** (the "**Redevelopment Agreement**").

- C. On or about July 19, 2012: (i) MGM and the City of Chicago entered into the Redevelopment Agreement, which Redevelopment Agreement was authorized pursuant to that certain City of Chicago ordinance approved January 18, 2012 and published in the City Council of Chicago Journal of Proceedings, page 18547, *et. seq.* (the "**Project Ordinance**"); (ii) the City issued to MGM that certain City of Chicago, Tax Increment Allocation Revenue Note (MGM/TGI 105<sup>th</sup> Street LLC Redevelopment Project), Taxable Series A, Registered No. R-1, in the Principal Amount of \$3,200,000 (the "**Original TIF Note**"); (iii) the Original TIF Note was endorsed and delivered by MGM to Assignee (the "**Original TIF Note Assignment**"); and (iv) the City issued to Assignee that certain City of Chicago, Tax Increment Allocation Revenue Note (MGM/TGI 105<sup>th</sup> Street LLC Redevelopment Project), Taxable Series A, Registered No. R-2, in the Principal Amount of \$3,200,000 (the "**Replacement TIF Note**").
- D. The proceeds of the Loans evidenced by the MGM and Developer Notes and other advances by Assignee under the MGM Loan Documents and Developer Loan Documents have been applied by MGM and Assignor and will continue to be applied by Assignor for acquisition and redevelopment work constituting or related to the Project, as such term is defined in the Redevelopment Agreement (the "**Project**"). Pursuant to the Redevelopment Agreement (including but not limited to Section 4.03 thereof), provided, among other things, that elements of the Project are successfully completed, Assignor shall be entitled to receive reimbursements defined in the Redevelopment Agreement and referred to herein as the "**Pay-As-You-Go TIF Payments**", which Pay-As-You-Go TIF Payments will be made available pursuant to the Redevelopment Agreement from certain incremental property taxes defined in the Redevelopment Agreement and referred to herein as the "**Available Incremental Taxes**". As used herein, the term "**Collateral**," shall mean, collectively: (i) that certain \$1,100,000 of Available Incremental Taxes reimbursing prior Redevelopment Project Costs on the Closing Date (as defined in the Redevelopment Agreement) and all the right, title and interest of Assignor in and to said Available Incremental Taxes (the "**Closing Funds**"); (ii) the Pay-As-You-Go TIF Payments, Available Incremental Taxes, and other amounts payable to or received by Assignor under the Redevelopment Agreement and all right, title and interest of Assignor in and to the foregoing (collectively, the "**RDA Payments**"); (iii) the Original TIF Note, the Replacement TIF Note and security for the foregoing granted, conveyed or created by the Project Ordinance, including but not limited to Section 12 thereof, and all right, title and interest of Assignor in and to the foregoing.
- E. The MGM Loan Documents and the Developer Loan Documents, together with all amendments, substitutions, extensions, replacements, renewal and/or restatements, are referred to hereinafter as the "**Loan Documents**."
- F. In consideration of the agreements set forth in the Loan Agreement and the other Developer Loan Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Assignor desires by this Assignment to grant, assign, transfer, pledge, hypothecate and convey to Assignee, as security for satisfaction of the Obligations, all of Assignor's right, title, and interest in and under the Collateral.

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, in order to secure the Obligations (as hereinafter defined) and all other amounts due or to become due under the Loan Documents, and for other good and valuable consideration, Assignor agrees as follows:

1. For the purpose of providing security for the payment and satisfaction of the Obligations, Assignor hereby grants, assigns, transfers, pledges, hypothecates and conveys to Assignee all the right, title and interest of Assignor in and to the Collateral. This Assignment is made for collateral purposes only, and the duties and obligations of Assignor under this Assignment shall terminate when all of the Obligations are paid in full and all obligations, covenants, conditions and agreements of Assignor contained in the Developer Loan Documents are performed and discharged. The relationship between Assignee and Assignor is solely that of a lender and borrower, and nothing contained herein or in any of the other Developer Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than lender and borrower.
2. Pursuant to this Assignment and the direction attached as **Exhibit B**, Assignor is hereby irrevocably authorizing and directing the City to pay and remit any and all Closing Funds and RDA Payments directly to Assignor's account established with Assignee for application by Assignee to the payment of the Obligations, which authorization and direction is and shall be coupled with an interest and irrevocable until the payment in full of the Obligations, with such payments and remittances to be made: (a) by check delivered to Assignee at Bridgeview Bank Group, Attention General Counsel, 7940 South Harlem Avenue, Bridgeview, Illinois 60455; or (b) by wire transfer to: Bridgeview Bank Group, ABA No. Routing # 071923569, for deposit into Account No. \_\_\_\_\_.
3. Assignor hereby represents, warrants and covenants to Assignee as follows:
  - (a) the Project Ordinance, Redevelopment Agreement, Original TIF Note and Replacement TIF Note are each in full force and effect;
  - (b) Assignor is not in default under the Redevelopment Agreement, and to the best knowledge of Assignor, the City is not in default under the Redevelopment Agreement;
  - (c) Assignor has not performed any act that might prevent Assignor from performing its, undertakings hereunder or under the Redevelopment Agreement or might prevent Assignee from operating under or enforcing any of the terms and conditions of the Project Ordinance, Redevelopment Agreement, Original TIF Note and Replacement TIF Note, nor limit Assignee in such operation or enforcement;
  - (d) Assignor has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered any of its rights, title and interest in and to any of the Collateral;
  - (e) Assignor shall not assign, sell, pledge, transfer, deed, hypothecate or otherwise encumber its interests in the Redevelopment Agreement or any other Collateral;
  - (f) Assignor shall abide by, perform and discharge each and every obligation, covenant, condition and agreement to be performed by Assignor under the Redevelopment Agreement, to the extent not waived by the City in writing, so as to avoid the occurrence of a default thereunder, and to use all reasonable efforts to enforce (or cause to be enforced) performance by the City of each and every material obligation, covenant, condition and agreement to be performed by the City under the Redevelopment Agreement;
  - (g) Assignor shall correct any default under the Redevelopment Agreement in such manner and to such extent as Assignee may deem necessary to protect the Collateral and Assignee's rights, title and interest in the Collateral;

- (h) Assignor shall provide Assignee with copies of all written communications and submissions made with or to the City relating to the Project, Redevelopment Agreement or Collateral simultaneously with their delivery to the City;
  - (i) Assignor hereby gives Assignee full authority and authorization to communicate directly with the City relating to the Project, Redevelopment Agreement and Collateral for Assignee to obtain information and documentation from the City relating to the Project, Redevelopment Agreement and Collateral; and
  - (j) Assignor shall not enter into nor permit any amendment or modification of the Redevelopment Agreement without prior written consent of Assignee.
4. The failure of Assignor to fully perform any of its covenants under this Assignment and the occurrence of any of the following shall constitute a "**Default**" hereunder:
- (a) if Assignor commits any fraud or intentional misrepresentation of any material fact under this Assignment or if any representation or warranty by Assignor made herein is or proves to be materially false or inaccurate;
  - (b) the occurrence of an Event of Default or Default (howsoever such terms are defined) under the Developer Note, the Developer Loan Agreement or any of the other Developer Loan Documents that is not cured within any applicable notice, cure or grace period; or
  - (c) a default by Assignor under the Redevelopment Agreement that is not cured within any applicable notice, cure or grace period, if any.
5. Upon the occurrence of any Default hereunder, Assignee shall have the following rights and remedies (but not the obligations), without notice to or demand on Assignor, and without regard to the adequacy of security for the Obligations hereby secured:
- (a) to declare all sums evidenced by the Developer Notes or secured by the related Loan Documents immediately due and payable; and
  - (b) to exercise any and all rights and remedies provided under the related Loan Documents or hereunder as well as such remedies as may be available at law or in equity, including, without limitation, all rights and remedies of a "secured party" under the Uniform Commercial Code ("**Code**"), and Assignor hereby waives all rights that may be legally waived and agrees that five (5) days' notice by Assignee to Assignor is fair and reasonable notification under the Code of any public sale of any of the Collateral or otherwise, and is also fair and reasonable notification after which any private sale or other disposition of the Collateral, as aforesaid, can occur, and
  - (c) to correct (but only to the extent permitted under the Redevelopment Agreement) any default by Assignor under the Redevelopment Agreement in such manner and to such extent as Assignee may deem necessary to protect the Collateral and Assignee's interests therein, including, without limitation, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Assignee, and the right to perform and discharge anyone or more obligations, covenants, conditions and agreements of Assignor under the Redevelopment Agreement, and, in exercising any such powers, to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and expenses (excluding expenses attributable to in-house attorneys, employees' salaries and other normal overhead expenses of Assignee), all of which payments, costs expenses and fees shall be repaid to Assignee by Assignor immediately upon demand with interest on all such amounts at the default rate set forth in the Developer Loan Agreement); and
  - (d) to enforce the Redevelopment Agreement (but only to the extent permitted under the Redevelopment Agreement) for Assignee's own benefit, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court at any time hereafter.

Neither the rights conferred by this Section 5 nor any other provision of this Assignment shall obligate Assignee to perform or discharge, nor does Assignee hereby undertake to perform or discharge, any obligation, duty or liability under the Redevelopment Agreement. Further, Assignee's exercise of any rights under this Assignment shall not be deemed to cure or waive any default under any of the other Loan Documents, nor waive, modify or affect any notice of default under any of the other Loan Documents, nor invalidate any act done pursuant to such notice. Further, no liability may or shall be asserted or enforced against Assignee by Assignor in connection with Assignee's exercise of the powers herein granted to Assignee, all such liability being hereby expressly waived and released by Assignor unless attributable to Assignee's gross negligence or willful misconduct. In furtherance and not limitation of Sections 3, 4 and 5 of this Assignment, Assignor is hereby irrevocably authorizing and directing the City to perform under the Project Ordinance, Redevelopment Agreement, the Original TIF Note, the Original TIF Note Assignment and the Replacement TIF Note (to the extent permitted under the applicable ordinance or instrument) for the benefit of Assignee in accordance with the terms and conditions of such ordinance or instrument without any obligation on the part of the City to determine whether or not a Default under this Assignment has in fact occurred. Assignor irrevocably appoints Assignee as Assignor's attorney-in-fact to exercise after a Default any or all of Assignor's rights in, to, and under the Project Ordinance, Redevelopment Agreement, the Original TIF Note, the Original TIF Note Assignment and the Replacement TIF Note (to the extent permitted under the applicable ordinance or instrument), including, without limitation, the right to request and receive payments of principal and interest under the Original TIF Note and Replacement TIF Note, to give appropriate receipts, releases, and satisfactions on behalf of Assignor in connection with the performance by the other parties under the Redevelopment Agreement, Original TIF Note and Replacement TIF Note and the other Collateral, and to do any or all other acts, in Assignor's name or in Assignee's own name, that Assignor could do under the Redevelopment Agreement, Original TIF Note and Replacement TIF Note and the other Collateral with the same force and effect as if this Assignment had not been made. This power of attorney is irrevocable and coupled with an interest.

6. Assignor hereby agrees to indemnify and hold Assignee free and harmless from and against any and all liability, expense, cost, loss or damage that Assignee may incur by reason of any act or omission of Assignor under the Redevelopment Agreement (except for liability, expense, cost, loss or damage resulting from the gross negligence or willful misconduct of Assignee). Should Assignee incur any liability, expense, cost, loss or damage by reason of the exercise of Assignee's rights hereunder the amount thereof, including costs, expenses and attorneys' fees and expenses shall be secured hereby and all other related Loan Documents and shall be due and payable immediately upon demand by Assignee and bear interest at the default rate set forth in the Loan Agreement.
7. To the extent permitted under the Redevelopment Agreement and subject to compliance with all relevant conditions under the Redevelopment Agreement, this Assignment shall be assignable by Assignee, and all representations, warranties, covenants, powers and rights herein contained shall be binding upon, and shall inure to the benefit of, Assignor and Assignee and their respective legal representatives, successors and assigns. It is expressly intended, understood and agreed that this Assignment and the other related Loan Documents, are made and entered into for the sole protection and benefit of Assignor and Assignee, and their respective successors and assigns (to the extent permitted hereunder).
8. This Assignment shall be construed, interpreted and governed by the internal laws of the State of Illinois. This Assignment cannot be waived, amended or modified unless such waiver,

amendment or modification is in writing and executed by Assignor and Assignee. Assignor and Assignee intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, it is the intent of both Assignor and Assignee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Assignor and Assignee under the remainder of this Assignment shall continue in full force and effect. All capitalized terms used herein and not defined shall have the meanings set forth in the Developer Loan Agreement. Notwithstanding Section 2 hereof, all notices, demands or documents required or permitted to be given or served hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

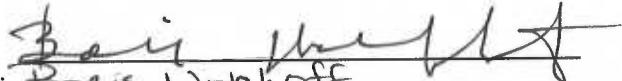
IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of the date first written above.

**105<sup>TH</sup> & VINCENNES PHASE ONE/CHICAGO  
LLC**, an Illinois limited liability company

By:

Name:

Title:

  
Boris Nirkhoff  
President

**EXHIBITS:**

- A: Redevelopment Agreement
- B: Payment Direction

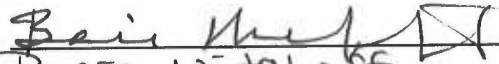
## PAYMENT DIRECTION

This **PAYMENT DIRECTION** (this "**Direction**") is made by **105<sup>th</sup> & VINCENNES PHASE ONE/CHICAGO, LLC**, an Illinois limited liability company ("**Assignor**") and delivered to the **CITY OF CHICAGO** (the "**City**") and to **BRIDGEVIEW BANK GROUP**, an Illinois banking corporation ("**Assignee**"), in connection with that certain Collateral Assignment of Redevelopment Agreement made on or about the date hereof by Assignor in favor of Assignee and to which this Exhibit is attached (the "**Collateral Assignment**").

1. Reference is made herein to that certain MGM/TGI 105<sup>th</sup> Street, LLC Amended and Restated Redevelopment Agreement being entered into on or about the date hereof by Assignor, as Developer thereunder, and the City (the "**Redevelopment Agreement**"). As used herein, the term "**Obligations**" shall have the meaning set forth in the Collateral Assignment.
2. Pursuant to the Collateral Assignment, to secure the Obligations, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:
  - (a) Assignor does hereby irrevocably authorize and direct the City to pay, remit and deposit by check or wire all funds and amounts payable to Assignor under the Redevelopment Agreement; if by wire, directly to the following deposit account of Assignor established with Assignee: Bridgeview Bank Group (ABA No. Routing # 071923569), Account No. \_\_\_\_\_ (the "**Account**"), if by check, to Bridgeview Bank Group, Attention General Counsel, 7940 South Harlem Avenue, Bridgeview, Illinois 60455; and
  - (b) Assignor does hereby irrevocably authorize and direct Assignee to apply such amount on deposit from time to time in the Account to the payment of the Obligations as described in the Collateral Assignment.
3. The foregoing authorizations and directions shall be deemed coupled with an interest and irrevocable until the Obligations are satisfied in full.
4. Assignee further acknowledges and agrees that the City may unequivocally rely on this irrevocable direction, during and after the term of the Redevelopment Agreement, unless such direction is revoked or modified in a written instrument executed by both Assignee and Assignor and delivered to the City in accordance with Article Seventeen of the Redevelopment Agreement (Notices).

IN WITNESS WHEREOF, Assignee has executed this Direction as of the 17th day of December, 2014.

**105<sup>TH</sup> & VINCENNES PHASE ONE/CHICAGO LLC**, an Illinois limited liability company

By:   
Name: Boeis Witzhoff  
Title: President

**RECEIVED AND ACCEPTED THIS \_\_\_\_\_ DAY OF DECEMBER, 2014, SOLELY FOR THE LIMITED PURPOSE SET FORTH IN SUBSECTION 2(A) ABOVE, WITHOUT MODIFYING OR AMENDING THE REDEVELOPMENT AGREEMENT, AND WITHOUT RATIFYING ANY ONE OR MORE PROVISIONS OF THE COLLATERAL ASSIGNMENT:**

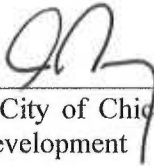
\_\_\_\_\_  
Commissioner, City of Chicago Department of  
Planning and Development

IN WITNESS WHEREOF, Assignee has executed this Direction as of the \_\_\_\_\_ day of December, 2014.

**105<sup>TH</sup> & VINCENNES PHASE ONE/CHICAGO LLC**, an Illinois limited liability company

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

**RECEIVED AND ACCEPTED THIS 17<sup>th</sup> DAY OF DECEMBER, 2014, SOLELY FOR THE LIMITED PURPOSE SET FORTH IN SUBSECTION 2(A) ABOVE, WITHOUT MODIFYING OR AMENDING THE REDEVELOPMENT AGREEMENT, AND WITHOUT RATIFYING ANY ONE OR MORE PROVISIONS OF THE COLLATERAL ASSIGNMENT:**



\_\_\_\_\_  
Commissioner, City of Chicago Department of Planning and Development





Doc#: 1220131113 Fee: \$200.00  
Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 07/19/2012 04:29 PM Pg: 1 of 82

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

(This space reserved for Recorder's use only)

*Old Republic Title 1231468 JW*

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

**TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

DATED AS OF July 19, 2012

BY AND BETWEEN

THE CITY OF CHICAGO

AND

MGM/TGI 105<sup>th</sup> STREET LLC,  
an Illinois limited liability company

105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT

TABLE OF CONTENTS

	PAGE
ARTICLE ONE: INCORPORATION OF RECITALS .....	3
ARTICLE TWO: DEFINITIONS.....	4
ARTICLE TWO-A: TERMINATION OF PRIOR AGREEMENT.....	4
ARTICLE THREE: THE PROJECT .....	4
3.01 The Project.....	4
3.02 Scope Drawings and Plans and Specifications .....	4
3.03 Project Budget.....	4
3.04 Change Orders .....	5
3.05 HED Approval .....	5
3.06 Other Approvals.....	5
3.07 Progress Reports and Survey Updates .....	6
3.08 Inspecting Agent or Architect.....	6
3.09 Barricades .....	6
3.10 Signs and Public Relations.....	6
3.11 Utility Connections.....	6
3.12 Permit Fees.....	7
3.13 Accessibility for Disabled Persons .....	7
3.14 Affordable Housing Requirements .....	7
3.15 Additional Project Features.....	8
ARTICLE FOUR: FINANCING.....	8
4.01 Total Project Cost and Sources of Funds.....	8
4.02 Developer Funds .....	9
4.03 City Funds.....	9
4.04 Adjustment in Principal Amount of City Note .....	14
4.05 Treatment of Prior Expenditures/Administration Fee.....	15
4.06 Cost Overruns .....	16
4.07 <u>TIF Bonds</u> .....	16
4.08 Preconditions of Disbursement.....	16
ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING .....	17
5.01 Project Budget.....	17

5.02	Scope Drawings and Plans and Specifications .....	17
5.03	Other Governmental Approvals .....	17
5.04	Financing.....	17
5.05	Title.....	18
5.06	Evidence of Clear Title .....	18
5.07	Surveys.....	18
5.08	Insurance.....	18
5.09	Opinion of Developer’s Counsel .....	18
5.10	Evidence of Prior Expenditures .....	19
5.11	Financial Statements .....	19
5.12	Additional Documentation.....	19
5.13	Environmental Reports .....	19
5.14	Entity Documents; Economic Disclosure Statement.....	19
5.15	Litigation.....	20
5.16	TIF Expansion Study .....	20
ARTICLE SIX: AGREEMENTS WITH CONTRACTORS .....		21
6.01	Bid Requirement for General Contractor and Subcontractors .....	21
6.02	Construction Contract.....	21
6.03	Performance and Payment Bonds.....	21
6.04	Employment Opportunity .....	21
6.05	Other Provisions.....	22
ARTICLE SEVEN: COMPLETION OF CONSTRUCTION.....		22
7.01	Certificate of Completion of Construction .....	22
7.02	Effect of Issuance of Certificate of Completion; Continuing Obligations .....	22
7.03	Failure to Complete.....	23
7.04	Notice of Expiration or Termination.....	23
ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER .....		23
8.01	General.....	23
8.02	Covenant to Redevelop.....	25
8.03	Redevelopment Plan .....	26
8.04	Use of City Funds .....	26
8.05	Other Bonds.....	26
8.06	Employment Opportunity .....	26
8.07	Employment Profile .....	27
8.08	Prevailing Wage.....	27
8.09	Arms-Length Transactions.....	27
8.10	Financial Statements.....	27
8.11	Insurance .....	27
8.12	Non-Governmental Charges .....	27
8.13	Developer’s Liabilities.....	28
8.14	Compliance with Laws .....	28

8.15	Recording and Filing.....	29
8.16	Real Estate Provisions.....	29
8.17	Annual Compliance Report.....	31
8.18	Reserved.....	31
8.19	Broker’s Fees .....	31
8.20	No Conflict of Interest .....	31
8.21	Disclosure of Interest .....	31
8.22	No Business Relationship with City Elected Officials .....	31
8.23	Inspector General .....	32
8.24	Prohibition on Certain Contributions – Mayoral Executive Order No. 05-1.....	32
8.25	Survival of Covenants.....	34
ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF		
	CITY .....	34
9.01	General Covenants .....	34
9.02	Survival of Covenants.....	34
ARTICLE TEN: DEVELOPER’S EMPLOYMENT OBLIGATIONS .....		
10.01	Employment Opportunity .....	34
10.02	City Resident Construction Worker Employment Requirement .....	36
10.03	Developer’s MBE/WBE Commitment .....	37
ARTICLE ELEVEN: ENVIRONMENTAL MATTERS.....		
11.01	Environmental Matters.....	40
ARTICLE TWELVE: INSURANCE .....		
12.01	Insurance Requirements.....	40
ARTICLE THIRTEEN: INDEMNIFICATION .....		
13.01	General Indemnity .....	40
ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT.....		
14.01	Books and Records .....	41
14.02	Inspection Rights .....	41
ARTICLE FIFTEEN: DEFAULT AND REMEDIES.....		
15.01	Events of Default .....	42
15.02	Remedies.....	43
15.03	Curative Period .....	43
ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT.....		
16.01	Mortgaging of the Project .....	44
ARTICLE SEVENTEEN: NOTICES.....		
17.01	Notices .....	45
17.02	Developer Requests for City or HED Approval .....	46

ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS .....	47
18.01 Amendments .....	47
18.02 Complete Agreement, Construction, Modification.....	47
18.03 Limitation of Liability.....	47
18.04 Further Assurances.....	47
18.05 Waivers.....	47
18.06 Remedies Cumulative.....	48
18.07 Parties in Interest/No Third Party Beneficiaries .....	48
18.08 Titles and Headings.....	48
18.09 Counterparts.....	48
18.10 Counterpart Facsimile Execution.....	48
18.11 Severability .....	48
18.12 Conflict .....	49
18.13 Governing Law .....	49
18.14 Form of Documents .....	49
18.15 Assignment .....	49
18.16 Binding Effect.....	49
18.17 Force Majeure .....	49
18.18 Exhibits and Schedules .....	50
18.19 Business Economic Support Act.....	50
18.20 Approval .....	50
18.21 Construction of Words.....	50
18.22 Date of Performance .....	50
18.23 Survival of Agreements .....	50
18.24 Equitable Relief .....	50
18.25 Venue and Consent to Jurisdiction .....	51
18.26 Costs and Expenses.....	51

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

**LIST OF SCHEDULES AND EXHIBITS**

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

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

Exhibits

Exhibit A	Redevelopment Area Legal Description
Exhibit B-1	Legal Description of the Phase 1 Property
Exhibit B-2	*Legal Description of the Property
Exhibit B-3	Legal Description of the Dispersed Lots
Exhibit B-3.5	*Boundary of Infrastructure Construction
Exhibit B-4	*Site Plan for the Project
Exhibit B-5	Affordable Sales Prices
Exhibit B-6	Planned Development No. 1008
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*Construction (MBE/WBE) Budget
Exhibit E	Schedule of TIF-Funded Improvements
Exhibit F	Reserved
Exhibit G	Construction Contract
Exhibit H	Approved Prior Expenditures
Exhibit I	Permitted Liens
Exhibit J	Form of Opinion of Developer's Counsel
Exhibit K	Park Site Plan
Exhibit L	Form of Payment and Performance Bond

Exhibit M	Form of City Note and Certificate of Expenditure
Exhibit N	City Funds Requisition Form
Exhibit O	Form of City Subordination Agreement
Exhibit P	Form of City Recapture Mortgage

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

This space reserved for Recorder's use only

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

This MGM/TGI 105<sup>th</sup> Street LLC Amended and Restated Redevelopment Agreement (the "**Agreement**") is made as of this 19<sup>th</sup> day of July, 2012, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), and MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company ("**Developer**").

**RECITALS:**

**A. Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the power to regulate for the protection of the public health, safety, morals, and welfare of its inhabitants and, pursuant thereto, has the power to encourage private development in order to enhance the local tax base and create employment opportunities, and to enter into contractual agreements with private parties in order to achieve these goals.

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



C. **City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the “**City Council**”) adopted the following ordinances on October 3, 2001: (1) ”An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area” (the “**Plan Adoption Ordinance**”); (2) ”An Ordinance of the City of Chicago, Illinois Designating the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act”; and (3) ”An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area” (the “**TIF Adoption Ordinance**”). Collectively the three ordinances are defined as the “**TIF Ordinances**”. The redevelopment project area (the “**Redevelopment Area**”) is legally described in Exhibit A. The Redevelopment Plan approved by the Plan Adoption Ordinance was amended on April 26, 2006 to provide for changes in the Act concerning the date for the retirement of obligations and the completion of redevelopment projects.

D. **The Project:**

(i) Developer presently owns, or previously owned, real property consisting of approximately 20.4 acres bounded on the north by 105th Street; on the east by Throop Street; on the south by 107th Street; and on the west by Vincennes Avenue/Rock Island METRA right-of-way (the “**Phase 1 Property**”). A legal description of the Phase 1 Property is attached as Exhibit B-1. The Phase 1 Property is the former Chicago Bridge & Iron Steel Fabricating Plant which had been vacant and unused since 1976.

(ii) Within the Phase 1 Property, there are presently three categories of property lots: (1) those eighty-four (84) lots currently owned by Developer and legally described on Exhibit B-2 (collectively referred to herein as the “**Property**”), including eighty-three (83) lots to be developed with single family homes in accordance with the terms of this Agreement and the one (1) lot to be developed with a park in accordance with the terms of this Agreement (the “**Park Site**”); (2) eight (8) lots previously improved by Developer with single-family homes and sold by Developer to individuals or families; and (3) the eighteen (18) lots legally described on Exhibit B-3 (the “**Dispersed Lots**”) that were previously owned by Developer but are currently owned by a third-party developer or by individuals and families who have acquired single-family homes constructed thereon. As used herein, the term “Property”: (i) shall exclude each of the eighty-three (83) lots that has been improved with a single-family home, upon its conveyance to an individual or family, and (ii) also shall exclude the Park Site from and after its conveyance to the Chicago Park District or other grantee approved by the City.

(iii) Developer plans to construct approximately ninety-one (91) residential for-sale units on the Phase 1 Property, including the eight (8) already constructed and sold units and an additional eighty-three (83) residential for-sale units to be constructed. No fewer than eighteen (18) units to be constructed and sold by Developer within the Phase 1 Property will be affordable housing to households whose incomes are at or below 100% of Area Median Income.

(iv) Developer also plans to complete the following infrastructure construction: improvement of Throop Street from 105<sup>th</sup> Street to 107<sup>th</sup> Street, the creation of an approximately 2-acre park on the Park Site, the construction of new interior streets, and the creation of landscaping, street lighting and sidewalk improvements within and adjacent to certain portions of the Property as described and as shown on Exhibit B-3.5 (collectively the “**Infrastructure Construction**”).

(v) Construction of the eighty-three (83) units and construction of the Infrastructure Construction is defined as the “**Project**”. The Site Plan for the Project is attached as Exhibit B-4. Completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

**E. Redevelopment Plan and Planned Development:** The Project will be carried out in accordance with: (i) this Agreement, (ii) the City of Chicago 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project attached as Exhibit C, as amended on April 26, 2006 and as further amended following the date hereof (the “**Redevelopment Plan**”), and (iii) Planned Development No. 1008 approved by the City Council on February 8, 2006, a copy of which is attached as Exhibit B-6, as further amended or administratively adjusted by the City following the date hereof (“**PD 1008**”), unless and until PD1008 is sunsetted by the City.

**F. City Financing and Assistance:** Subject to Developer fulfilling those obligations under this Agreement that are the applicable conditions precedent to obligate the City to do so, the City will make a total of \$1.4 million in cash payments on the Closing Date, issue a \$3.2 million taxable note to Developer on the Closing Date, and make no more than \$7.3 million in Pay-As-You Go TIF Payments to Developer to reimburse Developer as provided in this Agreement for the costs of the TIF-Funded Improvements (as defined below) under the terms and conditions of this Agreement. In addition, the City may, in its discretion, issue tax increment allocation bonds (“**TIF Bonds**”) secured by Incremental Taxes (as defined below) as provided in a TIF bond ordinance (the “**TIF Bond Ordinance**”), at a later date as described and conditioned in Section 4.07. The proceeds of the TIF Bonds (the “**TIF Bond Proceeds**”) may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

## **AGREEMENT:**

### **ARTICLE ONE: INCORPORATION OF RECITALS**

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

## ARTICLE TWO: DEFINITIONS

The definitions stated in Schedule A and those definitions stated in the recitals and preamble are hereby incorporated into this Agreement by reference and made a part of this Agreement.

### ARTICLE TWO-A: TERMINATION OF PRIOR AGREEMENT

On the Closing Date, that certain Redevelopment Agreement dated as of October 20, 2006 and recorded October 24, 2006 as Document No. 0629731077 by and between the City and Developer (the "2006 RDA"), and each and every provision thereof, shall be terminated, ended and no longer of any express or implied force or effect, with all rights and duties of any party to the 2006 RDA and each and every provision thereof being extinguished, and including, but not limited to: (i) the certificate of expenditure issued by the City under the 2006 RDA; and (ii) the promissory note issued by the City under the 2006 RDA, both of which will be tendered back to the City for cancellation on the Closing Date of this Agreement, with no payment of principal or interest due or owing, and with any accrued but unpaid interest cancelled; provided, however, that the 2006 RDA Article Thirteen-Indemnification, shall survive this termination of the 2006 RDA. Also on the Closing Date, the parties will cause a release of the 2006 RDA to be recorded in the Office of the Recorder of Deeds of Cook County.

## ARTICLE THREE: THE PROJECT

3.01 **The Project.** Developer will: (i) resume redevelopment construction on or about the Closing Date, and (ii) complete redevelopment construction of the Project no later than June 30, 2019, subject to: (a) Section 18.17 (Force Majeure); (b) applicable Change Orders, if any, issued under Section 3.04; and (c) the receipt of all applicable permits and Project approvals.

3.02 **Scope Drawings and Plans and Specifications.** Developer has delivered the Scope Drawings and Plans and Specifications to HED, and HED has approved them. Subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to HED as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and to all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 **Project Budget.** Developer has furnished to HED, and HED has approved, a Project Budget which is Exhibit D-1, showing total costs for the Project in an amount not less than \$49,616,220. Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount sufficient to pay for all Project costs; and (b) the Project Budget

is true, correct and complete in all material respects. Developer will promptly deliver to HED copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

**3.04 Change Orders.**

(a) Except as provided in subparagraph (b) below, 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 HED concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to HED for HED's prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project from the square footage approved by HED under Section 3.02, or (ii) a change in the primary use of the Project, or (iii) a delay in the Project completion date, or (iv) change orders resulting in an aggregate increase to the Project Budget of 10% or more. Developer will not authorize or permit the performance of any work relating to any Change Order requiring HED's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of HED's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect or for compliance with this Agreement generally. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those stated in subsection (a) above do not require HED's prior written approval as stated in this Section 3.04, but HED must be notified in writing of all such Change Orders within 10 Business Days after the execution of such change order, and Developer, in connection with such notice, must identify to HED the source of funding therefor in the progress reports described in Section 3.07.

**3.05 HED Approval.** Any approval granted by HED under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by HED under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, or investment quality of the Project. Developer will not make any verbal or written representation to anyone to the contrary. Developer shall not undertake construction of the Project unless Developer has obtained all necessary permits and approvals (including but not limited to permits and approvals from the City's Department of Transportation and the City's Department of Water Management and HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

**3.06 Other Approvals.** Any HED approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Developer will provide HED, the Assistant Commissioner of the Department of Transportation Division of Project Development / Maps and Plats, and the Assistant Chief Engineer of Sewers of the Department of Water Management with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring HED's written approval under Section 3.04), and also including (i) detailed descriptions of progress by Developer with respect to the completion of the Infrastructure Construction, (ii) copies of any deficiency notices received by Developer from the City since the prior reporting month regarding the Infrastructure Construction, and (iii) Developer's forward-looking action plans to address such identified deficiencies, if any. Developer must also deliver to the City written monthly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "City Requirements"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to HED to address and cure such shortfall.

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

3.09 **Barricades.** Prior to commencing any construction requiring barricades, Developer will install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. HED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of Developer or the Project).

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

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

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

3.13 **Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and improvements on the Property will be reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

3.14 **Affordable Housing Requirements.** Developer acknowledges that the Project is subject to the requirements of the City's Affordable Housing Ordinance, Chapter 2-44, Section 2-44-090 of the City's Municipal Code (the "**Affordable Housing Ordinance**"). Developer agrees as follows:

(a) **Affordable Housing Ordinance.** Developer acknowledges receipt of a copy of Section 2-44-090 of the Municipal Code and that Developer has read and understands such Municipal Code section.

(b) **Affordable Housing Undertaking.** Developer agrees to sell no fewer than eighteen (18) residential for-sale units within the Phase 1 Property to households at or below 100% of area median income ("**AMI**"). Current affordable prices, which shall be subject to updating during the course of the Project, are listed in Exhibit B-5.

(c) **City Lien.** Developer agrees that by recording this Agreement against the Property, Developer hereby grants the City a lien against the Property as security for Developer's performance to sell affordable units as provided in Municipal Code Section 2-44-090(i)(1).

(d) **City Recapture Mortgage.** A form of the City recapture mortgage (the "**City Recapture Mortgage**") is Exhibit P to this Agreement. In connection with the marketing of each affordable residential unit, Developer agrees to attach as an exhibit to each purchase contract a copy of the City Recapture Mortgage. Developer agrees to require in each of its affordable residential unit purchase contracts that the purchaser of each affordable residential unit must execute the City Recapture Mortgage as a junior mortgage and must comply with the on-going requirements stated in the City Recapture Mortgage. At each closing of the sale of an affordable residential unit, Developer will cause the fully signed and acknowledged City Recapture Mortgage to be recorded as a junior mortgage lien against the purchaser's affordable residential unit.

(e) **Eligibility Record Keeping.** Prior to the time that the City will reimburse Developer under Section 4.03 for TIF-Funded Improvements related to an affordable residential unit which is intended by Developer to meet the affordability requirements described above, Developer must present evidence to HED, in a form satisfactory to HED, that the person(s)

purchasing such unit meet the income eligibility criteria defined by the Affordable Housing Ordinance. Developer will maintain records at its principal place of business with complete documentation on income eligibility in a form acceptable to HED. The City's Monitoring and Compliance Section will monitor each affordable residential sale.

### 3.15 Additional Project Features

(a) Landscaping. Developer will perform all landscaping work within the scope of the Project, if any, consistent with the landscaping requirements stated in the City of Chicago Open Space Impact Fee Ordinance, Journal of Proceedings of the City Council dated April 1, 1998 at pp 65269 - 65275.

(b) Park Construction. Developer will use its best efforts to work with HED and the Chicago Park District ("Park District") to determine mutually acceptable specifications for the Park Site (which specifications are expected to include seeding, lighting, fencing, sidewalks and other minimally standard requirements). Developer will negotiate a written agreement with the Park District to provide for the Park District's acceptance of the Park Site if the Park Site is improved to the agreed-upon specifications and other standard requirements of the Park District. If such a written agreement is executed by the Park District, then Developer shall complete the agreed-upon Park Site improvements and dedicate the Park Site and improvements to the Park District as provided in the terms of such written agreement. If within one (1) year following the date hereof, Developer and the Park District do not reach agreement on the specifications for the Park Site or execute a written agreement for the Park District's acceptance of the Park Site as described above, Developer shall then commence to promptly improve the Park Site in accordance with the specifications shown on Exhibit K hereto and to thereafter offer conveyance of and convey fee simple title in the improved Park Site: (i) to the Park District in the first instance, (ii) if the Park District declines such offer, then to the City for acceptance by either the City or a delegate agency of the City; and (iii) if both the Park District and City decline such offer, to an association or non-profit corporation formed by or on behalf of families and individuals then residing in the Phase 1 Property, subject to a covenant that the Park Site will be maintained as a park for the residents of the Phase I Property. Until such time, if any, that the Park District, City, owners association or non-profit corporation takes title to the improved Park Site, Developer shall maintain the Park Site as improved.

(c) Green Construction. All construction of the Project, including but not limited to building construction, green space and surface parking, if any, shall be built in accordance with the "green construction" standards of applicable HED policies as incorporated in and required by PD 1008. Developer will submit written evidence demonstrating compliance with such requirements.

## ARTICLE FOUR: FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated

to be \$49,616,220, to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources:

Equity (subject to <u>Section 4.06</u> )	\$ 2,100,000
Lender Financing	23,434,703
Residential Sale Proceeds	<u>23,881,517</u>
<b>ESTIMATED TOTAL</b>	<b>\$49,616,220</b>

4.02 **Developer Funds.** Equity, Lender Financing and residential sales proceeds will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements. All Project costs will be front-funded by Developer.

4.03 **City Funds.**

(a) **City Funds.** Any funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as “**City Funds**”. City Funds may be used to reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs, which TIF-Funded Improvements are stated on Exhibit E. At Closing, Developer will submit a City Funds Requisition Form in the form of Exhibit N (the “**Requisition Form**”) to request payment of City Funds.

(b) **Sources of City Funds.** Subject to the terms and conditions of this Agreement, including this Section 4.03 and Article Five, the City hereby agrees to provide no more than \$11.9 million in City Funds to Developer as follows:

(i) \$1,100,000 cash on the Closing Date, payable only from Available Incremental Taxes deposited to the account associated with the 105<sup>th</sup> Street and Vincennes Redevelopment Project Area Special Tax Allocation Fund.

(ii) \$300,000 cash on the Closing Date to be deposited and disbursed only in accordance with Section 5.16 hereof, payable first from Available Incremental Taxes deposited to the account associated with the 105<sup>th</sup> Street and Vincennes Redevelopment Project Area Special Tax Allocation Fund, and only secondarily with additional funding as needed from cash on hand ported from the 119th Street/I-57 Redevelopment Project Area which is contiguous with the Redevelopment Area, with such ported funds not to exceed \$200,000.

(iii) The taxable \$3,200,000 note to be issued on the Closing Date as described in Section 4.03(c).

(iv) Not more than \$7,300,000 in Pay-As-You-Go TIF payments over the life of the Redevelopment Area as described in Section 4.03(d).



(c) Taxable City Note and Developer Account.

On the Closing Date, the City will issue to Developer a promissory note the “City Note”) with the following terms and conditions:

(i) Principal. The principal balance for the City Note will be equal to \$3,200,000, in accordance with the Certificate of Expenditure to be issued by the City in the form of Exhibit M for \$3,200,000 of Developer’s expenditures for TIF-Funded Improvements prior to the Closing Date, Developer having provided satisfactory evidence prior to the date hereof for such expenditures.

(ii) Interest. When issued at closing, interest on the City Note will be subject to federal income taxes. The City Note annual interest rate will be based on the annual interest rate equal to the median value of the Corporate BBB Bond Index Rate (20 year) as published by Bloomberg for the 15 Business Days prior to the date of issuance of the City Note plus 200 basis points, but in no event exceeding eight and one-half per cent (8.50%) per annum. Accrued but unpaid interest will also bear interest at the interest rate set when the City Note is issued and will compound annually, all payable each February 1.

(iii) Term. The City Note will have a term ending on December 31, 2025; provided, however, such term will be extended if and to the extent the term of the Redevelopment Area is extended and an extension of the City Note term is necessary for payment of unpaid principal and interest.

(iv) Payment of Principal and Interest.

(A) Interest on the City Note will begin to accrue on the Closing Date.

(B) Payments of principal and interest on the City Note will be funded first from funds to be ported from the 119th Street/I-57 Redevelopment Project Area, which is contiguous with the Redevelopment Area, in accordance with Section 4.03(c)(v)(A). In the event such funds are insufficient to pay the amounts of principal and interest under the City Note when due, payments of principal and interest on the City Note shall be paid from Available Incremental Taxes in accordance with Section 4.03(c)(v)(B).

(C) Payments of principal and interest on the City Note will be made as provided in the debt service schedule attached thereto.

(D) Developer Account. Except as provided in Section 4.03(c)(v)(B), the ported funds, only, will be used to pay principal and interest on the City Note and unpaid interest, if any. In the ordinance authorizing the issuance of the City Note, the City will establish an account denominated the “MGM/TGI 105th Street LLC Developer Account” within the 105th Street and the Vincennes Avenue Redevelopment Project Area Special Tax Allocation Fund. All Available

Incremental Taxes and all ported funds for the required payments of the City Note will be deposited into the MGM/TGI 105th Street LLC Developer Account.

(E) Insufficient Available Incremental Taxes or Ported Funds. If the amount of the ported funds pledged under this Agreement are insufficient to make any scheduled payment on the City Note, due but unpaid scheduled payments (or portions thereof) on the City Note will be paid, if possible, from Available Incremental Taxes as provided in Section 4.03(c)(v)(B). If the amount of the ported funds and such Available Incremental Taxes are still insufficient to make any scheduled payment on the City Note: (1) the City will not be in default under this Agreement or the City Note, and (2) interest per annum at the rate set when the City Note is issued will accrue on any principal or interest payments which are unpaid because the ported funds or Available Incremental Taxes are insufficient.

(F) Prepayment. The City may pre-pay the City Note at any time, in whole or in part.

(v) Other Provisions

(A) Except for the 119<sup>th</sup> Street/I-57 Prior Obligations, as scheduled in the Agreement definition section, the City has not pledged available incremental taxes from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area and will not subordinate the City Note to or place the City Note on a parity basis with any subsequent or other pledge of available incremental taxes from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area without the prior written consent of the then registered owner of the City Note. Subject to the 119<sup>th</sup> Street/I-57 Prior Obligations and such other obligations to which the then registered owner of the City Note has consented, the incremental taxes from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area (less the applicable TIF District Administration Fee described in Section 4.05(b)) will be pledged as the primary source of funds for payment of principal and interest under the City Note.

(B) Available Incremental Taxes will be pledged as an additional source of funds for payment on the City Note but only if: (X) funds from the 119<sup>th</sup> Street/I-57 Redevelopment Project Area are insufficient for full payment of the City Note; and (Y) Pay-as-you-go payments to Developer under this Agreement have been made in an amount no less than \$6,400,000.

(d) Pay-As-You-Go TIF Payments

(i) Amount. Developer shall receive no more than \$7,300,000 of the payments described in this Section 4.03(d) (“**Pay-As-You-Go TIF Payments**”) during the life of the Redevelopment Area, which is scheduled to end on December 31, 2025, such date being the last date of the calendar year in which taxes levied in the year that is 23 years after the creation of the Redevelopment Area are paid.

(ii) Sources of Payment.

(A) Pay-As-You-Go TIF Payments will be made from Available Incremental Taxes. "**Available Incremental Taxes**" is defined as: (i) 100% of the Incremental Taxes from parcels within the current boundaries of the Redevelopment Area plus not less than 25% of the incremental taxes from parcels (if any) added to the Redevelopment Area during the Term of Agreement, with the final percentage (not less than 25%) determined administratively by the Commissioner in writing; less (ii) the applicable TIF District Administration Fee (up to 5%) described in Section 4.05(b). The addition of parcels to the Redevelopment Area, if any, shall in no event increase the \$7,300,000 maximum amount of Pay-As-You-Go TIF Payments under this Agreement.

(iii) Annual Payments.

(A) Annual payments will commence September 1, 2012. Annual payments thereafter are to be made on September 1<sup>st</sup>.

(B) 2012 Payment. The September 1, 2012 annual payment will include all Available Incremental Taxes, excluding, however, any Available Incremental Taxes already remitted at Closing Date in accordance with the terms of this Agreement.

(C) 2013 and 2014 Payments. As a precondition to any payments made during 2013 or 2014, Developer shall have provided the City (prior to June 30<sup>th</sup> of the calendar year in which the annual payment will be made) an affidavit and standard supporting material verifying that Developer has complied with all City Requirements for all construction completed during that preceding calendar year.

(D) Payments of Available Incremental Taxes collected for tax years 2014 and 2015. As a precondition to any payments of Available Incremental Taxes collected for tax years 2014 and 2015, Developer shall have provided the City prior to June 30<sup>th</sup> of the calendar year in which the annual payments will be made) with an additional affidavit and standard supporting material verifying that Developer has:

- (x) completed construction in the aggregate of no fewer than 20 homes (including the 8 homes already built and sold) within the Phase 1 Property; and
- (y) sold no fewer than 4 homes as affordable housing to household whose incomes are at or below 100% of AMI.

(E) Payments of Available Incremental Taxes collected for tax year 2016. As a precondition to any payments of Available Incremental Taxes

collected for tax year 2016, Developer shall have provided the City (prior to June 30<sup>th</sup> of the calendar year in which the annual payment will be made) with an additional affidavit and standard supporting material verifying that Developer has:

- (x) completed construction in the aggregate of no fewer than 40 homes (including the 8 homes already built and sold) within the Phase 1 Property; and
- (y) sold, in the aggregate no fewer than 8 homes as affordable housing to households whose incomes are at or below 100% of AMI; and
- (z) completed the Infrastructure Construction in accordance with applicable provisions of the Municipal Code and the provisions of any permits and approvals issued by the Department of Transportation or the Department of Water Management.

(F) Payments of Available Incremental Taxes collected for tax year 2017 and subsequent tax years. As a precondition to any payments of Available Incremental Taxes collected for tax year 2017 and subsequent tax years, Developer shall have provided the City with an additional affidavit and standard supporting material verifying that Developer has:

- (x) completed construction in the aggregate of no fewer than 91 homes (including the 8 homes already built and sold) within the Phase 1 Property; and
- (y) sold in the aggregate no fewer than 18 homes as affordable housing to household whose incomes are at or below 100% of AMI.

(iv) Reduction in Pay-As-You-Go TIF Payments. Developer's entitlement to pay-as-you-go TIF funds shall be reduced by \$900,000 to \$6,400,000 unless Developer has provided the City by June 30, 2019 with an additional affidavit and standard supporting material verifying that:

- (x) the Dispersed Lots were improved with 18 homes, each home conforming to plans and specifications approved by HED; and
- (y) Either 4 homes on the Dispersed Lots were sold as affordable housing to households whose incomes are at or below 100% of AMI; or else at least 22 homes within the Phase 1 Property were sold as affordable housing to

households whose incomes are at or below 100% of AMI;  
and

- (z) Work to construct or complete single family homes on the Dispersed Lots has complied with the City Residency and MBE/WBE requirements stated in this Agreement, or else shortfalls in compliance were satisfied by Developer in construction of the Project; and
- (aa) Work to construct or complete single-family homes on the Dispersed Lots has complied with the Prevailing Wage requirements stated in this Agreement.

#### 4.04 Adjustment in Principal Amount of City Note.

(a) City Note. Prior to the issuance of the Certificate of Completion as provided in Section 7.01, Developer shall certify to the City the calculation of Excess Profits (as defined below) for Developer's sales of homes from the Project. If there are Excess Profits, then the principal amount then outstanding on the City Note will be reduced by \$0.50 for each \$1.00 of Excess Profits in the Project. If there are no Excess Profits, then the principal amount then outstanding on the City Note will remain unadjusted. Any reduction in principal on the City Note will be a one-time reduction.

(b) Calculation of Excess Profit. Excess Profit will be calculated using the following formulas:

(i) Excess Profit ("Excess Profit") = Actual Profit minus Threshold Profit.

(ii) Threshold Profit = 15% of Actual Project Costs.

(iii) Actual Profit = Net Sales Proceeds plus City Funds received to the date of calculation minus Actual Project Costs.

(c) Definitions Applicable to the Calculation of Excess Profit.

(i) Gross Sales Proceeds is defined as all revenue generated by the Project on an accrual basis under generally accepted accounting principles and practices, consistently applied, including the proceeds from the sale of residential units, parking spaces, upgrades or add-ons to residential units, sales of additional services such as extended warranties, follow-on landscaping or snow removal, provided, however, that the definition of Gross Sales Proceeds will not include any revenue not accrued by Developer as of the date of calculation under generally accepted accounting principles and practices, consistently applied.

(ii) Net Sales Proceeds is defined as Gross Sales Proceeds minus: actual sales commissions, closing costs and other Project costs the City reasonably determines should be deducted from Gross Sales Proceeds rather than included in Project Costs.

(iii) Estimates to be Used. If all of the market rate residential units have not been sold at the date of calculation of Excess Profits, then estimates of the gross and net sales proceeds for the unsold residential units by type of unit (i.e. town home or single-family home) will be used for calculation purposes. Such estimates will be based on the average of the gross and net sales proceeds (including upgrades, parking spaces and other additional revenues) for the market rate residential units by the type of unit already sold in the Project Phase.

(iv) Actual Project Costs is defined to include all hard and soft costs actually expended to implement the Project by Developer or the registered owner of the City Note, less the following costs:

(A) sales commissions

(B) closing costs

(C) Developer fee

(D) Threshold Profit

(E) Other Project costs the City reasonably determines should be deducted from gross sales proceeds rather than included in Project Costs.

(v) Prove-up of Costs. Developer must prove-up all cost information to the satisfaction of the City.

#### 4.05 Treatment of Prior Expenditures/Administration Fee.

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

(b) TIF District Administration Fee. As reflected in the definition of Available Incremental Taxes, the City may annually 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. Likewise, the City may annually allocate an amount not to exceed five percent (5%) of the incremental taxes from the 119th Street/I-57 Redevelopment Project Area for payment of costs incurred by the City for the administration and monitoring of that District, including redevelopment project located within its boundaries. Both of the foregoing fees 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.** If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

4.07 **TIF Bonds.** The Commissioner of HED may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds may be used to pay City Funds due under this Agreement and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne solely by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

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

- (a) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;
- (b) Developer has received no notice and has no knowledge of any lien or claim of lien either filed or threatened against the Property or the Project except for the Permitted Liens;
- (c) no Event of Default or condition or event which, with the giving of notice or passage time or both, would constitute an Event of Default exists or has occurred; and

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including not limited to the

requirements set forth in the Bond Ordinance, if any; the TIF Bond Ordinance, if any; the Bonds, if any; the TIF Bonds, if any; the TIF Ordinances and this Agreement.

## ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING

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

5.01 **Project Budget.** Developer will have submitted to HED, and HED will have approved, the Project Budget stated in Exhibit D-1, in accordance with the provisions of Section 3.03. This condition precedent has been satisfied prior to the date hereof.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to HED, and HED will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02. This condition precedent has been satisfied prior to the date hereof.

5.03 **Other Governmental Approvals.** Not less than 5 Business Days prior to the Closing Date, Developer will have secured or applied for or provided HED with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to HED.

5.04 **Financing.**

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

(b) Prior to the Closing Date, Developer will deliver to HED a copy of the construction escrow agreement, if any, entered into by Developer regarding Developer's Lender Financing, if any. Such construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement.

(c) Any financing liens against the Property or the Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, in the form of Exhibit O, executed on or prior to the Closing Date,



which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

5.05 **Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Property, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit I and will evidence the recording of this Agreement under the provisions of Section 8.15. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding location, access, and survey. On or prior to the Closing Date, Developer will provide to HED documentation related to the Property and copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows:

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

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

5.07 **Surveys.** If requested by HED, not less than 5 Business Days prior to the Closing Date, Developer will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Developer, at its own expense, will have insured the Property as required under Article Twelve. At least 5 Business Days prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to HED.

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

5.10 **Evidence of Prior Expenditures.** Not less than 20 Business Days prior to the Closing Date, Developer will have provided evidence satisfactory to HED of the Prior Expenditures as provided in Section 4.05. Such evidence of Prior Expenditures may be updated to the Closing Date by Developer.

5.11 **Financial Statements.** Not less than 30 days prior to the Closing Date, Developer will have provided Financial Statements to HED for its 2009 and 2010 fiscal years, if available, and its most recently publicly available unaudited interim Financial Statements, in each case together with any opinions and management letters prepared by auditors.

5.12 **Additional Documentation.** Developer will have provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment profile, if requested by HED, and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds on the Property, if any.

5.13 **Environmental Reports.** Not less than 30 days prior to the Closing Date, Developer will provide HED with copies of all environmental reports or audits, if any, obtained by Developer with respect to the Property, together with any notices addressed to Developer from any agency regarding environmental issues at the Property. Prior to the Closing Date, Developer will have provided the City with a letter from the environmental engineer(s) who completed such report(s) or audit(s), authorizing the City to rely on such report(s) or audit(s).

5.14 **Entity Documents; Economic Disclosure Statement.**

(a) **Entity Documents.** Developer will provide a copy of its current Articles of Organization, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of Illinois and all other states, if any, in which Developer is registered to do business; its limited liability company operating agreement; a roster of limited liability company members showing their respective membership interests; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

(b) **Economic Disclosure Statement.** Developer will provide the City an EDS, in the City's then current form, dated as of the Closing Date, which is incorporated by reference and Developer further will provide any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is

required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 **Litigation.** Developer has provided to Corporation Counsel and HED in writing, a description of all pending or threatened litigation or administrative proceedings: (a) involving Developer's property located in the City, (b) that Developer is otherwise required to publicly disclose or that may affect the ability of Developer to perform its duties and obligations under this Agreement, or (c) involving the City or involving the payment of franchise, income, sales or other taxes by such party to the State of Illinois or the City. In each case, the description shall specify the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

5.16 **TIF Expansion Study.** In conjunction with the Closing, Developer will cause Lender to create a segregated, non-interest-bearing account (the "**TIF Expansion Study Account**") and will immediately deposit into such account: (i) the entire \$300,000 cash payment referenced in Section 4.03(b)(ii) hereof; and (ii) \$100,000 of Developer funds. Except with respect to a termination of the TIF Expansion Study Account in accordance with this Section 5.16, funds in the TIF Expansion Study Account shall be disbursed only to pay for the costs of professional studies and services in connection with a potential expansion of the boundaries of the Redevelopment Area. In no event shall the terms of this Agreement or any other action or conduct by or on behalf of the City prior to the date hereof suggest that the City has agreed to or will approve any such expansion or otherwise exercise its governmental powers in connection with any expansion of the Redevelopment Area. In no event shall the terms of this Agreement or any other action or conduct by or on behalf of the City or Developer prior to the date hereof suggest that Developer will provide, or is obligated hereunder to provide, any additional funds in connection with any such expansion or associated studies. Until the exhaustion of the amounts held in the TIF Expansion Study Account, each Requisition Form submitted by Developer to the City in accordance with the terms of this Agreement shall include: (i) the balance held in the TIF Expansion Study Account on the date of such Requisition Form; (ii) an itemized list of payments made from the TIF Expansion Study Account made or occurring since the most recent Requisition Form submitted by Developer to City; together with (iii) supporting documentation from the recipients of such payments indicating the funds were utilized for the TIF expansion study described herein and for no other purpose. In the event the City Council of the City of Chicago should approve an ordinance containing provisions that expand the boundaries of the Redevelopment Area (if approved, an "**Expansion Ordinance**"), seventy-five percent (75%) of those funds, if any, remaining in the TIF Expansion Study Account shall be disbursed to the City within thirty (30) calendar days of said ordinance's publication, and the remaining twenty-five percent (25%) shall be released to Developer. In the event the City Council of the City of Chicago has not approved an Expansion Ordinance within three (3) years of the date hereof, the TIF study shall be terminated, and the funds remaining in the TIF Expansion Study Account, if any, shall be disbursed to the City and released to Developer in the same proportions as the preceding sentence.

## ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

### 6.01 Bid Requirement for General Contractor and Subcontractors.

(a) HED has approved Developer's selection of Developer or The Terrell Group, Inc., an Illinois corporation, as the general contractor for the construction of the Project (the "**General Contractor**"). Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City.

(b) For the TIF-Funded Improvements, Developer must cause the General Contractor to select the subcontractor submitting the lowest responsible bid who can complete the Project (or phase thereof) in a timely and good and workmanlike manner; provided, however, that Developer may consider a bidder's ability to meet the unique challenges of the Project in evaluating the "lowest responsible bid" rather than the lowest bid. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds.

(c) Developer must submit copies of the Construction Contract to HED as required under Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to HED within 20 Business Days of the execution thereof. Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by HED and all requisite permits have been obtained.

6.02 **Construction Contract.** Prior to the execution thereof, Developer must deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to work on the TIF-Funded Improvements under Section 6.01 above, for HED's prior written approval. Within 10 Business Days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must deliver to HED and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

6.04 **Employment Opportunity.** Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten.

6.05 **Other Provisions.** In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor working on the Project must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

## ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.** Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, HED will issue to Developer a certificate of completion of construction in recordable form (the "**Certificate of Completion**") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. HED will respond to Developer's written request for a Certificate of Completion within 30 days by issuing either a Certificate of Completion 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 Certificate of Completion. Developer may resubmit a written request for a Certificate of Completion upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate of Completion.

### 7.02 **Effect of Issuance of Certificate of Completion; Continuing Obligations.**

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

(b) Those covenants specifically described at Section 8.16 (Real Estate Taxes) as covenants that run with the land comprising the Property are the only covenants in this Agreement intended to be binding throughout the Term of the Agreement upon any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph and regardless of whether or not a Certificate of Completion has been issued. Unless a Certificate of Completion has been issued, those covenants specifically described at Section 8.02 (Covenant to Redevelop) as covenants that run with the land comprising the Property are the only other covenants in this Agreement intended to be binding throughout the Term of the Agreement upon

any transferee of the Developer holding title to the Property or any portion thereof, regardless of whether or to what extent that owner is also an assignee of Developer as described in this paragraph. The other executory terms of this Agreement that remain after the issuance of a Certificate of Completion will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 **Failure to Complete.** If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies, in addition to those stated in Section 15.02.

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of the payment and performance bond form attached as Exhibit L, and, if such funds are insufficient, then from City Funds or other City monies. If the aggregate costs incurred by the City to complete the TIF-Funded Improvements exceeds the amount of funds described in the preceding sentence, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of those funds.

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

## ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.

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

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

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary limited liability company action, and does not and will not violate its Articles of Organization as amended and supplemented, its operating agreement, any

applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer or any of its assets is now or may become bound;

(d) Developer has acquired and will maintain good, indefeasible and merchantable fee simple title to the Property (and improvements located thereon) free and clear of all liens (except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget, and those liens otherwise bonded or insured over in accordance with the terms of this Agreement).

(e) Developer is now, and for the Term of the Agreement, will 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 or, to Developer's actual knowledge threatened or affecting Developer which would impair its ability to perform under this Agreement;

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

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

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

(j) prior to the issuance of a Certificate of Completion, if it would adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business, and except to buyers of the residential for-sale units on the Property; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition. Notwithstanding the foregoing provisions set forth in this Section 8.01(j), Developer or either of

Developer's Members may assign their interests in Developer, the Property or the Project to one or more entities that are at least fifty percent (50%) owned and controlled (directly or indirectly) by one of the two current Members of Developer as of the date hereof or by Lender, so long as each of the following conditions are satisfied:

(i) no fewer than thirty (30) days prior to such assignment, the assigning entity provides the City with written notice of such assignment, together with an EDS, in the City's then current form, dated as of the date of such notice and any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts executed by each proposed assignee (plus such supplemental EDSs, affidavits and certifications as are required for entities that will own or control the assignee);

(ii) neither the assignee nor any entity or individual that owns or controls the assignee is then ineligible to do business with the City under Chapter 1-23 of the Municipal Code;

(iii) the assignee assumes the obligations and liabilities of the assigning entity under this Agreement in a written instrument; and

(iv) the assigning entity or assignee delivers written notice to the City with a correct and complete copy of the written instrument pursuant to which the assignment and assumption was accomplished;

(k) Developer has not incurred and, prior to the issuance of a Certificate of Completion, will not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Property other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Property or the Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(l) Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or under 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 Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(m) neither Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons Lists, the Unverified List, the Entity List and the Debarred List.

**8.02 Covenant to Redevelop.** Upon HED's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Property and the Project in compliance with this Agreement and all



exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Property, the Project and/or Developer. The covenants set forth in this Section 8.02 will run with the land comprising the Property (as defined herein) and will be binding upon any transferee, until fulfilled as evidenced by the issuance of a Certificate of Completion.

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

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

8.05 **Other Bonds.** At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) any Bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with or provided a source of funds for the payment for the TIF-Funded Improvements (the “**Bonds**”); provided, however, that any such amendments will not have a material adverse effect on Developer or the Project. Developer will, at 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 (but not including proprietary sales and operating information), and assisting the City in its preparation of an offering statement with respect thereto. Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 **Employment Opportunity.**

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 (Prevailing Wage) and Article Ten (Developer’s Employment Obligations). Developer will submit a plan to HED describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written monthly progress reports detailing compliance with the requirements of Sections 8.08, (Prevailing Wage) 10.02 (City Resident Construction Worker Employment Requirement) and 10.03 (Developer’s MBE/WBE Commitment) of this Agreement. If any such reports indicate a shortfall in compliance,

Developer will also deliver a plan to HED which will outline, to HED's satisfaction, the manner in which Developer will correct any shortfall.

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

8.08 **Prevailing Wage.** Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the "**Labor Department**"), to all of their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed under such contract, or alternatively Developer will provide applicable schedules evidencing wage rates paid. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

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

8.10 **Financial Statements.** Developer will obtain and provide to HED Financial Statements for 2009 and 2010, if available, and each year thereafter for the Term of the Agreement.

8.11 **Insurance.** Solely at its own expense, Developer will comply with all applicable provisions of Article Twelve (Insurance) hereof.

8.12 **Non-Governmental Charges.**

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

entity, or other evidence satisfactory to HED, evidencing payment of the Non-Governmental Charges in question.

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.12); or

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

8.13 **Developer's Liabilities.** Developer will not enter into any transaction that would materially and adversely affect its ability to: (i) perform its obligations under this Agreement or (ii) repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer will immediately notify HED of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or under any other documents and agreements.

8.14 **Compliance with Laws.**

(a) Representation. To Developer's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project. Upon the City's request, Developer will provide evidence reasonably satisfactory to the City of such current compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property or the Project, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in performance of this Agreement. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

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

8.16 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Subject to subsection (ii) below, 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, or appear to create a lien upon Developer or all or any portion of the Property or the Project. “**Governmental Charge**” means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances 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 transfer or forfeiture of the Property or the Project. Developer’s right to challenge real estate taxes applicable to the Property or the Project is limited as provided for in Section 8.16(c) below; provided, that such real estate taxes must be paid in full when due. No such contest or objection will 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 HED of Developer’s intent to contest or object to a Governmental Charge and, unless, at HED’s sole option:

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

(y) Developer will furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED may require, or a good and

sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Property or the Project 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 or contest any Governmental Charge or to obtain discharge of the same, Developer will advise HED thereof in writing, at which time HED may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to HED by Developer. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer 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) Real Estate Tax Exemption. With respect to the Property or the Project (and related improvements) or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, 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.

(ii) No Reduction in Real Estate Taxes.

(A) Neither Developer, nor any person acting on behalf of Developer, will, 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, provided, however, that this restriction does not apply to any purchases of a home from Developer.

(B) After diligent inquiry, Developer knows of no pending application, appeal or request for reduction of the assessed value of all or any portion of the Property or the Project filed by Developer for any tax year prior to or including the tax year in which this Agreement is executed.

(iii) No Objections. Neither Developer, nor any person acting by, through or on behalf of Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) 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 "Under

**Assessment Complaint**” as used in this Agreement means any complaint seeking to increase the assessed value of the Property or the Project.

(iv) **Covenants Running with the Land Comprising the Property.** The parties agree that the restrictions contained in this Section 8.16(c) are covenants running with the land comprising the Property (as defined herein). This Agreement will be recorded by Developer against the Property as a memorandum thereof, at Developer’s expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon any owner of the Property, from and after the date hereof, provided however, that the covenants will be released when the Redevelopment Area is no longer in effect, or upon expiration of the Term of Agreement. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Property or the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions (other than conveyances of homes to individuals and families and conveyance of the Park Site). Notwithstanding anything contained in this Section 8.16(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 8.16(c).

8.17 **Annual Compliance Report.** Throughout the Term of the Agreement, Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.18 **Reserved.**

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

8.20 **No Conflict of Interest.** Under Section 5/11-74.4-4(n) of the Act, 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, (a “**City Group Member**”) owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will 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 Developer, the Property, the Property, the Project, or to Developer’s actual knowledge, any other property in the Redevelopment Area.

8.21 **Disclosure of Interest.** Developer’s counsel has no direct or indirect financial ownership interest in Developer, the Property or any other feature of the Project.

8.22 **No Business Relationship with City Elected Officials.** Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting

at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. Developer 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 thereby.

8.23 **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.

8.24 **Prohibition on Certain Contributions – Mayoral Executive Order No. 05-1.** Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), will not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee: (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract is executory, (iii) during the Term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of: (i) February 10, 2005, or (ii) the date the City approached Developer or the date Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it will not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the

Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

**"Bundle"** means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

**"Other Contract"** means any other agreement with the City of Chicago to which Developer is a party that is: (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

**"Contribution"** means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are **"Domestic Partners"** if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  - 1. The partners have been residing together for at least 12 months.



2. The partners have common or joint ownership of a residence.
3. The partners have at least two of the following arrangements:
  - a. joint ownership of a motor vehicle;
  - b. a joint credit account;
  - c. a joint checking account;
  - d. a lease for a residence identifying both domestic partners as tenants.
4. Each partner identifies the other partner as a primary beneficiary in a will.

“**Political fundraising committee**” means a “political fundraising committee” as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

8.25 **Survival of Covenants.** All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer’s execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate of Completion) will be in effect throughout the Term of the Agreement.

#### **ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY**

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

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

#### **ARTICLE TEN: DEVELOPER’S EMPLOYMENT OBLIGATIONS**

10.01 **Employment Opportunity.** Developer, on behalf of itself and its successors and assigns, hereby agrees, and will contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer on the Project (collectively, with Developer, such parties are defined herein as the “**Employers**”, and individually defined herein as an “**Employer**”) to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party’s provision of services in connection with the construction of the Project:

- (a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or

disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the “**Human Rights Ordinance**”). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

(c) Each Employer will comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City’s Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et seq. (2006 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.

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

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

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

## 10.02 City Resident Construction Worker Employment Requirement.

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

(b) Developer 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.

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

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

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

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the construction of the Project to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

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

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

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual residents of the City or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Article. 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 will be evidenced by approved contract value for the actual contracts) will be surrendered by 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 will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to 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 Developer must surrender damages as provided in this paragraph.

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

(k) Developer will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project, entered into after the Closing Date.

**10.03 Developer's MBE/WBE Commitment.** Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the General Contractor to agree that during the construction of the Project:

(a) Consistent with the findings which support, as applicable: (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "**Construction Program**"), and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of

the Project, at least the following percentages of the MBE/WBE Budget (as stated in Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses (“MBEs”) and by Women-Owned Businesses (“WBEs”):

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

(b) For purposes of this Section 10.03 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the Project) is deemed a “**contractor**” and this Agreement (and any contract let by Developer in connection with the Project) is deemed a “**contract**” or a “**construction contract**” as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

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

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

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

(d) Developer must deliver quarterly reports to the City’s monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports will include, inter alia: the name and business address of each MBE and WBE solicited

by Developer or the General Contractor to work on the Project, and the responses received from such solicitation; the name and business address of each MBE or WBE actually involved in the Project; a description of the work performed or products or services supplied; the date and amount of such work, product or service; and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer will maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least 5 years after completion of the Project, and the City's monitoring staff will have access to all such records maintained by Developer, on 5 - Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

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

## ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws.

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

## ARTICLE TWELVE: INSURANCE

12.01 **Insurance Requirements.** Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement.

## ARTICLE THIRTEEN: INDEMNIFICATION

13.01 **General Indemnity.** Developer agrees to indemnify, pay and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "**Indemnitee**," and collectively the "**Indemnities**") harmless from and against, any and all liabilities, obligations, losses, damages (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnities 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 Indemnities by a third party in any manner relating to or arising out of:

- (i) Any cost overruns as described in Section 4.06; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

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

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

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

(vi) any act or omission by Developer or any Affiliate of Developer;

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

#### ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

14.02 **Inspection Rights.** Upon three (3) Business Days' notice, any authorized representative of the City shall have access to all portions of the Property or the Project during normal business hours for the Term of the Agreement. The City shall provide three (3) Business Days' prior written notice to Developer in accordance with Section 17. The notice shall indicate



the date and time of the inspection. All inspections shall be conducted between the hours 9:00 a.m. and 5:00 p.m., Monday through Friday.

## ARTICLE FIFTEEN: DEFAULT AND REMEDIES

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

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

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

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

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

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

(f) the appointment of a receiver or trustee for Developer or Developer’s ultimate parent entity, if any, for any substantial part of Developer’s or Developer’s ultimate parent entity’s, if any, assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer or Developer’s ultimate parent

entity, if any; provided, however, that if such appointment or commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof;

(g) the entry of any judgment or order against Developer, not covered by insurance for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer or Developer's ultimate parent entity, if any; or

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

(k) prior to the expiration of the Term of the Agreement, the sale or transfer of all of the ownership interests of Developer without the prior written consent of the City; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(j), hereof, a natural person with a material interest in Developer is one owning in excess of seven and a half percent (7.5%) of Developer's or Developer's ultimate parent entity, if any, issued and outstanding ownership shares or interests. For purposes of Section 15.01, "ultimate parent entity" does not mean a person or entity that is a Member of Developer.

**15.02 Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. To the extent permitted by law, the City may also lien the Property.

### **15.03 Curative Period.**

(a) In the event Developer fails 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 will not be deemed to have occurred unless

Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within 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 30 day period, Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

#### ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16.01 **Mortgaging of the Project.** Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Property or Project or any portion thereof are listed on Exhibit I hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the “**Existing Mortgages.**” Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a “**New Mortgage.**” Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof with the prior written consent of the City is referred to herein as a “**Permitted Mortgage.**” It is hereby agreed by and between the City and Developer as follows:

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

(b) Notwithstanding any provision of this Agreement to the contrary, the exercise of the remedies of foreclosure of a mortgage or any sale of Developer’s interest in the Property in connection with a foreclosure, whether by judicial proceedings or by virtue of any power of sale contained in the mortgage, or any conveyance of Developer’s interest in the Property to the mortgagee or its nominee or designee by virtue of or in lieu of foreclosure or other appropriate proceedings, or any conveyance of Developer’s interest in the Property by the mortgagee or its nominee or designee, or any other exercise of remedies under the documents evidencing Lender

Financing shall not require the consent or approval of the City or constitute a breach of any provision of or a default under this Agreement.

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

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

#### ARTICLE SEVENTEEN: NOTICES

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

If to the City:                   City of Chicago  
  Department of Housing and Economic Development  
  Attn: Commissioner  
  121 North LaSalle Street, Room 1000  
  Chicago, IL 60602  
  312/744-4190 (Main No.)  
  312/744-2271 (Fax)

With Copies To:                City of Chicago  
  Corporation Counsel

Attn: Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602  
312/744-0200 (Main No.)  
312/742-0277 (Fax)

If to Developer: MGM/TGI 105th Street LLC  
c/o the Terrell Group, Inc.  
PO Box 66241  
South Access Road, Building 616  
[O'Hare International Airport]  
Chicago, Illinois 60666  
312/376.0579 (Telephone)  
312/376.0036 (Fax)

With Copies To: To be determined.

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

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

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

## ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the Schedules and Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is Exhibit C hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term “**material**” for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than 90 days.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the Schedules and Exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

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

18.04 **Further Assurances.** 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, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

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

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

18.10 **Counterpart Facsimile Execution.** For purposes of executing this Agreement, a document signed and transmitted by facsimile machine will be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document will be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supersede the requirements of Article Seventeen: Notices.

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

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

18.13 **Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

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

18.15 **Assignment.** Prior to the issuance by the City to Developer of a Certificate of Completion, 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; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement (excluding any Lender that has been assigned only the right to received City Funds on a collateral basis) will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.16 (Real Estate Provisions) and Section 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's assignment or other transfer of this Agreement at any time in whole or in part.

18.16 **Binding Effect.** This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

18.17 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, acts of terrorism, imposition of martial law, plague or other illness, bank holidays or stock or commodity exchange closures or wire transfer interruptions, civil disorders, rebellions or revolutions, strike, shortage of material, power interruptions or blackouts, fuel shortages or rationing, 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, except to the extent that, the non-performing party is at fault in failing to prevent or causing such default or delay; and provided that such default or delay can not reasonably be circumvented by the non-performing party through the use of alternative sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.



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

18.19 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. (2006 State Bar Edition), as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.20 **Approval.** Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED in making all approvals, consents and determinations of satisfaction, granting the Certificate of Completion or otherwise administering this Agreement for the City.

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

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

18.23 **Survival of Agreements.** All covenants and agreements of the parties contained in this Agreement will survive the Closing Date in accordance with the provisions of this Agreement.

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

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

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

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

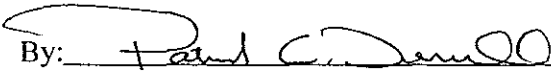
**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT**

**AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

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

**MGM/TGI 105TH STREET LLC, an Illinois limited liability company**

By:  \_\_\_\_\_

Printed Name: Patrick Terrell

Title: Manager

**CITY OF CHICAGO**

By: \_\_\_\_\_

Printed Name: Andrew Mooney

Title: Commissioner,  
Department of Housing and Economic Development

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT**

**AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT**

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

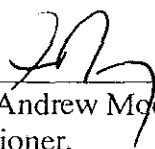
**MGM/TGI 105TH STREET LLC, an Illinois limited liability company**

By: \_\_\_\_\_

Printed Name: Patrick Terrell

Title: Manager

**CITY OF CHICAGO**

By: \_\_\_\_\_ 

Printed Name: Andrew Mooney

Title: Commissioner,

Department of Housing and Economic Development

105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT

AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

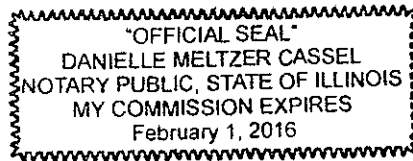
I, Danielle Meltzer Cassel, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Patrick Terrell, personally known to me to be the Manager of MGM/TGI 105th Street LLC, an Illinois limited liability company, (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 19<sup>th</sup> day of JULY, 2012.

Danielle Meltzer Cassel  
Notary Public

My Commission Expires 2/1/2016

(SEAL)



105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

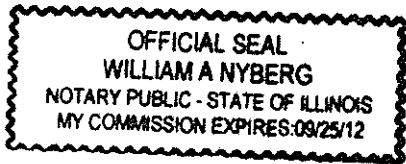
MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT

AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

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

GIVEN under my hand and official seal this 19<sup>th</sup> day of JULY, 2012.



*William A. Nyberg*  
Notary Public

My Commission Expires 09/25/12

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

**SCHEDULE A**

**DEFINITIONS**

For purposes of this Agreement the following terms shall have the meanings stated forth below:

**“105th Street and Vincennes Avenue Redevelopment Project Area Special Tax Allocation Fund”** means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined below) will be initially deposited and then redeposited, together with any ported funds, to the MGM/TGI 105th Street LLC Developer Account.

**“119<sup>th</sup> Street/I-57 Prior Obligations”** means only the following City obligations: (i) for Renaissance Estates, pursuant to Ordinance adopted November 12, 2003; (ii) for NIF, pursuant to Ordinance adopted March 29, 2006; (iii) for Marshfield Plaza, pursuant to Ordinance adopted June 17, 2007; (iv) for the Small Business Improvement Fund, pursuant to Ordinance adopted December 31, 2007; and (v) for Blackwelder Park Improvements, pursuant to Ordinance adopted November 17, 2010.

**“2006 RDA”** has the meaning defined in Article Two-A.

**“Act”** has the meaning defined in Recital B.

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

**“Affiliate(s)”** when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any person or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

**“Affordable Housing Ordinance”** has the meaning defined in Section 3.14.

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

**“AMI”** has the meaning defined in Section 3.14.

**“Annual Compliance Report”** shall mean a signed report from Developer to the City: (a) itemizing each of Developer’s obligations under the Agreement 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 beyond applicable notice and cure periods with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.13); (2) delivery of updated insurance certificates, if applicable (Section 8.11); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.12); (4) delivery of evidence of Developer’s compliance with the green construction requirements of Section 3.15(c); and (5) compliance with all other executory provisions of the RDA.

**“Available Incremental Taxes”** has the meaning defined in Section 4.03(d).

**“Bonds”** has the meaning defined in Section 8.05.

**“Bond Ordinance”** means the City Ordinance authorizing the issuance of Bonds.

**“Bundle”** has the meaning defined in Section 8.24.

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

**“Certificate of Completion”** has the meaning defined in Section 7.01.

**“Change Order”** means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.03, 3.04 and 3.05.

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

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

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

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

**“City Group Member”** has the meaning defined in Section 8.20.



**“City Note”** has the meaning defined in Section 4.03(c).

**“City Requirements”** has the meaning defined in Section 3.07.

**“City Recapture Mortgage”** has the meaning defined in Section 3.14.

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

**“Commissioner”** or **“Commissioner of HED”** means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City’s Department of Housing and Economic Development and any successor City Department.

**“Construction Contract”** means that certain contract substantially in the form of Exhibit G, to be entered into between Developer and the General Contractor (as defined below) providing for construction of, among other things, the TIF-Funded Improvements. The parties to this Agreement may agree that the Construction Contract may be provided after Closing Date.

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

**“Contractors”** has the meaning defined in Section 8.24.

**“Contribution”** has the meaning defined in Section 8.24.

**“Corporation Counsel”** means the City’s Department of Law.

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

**“Dispersed Lots”** has the meaning defined in Recital D.

**“Domestic Partners”** has the meaning defined in Section 8.24.

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

**“Employer(s)”** has the meaning defined in Section 10.01.

**“Environmental Laws”** means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called “Superfund” or “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et

seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

“**Equity**” means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.06 (Cost Overruns).

“**Event of Default**” has the meaning defined in Section 15.01.

“**Excess Profit**” has the meaning defined in Section 4.05(c).

“**Existing Mortgages**” has the meaning defined in Section 16.01.

“**Expansion Ordinance**” has the meaning described in Section 5.16.

“**Financial Statements**” means the financial statements regularly prepared by Developer, if any, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, for business enterprises operating for profit in the United States of America, and also includes financial statements (both audited and unaudited) prepared by a certified public accountant, together with any audit opinion and management letter issued by Developer’s auditor.

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

“**Governmental Charge**” has the meaning defined in Section 8.16(a)(i).

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

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

“**Human Rights Ordinance**” has the meaning defined in Section 10.01(a).

“**Identified Parties**” has the meaning defined in Section 8.24.

“**Incremental Taxes**” means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in

the payment thereof, such fund for the purposes of this Agreement being the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area Special Tax Allocation Fund.

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

“**Infrastructure Construction**” has the meaning defined in Recital D.

“**Labor Department**” has the meaning defined in Section 8.08.

“**Lender**” has the meaning defined in Section 3.08. As of the date hereof, the only Lender is Bridgeview Bank Group.

“**Lender Financing**” means funds borrowed by Developer from lenders, if any, and available to pay for costs of the Project, in the amount stated in Section 4.01.

“**Mayor**” has the meaning defined in Section 8.24.

“**MBE(s)**” has the meaning defined in Section 10.03(b).

“**MBE/WBE Program**” has the meaning defined in Section 10.03(a).

“**Minimum Assessed Value**” has the meaning defined in Section 8.16(c)(i).

“**Minority-Owned Business**” has the meaning defined in Section 10.03(b).

“**MOPD**” has the meaning defined in Section 3.13.

“**Municipal Code**” means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

“**New Mortgage**” has the meaning defined in Section 16.01.

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

“**Other Contract**” has the meaning defined in Section 8.24.

“**Owners**” has the meaning defined in Section 8.24.

“**Park District**” has the meaning defined in Section 3.15.

“**Park Site**” has the meaning defined in Recital D.

“**Pay-As-You-Go TIF Payments**” has the meaning defined in Section 4.03(d).

“**PD1008**” has the meaning defined in Recital E.

**“Permitted Liens”** means those liens and encumbrances against the Property and/or the Project stated in Exhibit I.

**“Permitted Mortgage”** has the meaning defined in Section 16.01.

**“Phase 1 Property”** has the meaning defined in Recital D.

**“Plan Adoption Ordinance”** has the meaning defined in Recital C.

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

**“Political fundraising committee”** has the meaning defined in Section 8.25.

**“Prior Expenditure(s)”** has the meaning defined in Section 4.04.

**“Procurement Program”** has the meaning defined in Section 10.03(a).

**“Project”** has the meaning defined in Recital D.

**“Project Budget”** means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to HED, in accordance with Section 3.03.

**“Property”** has the meaning defined in Recital D.

**“Redevelopment Area”** means the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area as legally described in Exhibit A, and defined in Recital C.

**“Redevelopment Plan”** has the meaning defined in Recital E.

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

**“Requisition Form”** has the meaning defined in Section 4.03(a).

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

**“State”** means the State of Illinois as defined in Recital A.

**“Sub-Owners”** has the meaning defined in Section 8.24.

**“Survey”** means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property meeting the 2011 minimum standard detail requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the

Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, 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 any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

**“Term of the Agreement”** means the period of time commencing on the Closing Date and ending on December 31, 2025 (such date being the last date of the calendar year in which taxes levied in the year that is 23 years after the creation of the Redevelopment Area are paid) or such later date as the Redevelopment Area expires in accordance with the TIF Ordinances.

**“TIF Adoption Ordinance”** has the meaning stated in Recital C.

**“TIF Bonds”** has the meaning defined for such term in Recital F.

**“TIF Bond Ordinance”** has the meaning stated in Recital F.

**“TIF Bond Proceeds”** has the meaning stated in Recital F.

**“TIF District Administration Fee”** has the meaning described in Section 4.05(b).

**“TIF Expansion Study Account”** has the meaning described in Section 5.16.

**“TIF-Funded Improvements”** means those improvements of the Project listed in Exhibit E, all of which have been determined by the City prior to the date hereof to be qualified Redevelopment Project Costs and costs that are eligible under the Redevelopment Plan for reimbursement by the City out of the City Funds, subject to the terms of this Agreement.

**“TIF Ordinances”** has the meaning stated in Recital C.

**“Title Company”** means that Chicago Title Insurance Company or such other title insurance company agreed to by Developer and the City.

**“Title Policy”** means a title insurance policy in the most recently revised ALTA or equivalent form, showing 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.

**“Under Assessment Complaint”** has the meaning set forth in Section 8.16(c)(iii).

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

**“WBE(s)”** has the meaning defined in Section 10.03(b).

**“Women-Owned Business”** has the meaning defined in Section 10.03(b).

105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

SCHEDULE B

ARTICLE TWELVE: INSURANCE REQUIREMENTS

12.01 **Insurance.** Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (Primary and Umbrella)

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

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

(i) Workers Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (Primary and Umbrella)

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment,

machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup. The City will be named as an additional insured and loss payee.

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(ix) Blanket Crime

Developer must provide Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by dishonesty, robbery, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover



losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time.

(c) Other Insurance Required.

- (i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Project. The City is to be named as an additional insured.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City is to be named as an additional insured.

(d) Other Requirements

- (i) Developer will furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.
- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer.

- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012  
EXHIBIT B-2

Legal Description of the Property

A legal description of the Property is attached to this exhibit cover sheet.

## EXHIBIT B-2

### LEGAL DESCRIPTION OF THE PROPERTY

LOTS 1-9, 11, 13, 15-44, 48-50, 52, 53, 55, 56, 59, 60, 63-69, 71, 72, 75-77, 79, 81-83, 85, 86, 102-105, 107, 114-123 AND OUTLOT A IN THE RENAISSANCE OF BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN	Lot #	PIN	Lot #
25-17-121-001-0000	79	25-17-124-004-0000	19
25-17-121-003-0000	81	25-17-124-005-0000	20
25-17-121-004-0000	82	25-17-124-006-0000	21
25-17-121-005-0000	83	25-17-124-007-0000	22
25-17-121-007-0000	85	25-17-124-008-0000	23
25-17-121-008-0000	86	25-17-124-009-0000	24
25-17-121-010-0000	102	25-17-124-010-0000	25
25-17-121-011-0000	103	25-17-124-011-0000	60
25-17-121-012-0000	104	25-17-124-014-0000	63
25-17-121-013-0000	105	25-17-124-015-0000	64
25-17-121-015-0000	107	25-17-124-016-0000	65
25-17-121-022-0000	114	25-17-124-017-0000	66
25-17-121-023-0000	115	25-17-124-018-0000	67
25-17-121-024-0000	116	25-17-124-019-0000	68
25-17-121-025-0000	117	25-17-124-020-0000	69
25-17-121-026-0000	118	25-17-124-022-0000	71
25-17-121-027-0000	119	25-17-124-023-0000	72
25-17-121-028-0000	120	25-17-124-026-0000	75
25-17-121-029-0000	121	25-17-124-027-0000	76
25-17-121-030-0000	122	25-17-124-028-0000	77
25-17-121-031-0000	123	25-17-125-001-0000	1
25-17-122-001-0000	4	25-17-125-002-0000	2
25-17-122-002-0000	5	25-17-125-003-0000	3
25-17-122-003-0000	6		
25-17-122-004-0000	7		
25-17-122-005-0000	8		
25-17-122-006-0000	9		
25-17-122-008-0000	11		
25-17-122-010-0000	13		
25-17-122-012-0000	15		
25-17-122-013-0000	26		
25-17-122-014-0000	27		
25-17-122-015-0000	28		
25-17-122-016-0000	29		
25-17-122-017-0000	30		
25-17-122-018-0000	31		
25-17-122-019-0000	32		
25-17-122-020-0000	33		
25-17-122-021-0000	34		
25-17-122-022-0000	35		
25-17-122-023-0000	36		
25-17-122-024-0000	37		
25-17-122-025-0000	38		
25-17-122-026-0000	39		
25-17-122-027-0000	40		
25-17-122-028-0000	41		
25-17-122-029-0000	42		
25-17-122-030-0000	43		
25-17-122-031-0000	44		
25-17-122-035-0000	48		
25-17-122-036-0000	49		
25-17-122-037-0000	50		
25-17-122-039-0000	52		
25-17-122-040-0000	53		
25-17-122-042-0000	55		
25-17-122-043-0000	56		
25-17-122-046-0000	59		
25-17-123-001-0000	A		
25-17-124-001-0000	16		
25-17-124-002-0000	17		
25-17-124-003-0000	18		

NOTE: In the event the subdivision plat creating The Renaissance at Beverly Ridge, which plat was recorded December 19, 2007 by the Cook County Recorder of Deeds (the "Recorder") as Document Number 0735303073 (the "Original Subdivision Plat"), is amended or superseded or made subject to any other form of corrective instrument recorded with the Recorder (a "Corrective Instrument"), the Lots referenced in this Exhibit shall thereafter mean each of the corresponding lots created or described pursuant to the Corrective Instrument, and the term "Property" as used in the attached instrument shall mean all of such corresponding lots created or described pursuant to the Corrective Instrument.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-3.5

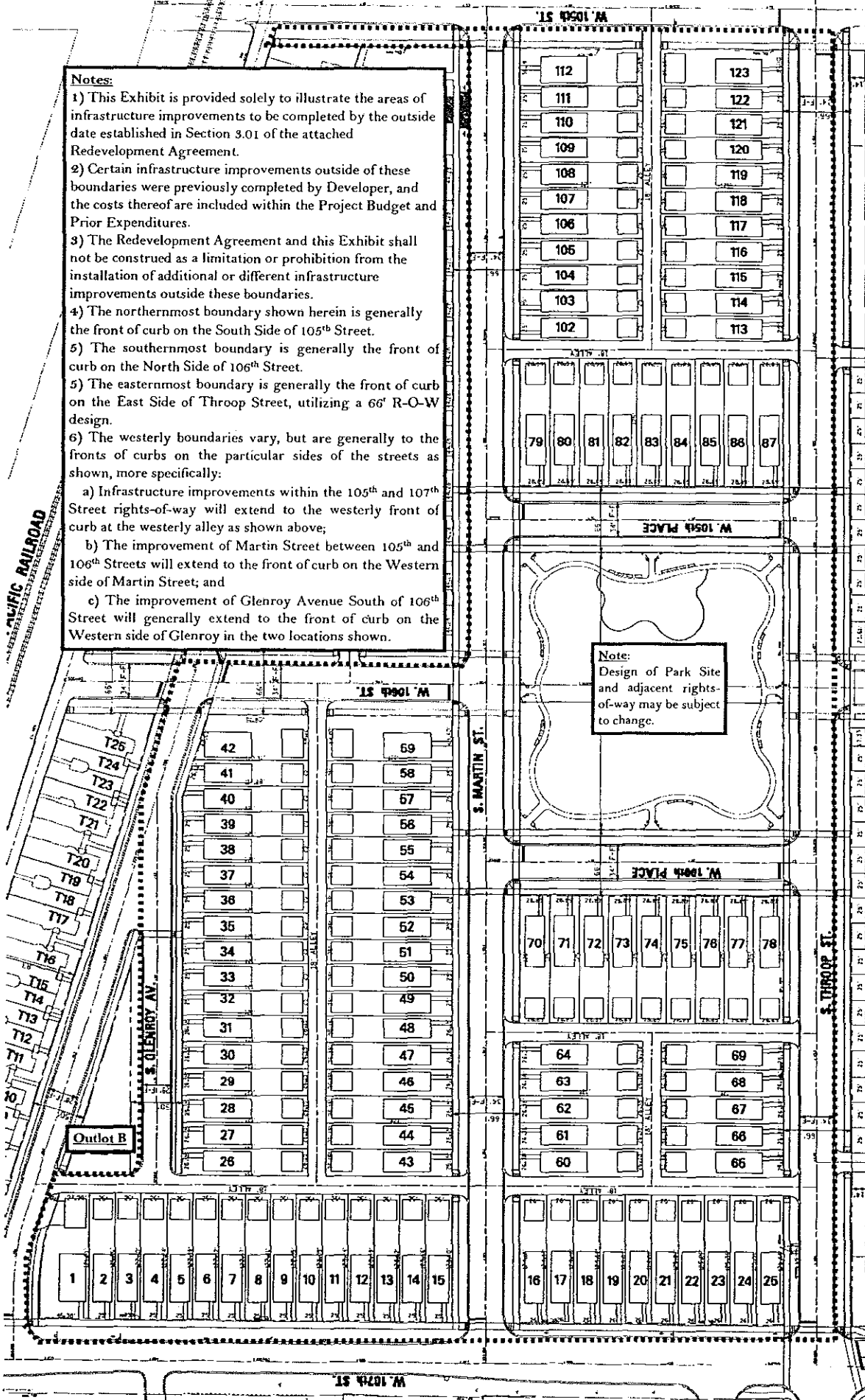
Boundary of Infrastructure Construction

The Boundary of Infrastructure Construction is attached to this exhibit cover sheet

EXHIBIT B- 3.5  
 INFRASTRUCTURE BOUNDARY EXHIBIT

**Notes:**

- 1) This Exhibit is provided solely to illustrate the areas of infrastructure improvements to be completed by the outside date established in Section 3.01 of the attached Redevelopment Agreement.
- 2) Certain infrastructure improvements outside of these boundaries were previously completed by Developer, and the costs thereof are included within the Project Budget and Prior Expenditures.
- 3) The Redevelopment Agreement and this Exhibit shall not be construed as a limitation or prohibition from the installation of additional or different infrastructure improvements outside these boundaries.
- 4) The northernmost boundary shown herein is generally the front of curb on the South Side of 105<sup>th</sup> Street.
- 5) The southernmost boundary is generally the front of curb on the North Side of 106<sup>th</sup> Street.
- 5) The easternmost boundary is generally the front of curb on the East Side of Throop Street, utilizing a 66' R-O-W design.
- 6) The westerly boundaries vary, but are generally to the fronts of curbs on the particular sides of the streets as shown, more specifically:
  - a) Infrastructure improvements within the 105<sup>th</sup> and 107<sup>th</sup> Street rights-of-way will extend to the westerly front of curb at the westerly alley as shown above;
  - b) The improvement of Martin Street between 105<sup>th</sup> and 106<sup>th</sup> Streets will extend to the front of curb on the Western side of Martin Street; and
  - c) The improvement of Glenroy Avenue South of 106<sup>th</sup> Street will generally extend to the front of curb on the Western side of Glenroy in the two locations shown.



**Note:**  
 Design of Park Site and adjacent rights-of-way may be subject to change.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**  
Amended and Restated Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-4


SITE PLAN FOR THE PROJECT

A site plan for the Project is attached to this exhibit cover sheet

This site reflects 83 Developer owned lots and the Park Site, for 84 lots in total.

**EXHIBIT B-4  
SITE PLAN**


**Legend**


 105th/Vincennes TIF


 Phase I

 Phase II

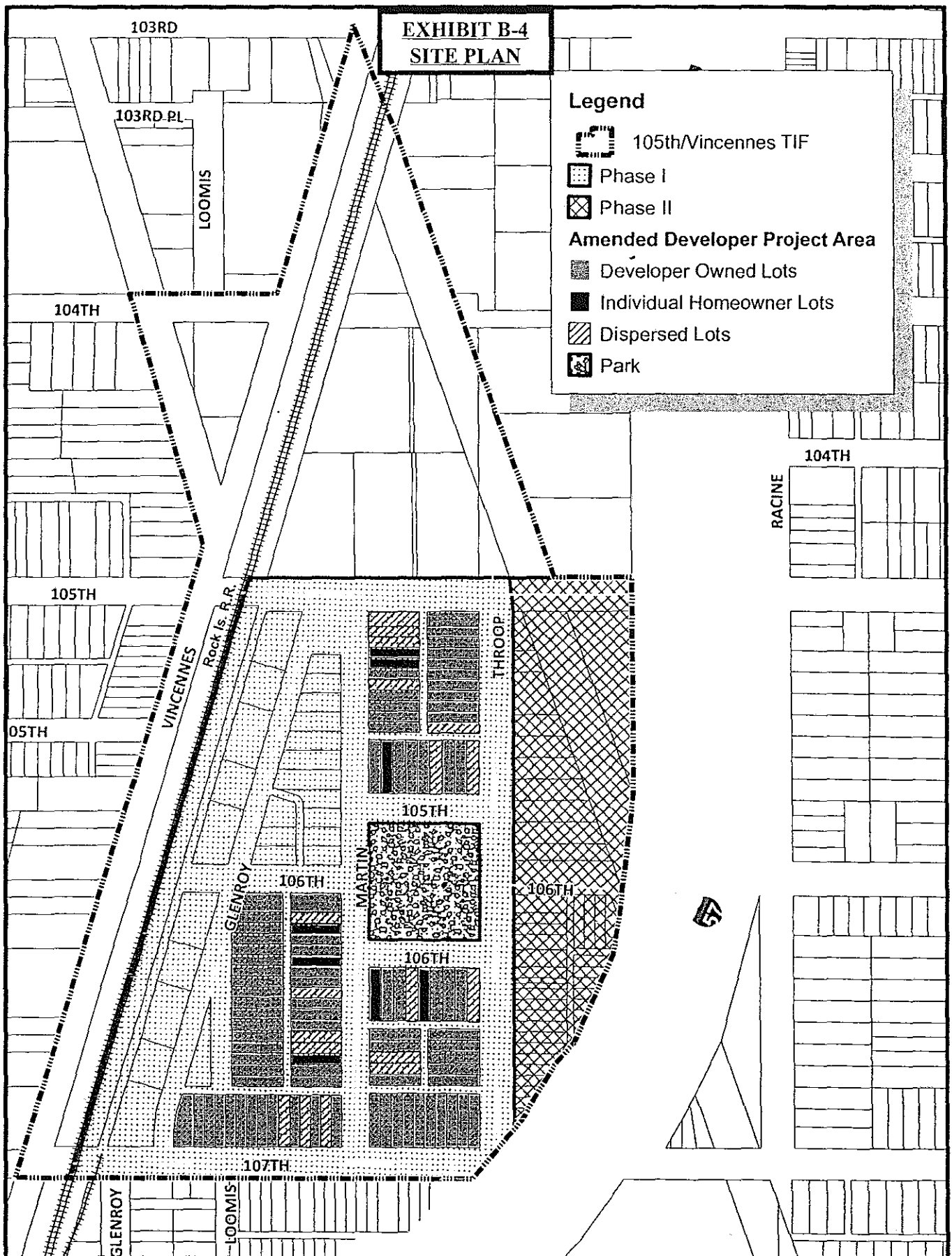
**Amended Developer Project Area**

 Developer Owned Lots

 Individual Homeowner Lots

 Dispersed Lots

 Park





105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-1

PROJECT BUDGET

	<b>TOTAL</b>
Land Acquisition	\$ 7,748,469
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$ 10,155,433
Hard costs in connection with the construction of residential units (foundation to finishes)	\$ 22,640,720
Soft Costs (professional fees, surveys, marketing, etc.)	\$ 6,321,598
<u>Financing &amp; Interest Expense</u>	<u>\$ 2,750,000</u>
<b><u>TOTAL</u></b>	<b><u>\$ 49,616,220</u></b>

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-2

**CONSTRUCTION (MBE/WBE) BUDGET**

	<b>TOTAL*</b>	<b>MBE 24%</b>	<b>WBE 4%</b>
Land Acquisition	n/a	n/a	n/a
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$10,155,433	\$2,437,304	\$406,217
Hard costs in connection with the construction of residential units (foundation to finishes)	\$22,640,720	\$5,433,773	\$905,629
Soft Costs (professional fees, surveys, marketing, etc.)	\$5,775,598	\$1,386,144	\$231,024
Financing & Interest Expense	n/a	n/a	n/a
<b><u>TOTAL</u></b>	<b><u>\$38,571,751</u></b>	<b><u>\$9,257,221</u></b>	<b><u>\$1,542,870</u></b>

---

\*Total Costs subject to MBE/WBE Requirements  
Actual MBE/WBE expenditures may vary among budgeted line items. However, the Total  
Actual MBE/WBE expenditures will equal or exceed the Total MBE/WBE budget.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

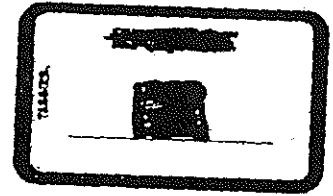
**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT A

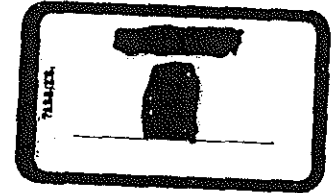
REDEVELOPMENT AREA LEGAL DESCRIPTION

A legal description of the Redevelopment Area is attached to this exhibit cover sheet.



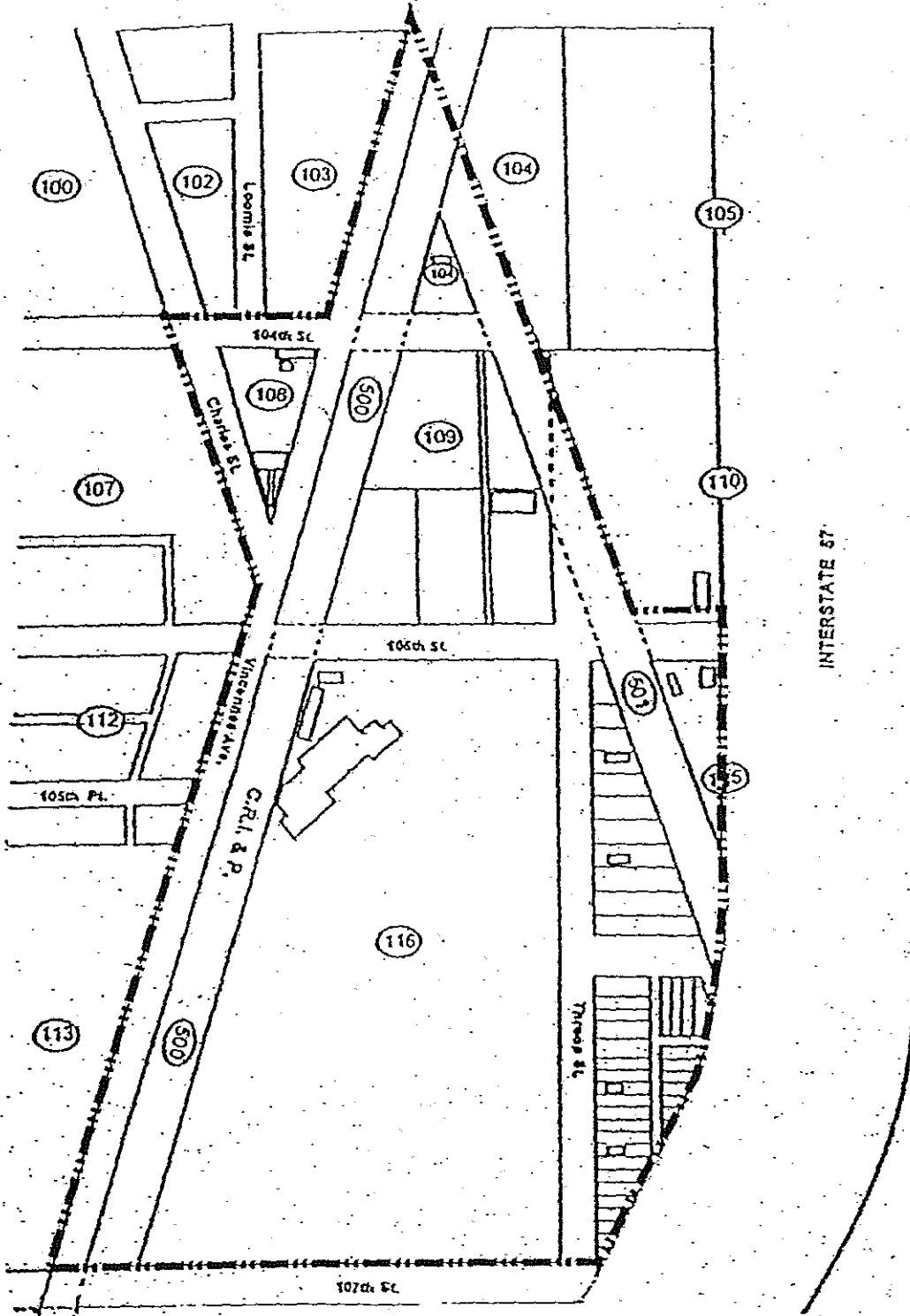
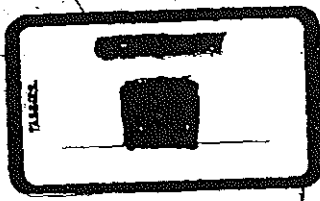
The boundaries of the Project Area are legally described as follows:

THAT PART OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN TAKEN AS A TRACT AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF CHARLES STREET; THENCE NORTHWESTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 104TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF THE FORMER PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILROAD; THENCE SOUTHEASTERLY ON THE LAST DESCRIBED LINE TO THE NORTH RIGHT-OF-WAY LINE OF 105TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 57 EXPRESSWAY; THENCE SOUTHERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET; THENCE WESTERLY ON THE LAST DESCRIBED LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.



### Street Boundaries of the Area

The Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107<sup>th</sup> Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104<sup>th</sup> Street.



INTERSTATE 57

Project Area Boundary



Project Area Boundary

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-1

**LEGAL DESCRIPTION OF THE PHASE 1 PROPERTY**

A legal description of the Phase 1 Property is attached to this exhibit cover sheet.

**EXHIBIT B-1**  
**LEGAL DESCRIPTION OF THE PHASE 1 PROPERTY**

LOTS 1 THROUGH 133, INCLUSIVE, OUTLOT A AND OUTLOT B IN THE RENAISSANCE AT BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF RESUBDIVISION THEREOF, RECORDED DECEMBER 19, 2007, AS DOCUMENT 0735303073, IN COOK COUNTY, ILLINOIS

PINS:

25-17-116-003-0000 through 25-17-116-007-0000, inclusive  
25-17-119-001-0000 through 25-17-119-005-0000, inclusive  
25-17-120-001-0000 through 25-17-120-014-0000, inclusive  
25-17-121-001-0000 through 25-17-121-031-0000, inclusive  
25-17-122-001-0000 through 25-17-122-046-0000, inclusive  
25-17-123-001-0000  
25-17-124-001-0000 through 25-17-124-129-0000, inclusive  
25-17-125-001-0000 through 25-17-125-004-0000, inclusive



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012  
EXHIBIT B-2

Legal Description of the Property

A legal description of the Property is attached to this exhibit cover sheet.

**EXHIBIT B-2**

**LEGAL DESCRIPTION OF THE PROPERTY**

LOTS 1-9, 11, 13, 15-44, 48-50, 52, 53, 55, 56, 59, 60, 63-69, 71, 72, 75-77, 79, 81-83, 85, 86, 102-105, 107, 114-123 AND OUTLOT A IN THE RENAISSANCE OF BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN	Lot #	PIN	Lot #
25-17-121-001-0000	79	25-17-124-004-0000	19
25-17-121-003-0000	81	25-17-124-005-0000	20
25-17-121-004-0000	82	25-17-124-006-0000	21
25-17-121-005-0000	83	25-17-124-007-0000	22
25-17-121-007-0000	85	25-17-124-008-0000	23
25-17-121-008-0000	86	25-17-124-009-0000	24
25-17-121-010-0000	102	25-17-124-010-0000	25
25-17-121-011-0000	103	25-17-124-011-0000	60
25-17-121-012-0000	104	25-17-124-014-0000	63
25-17-121-013-0000	105	25-17-124-015-0000	64
25-17-121-015-0000	107	25-17-124-016-0000	65
25-17-121-022-0000	114	25-17-124-017-0000	66
25-17-121-023-0000	115	25-17-124-018-0000	67
25-17-121-024-0000	116	25-17-124-019-0000	68
25-17-121-025-0000	117	25-17-124-020-0000	69
25-17-121-026-0000	118	25-17-124-022-0000	71
25-17-121-027-0000	119	25-17-124-023-0000	72
25-17-121-028-0000	120	25-17-124-026-0000	75
25-17-121-029-0000	121	25-17-124-027-0000	76
25-17-121-030-0000	122	25-17-124-028-0000	77
25-17-121-031-0000	123	25-17-125-001-0000	1
25-17-122-001-0000	4	25-17-125-002-0000	2
25-17-122-002-0000	5	25-17-125-003-0000	3
25-17-122-003-0000	6		
25-17-122-004-0000	7		
25-17-122-005-0000	8		
25-17-122-006-0000	9		
25-17-122-008-0000	11		
25-17-122-010-0000	13		
25-17-122-012-0000	15		
25-17-122-013-0000	26		
25-17-122-014-0000	27		
25-17-122-015-0000	28		
25-17-122-016-0000	29		
25-17-122-017-0000	30		
25-17-122-018-0000	31		
25-17-122-019-0000	32		
25-17-122-020-0000	33		
25-17-122-021-0000	34		
25-17-122-022-0000	35		
25-17-122-023-0000	36		
25-17-122-024-0000	37		
25-17-122-025-0000	38		
25-17-122-026-0000	39		
25-17-122-027-0000	40		
25-17-122-028-0000	41		
25-17-122-029-0000	42		
25-17-122-030-0000	43		
25-17-122-031-0000	44		
25-17-122-035-0000	48		
25-17-122-036-0000	49		
25-17-122-037-0000	50		
25-17-122-039-0000	52		
25-17-122-040-0000	53		
25-17-122-042-0000	55		
25-17-122-043-0000	56		
25-17-122-046-0000	59		
25-17-123-001-0000	A		
25-17-124-001-0000	16		
25-17-124-002-0000	17		
25-17-124-003-0000	18		

**NOTE:** In the event the subdivision plat creating The Renaissance at Beverly Ridge, which plat was recorded December 19, 2007 by the Cook County Recorder of Deeds (the "Recorder") as Document Number 0735303073 (the "Original Subdivision Plat"), is amended or superseded or made subject to any other form of corrective instrument recorded with the Recorder (a "Corrective Instrument"), the Lots referenced in this Exhibit shall thereafter mean each of the corresponding lots created or described pursuant to the Corrective Instrument, and the term "Property" as used in the attached instrument shall mean all of such corresponding lots created or described pursuant to the Corrective Instrument.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012  
EXHIBIT B-3

Legal Description of the Dispersed Lots

A legal description of the Dispersed Lots is attached to this exhibit cover sheet.

**EXHIBIT B-3**  
**LEGAL DESCRIPTION OF THE DISPERSED LOTS**

LOTS 10, 12, 14, 46, 47, 51, 58, 61, 62, 73, 78, 84, 87, 106 AND 110-113 IN THE RENAISSANCE OF BEVERLY RIDGE BEING A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

<b>PIN</b>	<b>Lot #</b>
25-17-121-006-0000	84
25-17-121-009-0000	87
25-17-121-014-0000	106
25-17-121-018-0000	110
25-17-121-019-0000	111
25-17-121-020-0000	112
25-17-121-021-0000	113
25-17-122-007-0000	10
25-17-122-009-0000	12
25-17-122-011-0000	14
25-17-122-033-0000	46
25-17-122-034-0000	47
25-17-122-038-0000	51
25-17-122-045-0000	58
25-17-124-012-0000	61
25-17-124-013-0000	62
25-17-124-024-0000	73
25-17-124-029-0000	78

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-3.5

Boundary of Infrastructure Construction

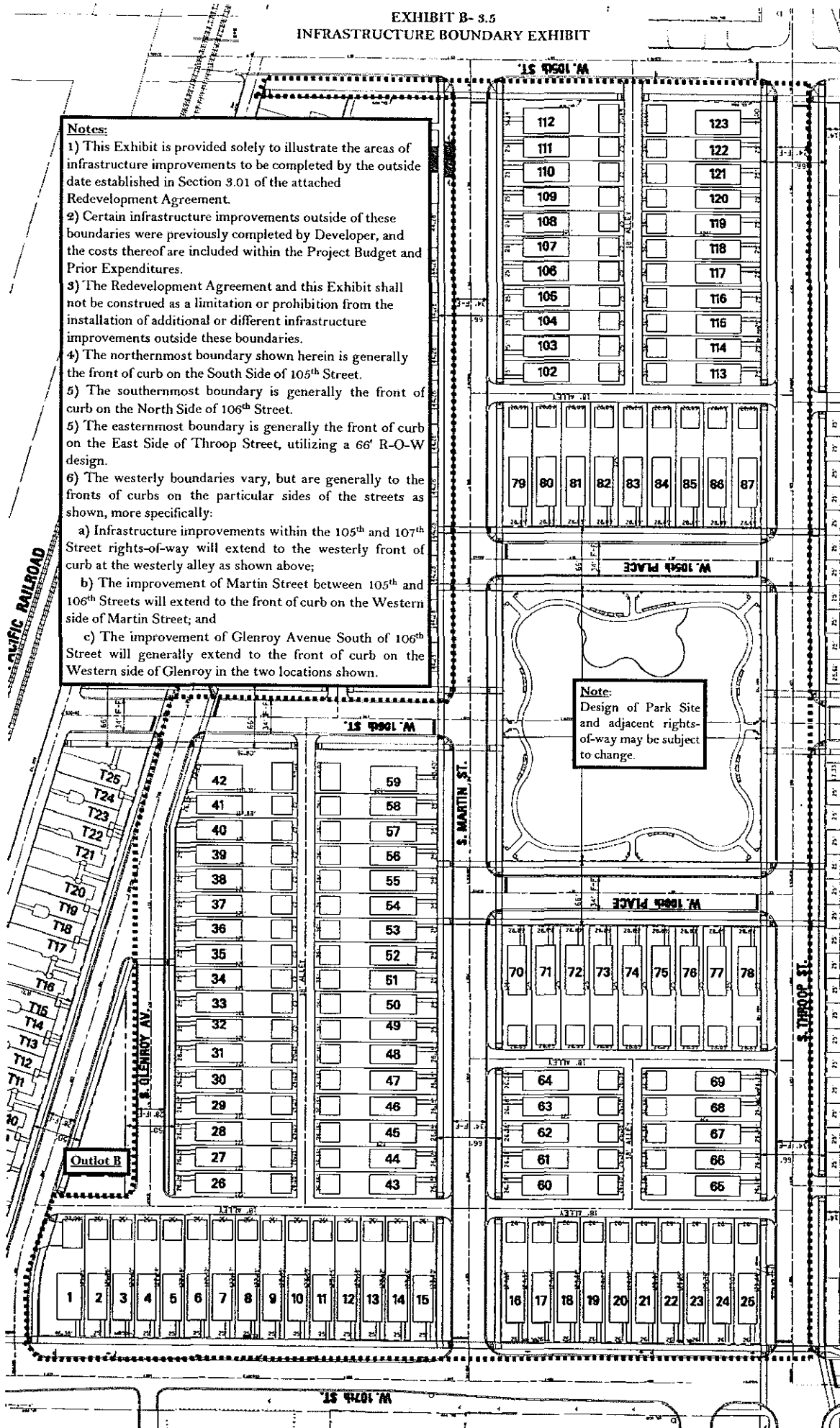
The Boundary of Infrastructure Construction is attached to this exhibit cover sheet

EXHIBIT B- 3.5  
 INFRASTRUCTURE BOUNDARY EXHIBIT

**Notes:**

- 1) This Exhibit is provided solely to illustrate the areas of infrastructure improvements to be completed by the outside date established in Section 3.01 of the attached Redevelopment Agreement.
- 2) Certain infrastructure improvements outside of these boundaries were previously completed by Developer, and the costs thereof are included within the Project Budget and Prior Expenditures.
- 3) The Redevelopment Agreement and this Exhibit shall not be construed as a limitation or prohibition from the installation of additional or different infrastructure improvements outside these boundaries.
- 4) The northernmost boundary shown herein is generally the front of curb on the South Side of 105<sup>th</sup> Street.
- 5) The southernmost boundary is generally the front of curb on the North Side of 106<sup>th</sup> Street.
- 5) The easternmost boundary is generally the front of curb on the East Side of Throop Street, utilizing a 66' R-O-W design.
- 6) The westerly boundaries vary, but are generally to the fronts of curbs on the particular sides of the streets as shown, more specifically:
  - a) Infrastructure improvements within the 105<sup>th</sup> and 107<sup>th</sup> Street rights-of-way will extend to the westerly front of curb at the westerly alley as shown above;
  - b) The improvement of Martin Street between 105<sup>th</sup> and 106<sup>th</sup> Streets will extend to the front of curb on the Western side of Martin Street; and
  - c) The improvement of Glenroy Avenue South of 106<sup>th</sup> Street will generally extend to the front of curb on the Western side of Glenroy in the two locations shown.

**Note:**  
 Design of Park Site and adjacent rights-of-way may be subject to change.



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-4

SITE PLAN FOR THE PROJECT

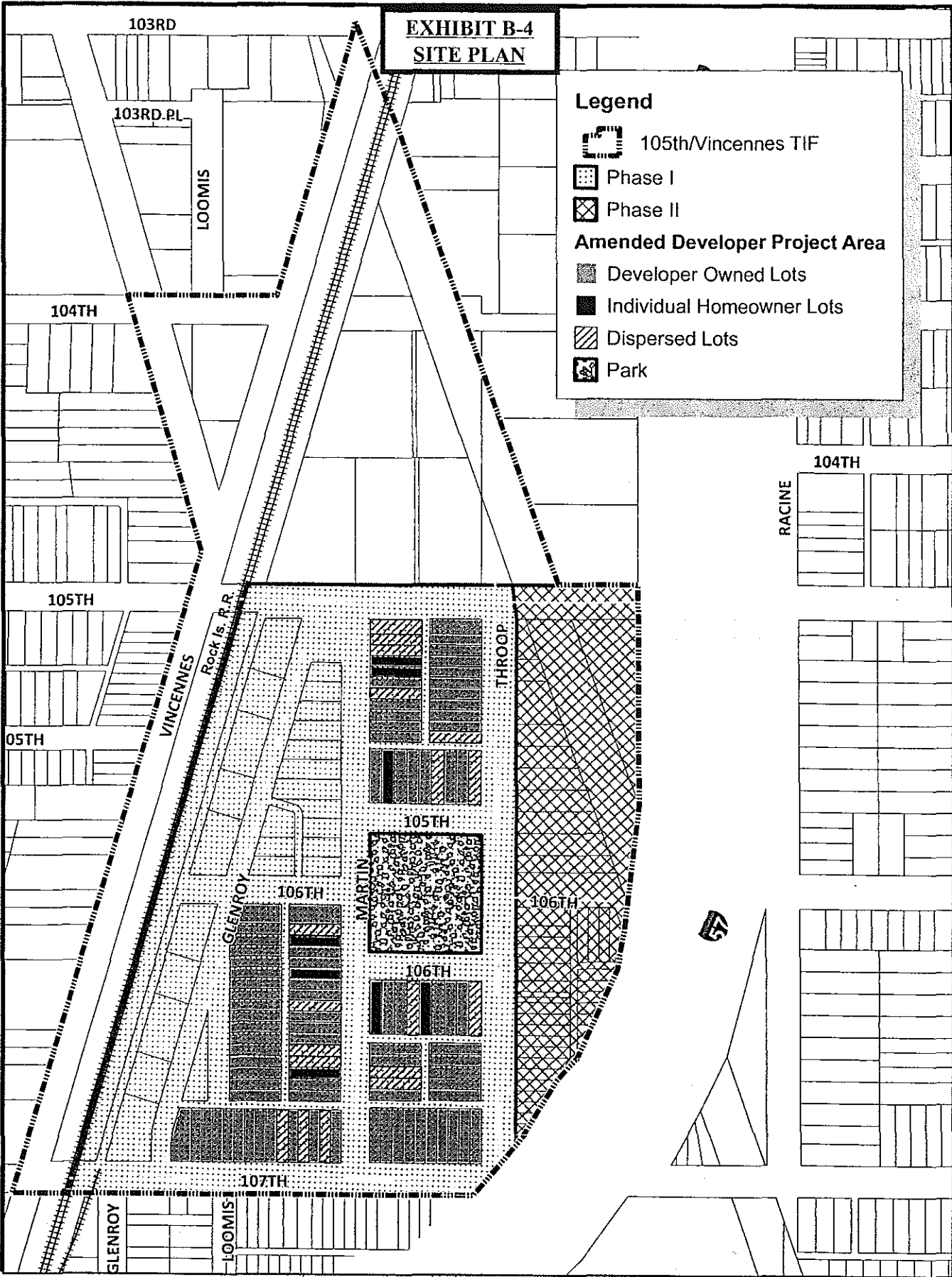
A site plan for the Project is attached to this exhibit cover sheet

This site reflects 83 Developer owned lots and the Park Site, for 84 lots in total.

**EXHIBIT B-4  
SITE PLAN**

**Legend**

-  105th/Vincennes TIF
-  Phase I
-  Phase II
- Amended Developer Project Area**
-  Developer Owned Lots
-  Individual Homeowner Lots
-  Dispersed Lots
-  Park





**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-5

**AFFORDABLE SALES PRICES**

A Schedule of Affordable Sales Prices is attached to this exhibit cover sheet.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of \_\_\_\_\_, 2012

EXHIBIT B-5

**AFFORDABLE SALES PRICES**

<b>Model</b>	<b>Units</b>	<b>S.F.</b>	<b>Estimated Price/S.F.</b>	<b>Estimated Price</b>	<b>Total Revenue</b>
Single Family (3 BR, 1.5 BA)	10	1,444	\$138.50	\$199,990	\$1,999,900
Single Family (3 BR, 1.5 BA)	12	1,250	\$140.19	\$179,990	\$2,159,880
<b>Total/Average</b>	<b>22</b>	<b>1,338</b>	<b>\$139.42</b>	<b>\$189,081</b>	<b>\$4,159,780</b>

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT B-6

PLANNED DEVELOPMENT 1008

A copy of Planned Development 1008 is attached to this exhibit cover sheet.



DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

CITY OF CHICAGO

March 21, 2012

Danielle Meltzer Cassel  
Vedder Price P.C.  
222 North LaSalle Street, Suite 2600  
Chicago, Illinois 60601

**Re: One-year sunset extension for Residential Planned Development No. 1008  
West 105<sup>th</sup> Street, South Vincennes Avenue, West 107<sup>th</sup> Street**

Dear Ms. Cassel:

Please be advised that your request for a one-year sunset extension to the six-year construction period for Residential Planned Development No. 1008 has been considered by the Department of Housing and Economic Development pursuant to Section 17-13-0612-B of the Chicago Zoning Ordinance and Statement No. 14 of the Planned Development (PD).

Residential Planned Development No. 1008 was passed by the Chicago City Council on February 8, 2006. Statement No. 14 of the Planned Development contains the sunset provisions, which requires commencement of substantial construction of the improvements within six years of the effective date of the ordinance. As a result of economic conditions, the owner and developer of the site, is requesting a one-year extension of the sunset provisions.

Accordingly, pursuant to the authority granted by the Chicago Zoning Ordinance and Residential Planned Development No. 1008, I hereby approve a one-year sunset extension from February 8, 2012 to February 8, 2013.

Your letter also seeks clarification on what needs to be satisfied in order to avoid expiration on February 8, 2013. Each Planned Development is uniquely established for an individual site and can vary greatly in size, scale and complexity. While a specific value is not assigned to the term 'substantial compliance' in the ordinance, the Department has to balance a number of factors in determining whether the planned development will ever be completed.

These factors include, but are not limited to: whether the planned development will ever be realized as envisioned if it has not been diligently pursued to completion within the six-year timeframe under Section 17-13-0612; whether or not a neighborhood would be better served by re-establishing as-of-right zoning and allowing smaller developments to take hold; and whether or not rezoning would create too many non-conforming structures. The Department has concluded that constructing the infrastructure and building only 15% of the dwelling units does not meet the clause "diligently pursued to completion" under Section 17-13-0612. We encourage the property owners to continue their efforts in developing this site.

Sincerely,

Patricia A. Scudiero  
Zoning Administrator

PAS:HG:tm

2/8/2006

REPORTS OF COMMITTEES

15074  
70479

*Reclassification Of Area Shown On Map Number 26-G.  
(As Amended)*

(Application Number 15074) *EPD 1008*

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the current M2-3 Light Industry District symbols and M1-1 Limited Manufacturing/Business Park District symbols and indications as shown on Map Number 26-G in the area bounded by:

West 105<sup>th</sup> Street; South Throop Street; West 107<sup>th</sup> Street; and the eastern boundary line of the Chicago Rock Island and Pacific Railroad right-of-way,

to those of the RS3 Residential Single-Unit District.

SECTION 2. That the Chicago Zoning Ordinance be amended by changing the current RS3 Residential Single-Unit District symbols and indications as shown on Map Number 26-G in the area bounded by:

West 105<sup>th</sup> Street; South Throop Street, West 107<sup>th</sup> Street; and the eastern boundary line of the Chicago Rock Island and Pacific Railroad right-of-way,

to those of a Residential Planned Development which is hereby established in the area described above, subject to such use and bulk regulations as are set forth in the Plan of Development Statements and Bulk Regulations and Data Table attached hereto and to no others.

SECTION 3. This ordinance shall be in force and effect from and after its passage and due publication.

Plan of Development Statements referred to in this ordinance read as follows:

*Residential Planned Development Number 1008.*

*Plan Of Development Statements.*

1. The area delineated herein as Residential-Institutional Planned Development Number 1008 (the "Planned Development") consists of approximately six hundred thirty-four thousand ninety-eight (634,098) net square feet (approximately fourteen and fifty-three hundredths (14.53) acres) of property located in the area generally bounded on the north by

West 105<sup>th</sup> Street; on the east by South Throop Street; on the south by West 107<sup>th</sup> Street; and on the west by the eastern boundary line of the Chicago Rock Island and Pacific Railroad right-of-way (the "Property"). For purposes of this Planned Development, the Property is controlled by the applicant, MGM/TGI 105<sup>th</sup> Street L.L.C., an Illinois limited liability company.

2. All applicable official reviews, approvals or permits are required to be obtained by the applicant. Any dedication or vacation of streets, alleys or easements or any adjustment of rights-of-way shall require a separate submittal on behalf of the applicant, its successors, assignees or grantees and approval by the City Council.
3. The requirements, obligations and conditions contained within this Planned Development shall be binding upon the applicant, its successors and assigns and, if different than the applicant, the legal titleholders and any ground lessors and their respective successors and assigns. All rights granted hereunder to the applicant shall inure to the benefit of its successors and assigns and, if different than the applicant, the legal titleholder and any ground lessors and their respective successors and assigns. Furthermore, pursuant to the requirements of Section 17-8-0400 of the Chicago Zoning Ordinance, the Property, at the time applications for amendments, modifications or changes (administrative, legislative or otherwise) to this Planned Development are made, shall be under single ownership or under single designated control. Single designated control for purposes of this statement shall mean that any application to the City for any amendment to this Planned Development or any other modification or change thereto (administrative, legislative or otherwise) shall be made or authorized by all the owners of the Property and any ground lessors of the Property. For purposes of this Planned Development, where portions of the improvements located on the Property have been submitted to the Illinois Condominium Property Act, the term "owner" shall be deemed to refer solely to the condominium association of the owners of such portions of the improvements and not to the individual unit owners therein. In addition, where portions of the improvements located on the Property are owned by different persons, the term "owners" shall mean all of the owners (including any condominium association(s) with respect to any portions of the Property that consist of condominiums and all legal titleholders to any portions of the Property and any and all ground lessors of any portions of the Property). Nothing herein shall prohibit or in any way restrict the alienation, sale or any other transfer of all or any portion of the Property or any rights, interests or obligations therein. Upon any alienation, sale or any other transfer of all or any portion of the Property or the rights therein (other than an assignment or transfer of rights pursuant to a mortgage or otherwise as collateral for any indebtedness) and solely with respect to the portion of the Property so transferred, the term applicant shall be deemed amended to apply to the transferee thereof (and its

beneficiaries if such transferee is a land trust) and the seller or transferor thereof (and its beneficiaries if such seller or transferor is a land trust) shall thereafter be released from any and all obligations or liability hereunder with respect to the portion of the Property so transferred.

4. This plan of development consists of these fourteen (14) statements; a Bulk Regulations and Data Table; the following documents prepared by Johnson and Lee dated December 15, 2005 (collectively, the "Johnson Plans"): an Existing Zoning Map; a Property Line and Right-of-Way Adjustment Map; an Existing Land-Use Map; a Site and Landscape Plan; and the following documents prepared by the Shalvis Group dated December 15, 2005 (collectively, the "Shalvis Plans"): Building Elevations (the Johnson Plans and the Shalvis Plans are collectively referred to herein as the "Plans"). Full-sized copies of the Site and Landscape Plan and Building Elevations are on file with the Department of Planning and Development (the "Department"). These and no other zoning controls shall apply to the Property. This Planned Development conforms to the intent and purpose of the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, and all requirements thereof, and satisfies the established criteria for approval as a Planned Development.
5. The following uses of the Property shall be permitted: dwelling units, accessory parking; recreational uses; open space; and accessory uses.
6. Identification signs shall be permitted upon the Property provided that such signs are compatible with the character of development authorized by this Planned Development and with the character of the area in which it is located. Temporary signs such as construction and marketing signs and temporary business identification signs shall be permitted within the Planned Development subject to the review and approval of the Department.
7. Service drives or other means of ingress or egress, including for emergency vehicles, shall be adequately designed and paved in accordance with the Municipal Code and the regulations of the Department of Transportation in effect at the time of construction. There shall be no parking within such paved areas or fire lanes. Ingress and egress shall be subject to the review and approval of the Departments of Transportation and Planning and Development. All work proposed in the public way must be designed and constructed in accordance with the Chicago Department of Transportation Construction Standards for Work in the Public Way and in accordance with Municipal Code of the City of Chicago. Off-street parking and loading facilities shall be provided in compliance with this Planned Development. A minimum of two percent (2%) of all parking spaces provided pursuant to this Planned Development shall be designated and designed for parking for the handicapped.

8. Height restrictions of any building or any appurtenance thereto, in addition to the Bulk Regulations and Data Table, shall be subject to height limitations as approved by the Federal Aviation Administration.
9. For purposes of floor area ratio ("F.A.R.") calculations, the definitions in the Chicago Zoning Ordinance in effect as of the date hereof shall apply.
10. The improvements on the Property shall be designed, constructed and maintained in substantial conformance with the exhibits described in Statement 4 of this Planned Development and shall not require site plan approval. The Building Elevations are illustrative and the applicant shall have the right to modify, substitute or add to the Building Elevations so long as the same are generally consistent with the nature and design of the improvements contemplated by this Planned Development and, subject to Statement Number 11 of this Planned Development, in such event no additional approvals (whether administrative, legislative or otherwise) shall be required. The park area shown on the Site and Landscape Plan shall be dedicated to the Chicago Park District at such time as applicant or its successors, assignees or grantees shall have acquired marketable title to the Property (or applicable portion thereof) and undertaken redevelopment thereof as provided herein. Applicant shall have no obligation to landscape or maintain the same.
11. (a) The requirements of the Planned Development may be modified administratively by the Commissioner of the Department upon application and a determination by the Commissioner of the Department that such modification is minor, appropriate and consistent with the nature of the improvements contemplated by this Planned Development and the purposes underlying the provisions hereof. Any such modification of the requirements of the Planned Development by the Commissioner of the Department shall be deemed to be a minor change in the Planned Development as contemplated by Section 17-13-0611 of the Chicago Zoning Ordinance. Notwithstanding the provisions of Section 17-13-0611 of the Chicago Zoning Ordinance, such minor changes may include a reduction in the minimum required distance between structures, a reduction in periphery setbacks and an increase of the maximum percent of land covered and modifications, substitutions or deletions relating to Building Elevations.  
  
(b) The Department acknowledges that the design, size and layout of the park and rights-of-way shown on the Plans may be modified prior to Part II Approval.
12. The Applicant acknowledges that it is in the public interest to design, construct and maintain all buildings in a manner, which promotes and maximizes the conservation of natural resources. The applicant shall use



commercially reasonable efforts to design, construct and maintain all buildings located within the Property in a manner generally consistent with the Leadership in Energy and Environmental Design ("L.E.E.D.") Green Building Rating provided, however, nothing set forth in this Planned Development shall be construed to require applicant to obtain L.E.E.D. certification for any of the improvements on the Property.

In the event a portion of the improvements in the Planned Development include affordable dwelling units, such affordable units will adhere to the Green Criteria that have been adopted by the Department of Housing as of the date of approval of this Planned Development; provided, however, nothing in this Planned Development requires applicant to provide affordable dwelling units. In the event a portion of any affordable dwelling units provided on the Property include townhouse units, such townhouse units will adhere to the Department of Housing requirements with respect to (i) the number of affordable townhouse units; and (ii) Green Criteria, as have been adopted by the Department of Housing as of the date of approval of this Planned Development. If no affordable dwelling units are provided, applicant will adhere to the Green Criteria that have been adopted by the Department as of the date of approval of this Planned Development.

13. The applicant acknowledges that it is in the public interest to design, construct and maintain the project in a manner which promotes, enables and maximizes universal access throughout the Property. Plans for all new buildings and improvements on the Property shall be reviewed and approved by the Mayor's Office for People with Disabilities ("M.O.P.D.") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility. No approvals shall be granted pursuant to Section 17-13-0610 of the Chicago Zoning Ordinance until the Director of M.O.P.D. has approved detailed construction drawings for each new building or improvement.
14. Unless substantial construction of the improvements contemplated by this Planned Development has commenced within six (6) years following adoption of this Planned Development, and unless completion of such improvements is pursued thereafter, then this Planned Development shall expire. If this Planned Development expires under the provisions of this section, then the zoning of the Property shall automatically revert to the pre-existing classification of an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District. Said six (6) year period may be extended for up to one (1) additional year if, before expiration, the Commissioner of the Department determines that good cause for such an extension is shown.

[Location Map; Plan Development Boundary and Property Line Map; Existing Land-Use Map; Property Line and Right-of-Way Adjustment Map; Site Plan; Landscape Plan; and Building Elevations referred to in these Plan of Development Statements printed on pages 70485 through 70500 of this *Journal*.]

Bulk Regulations and Data Table referred to in these Plan of Development Statements reads as follows:

*Residential Planned Development Number 1008*

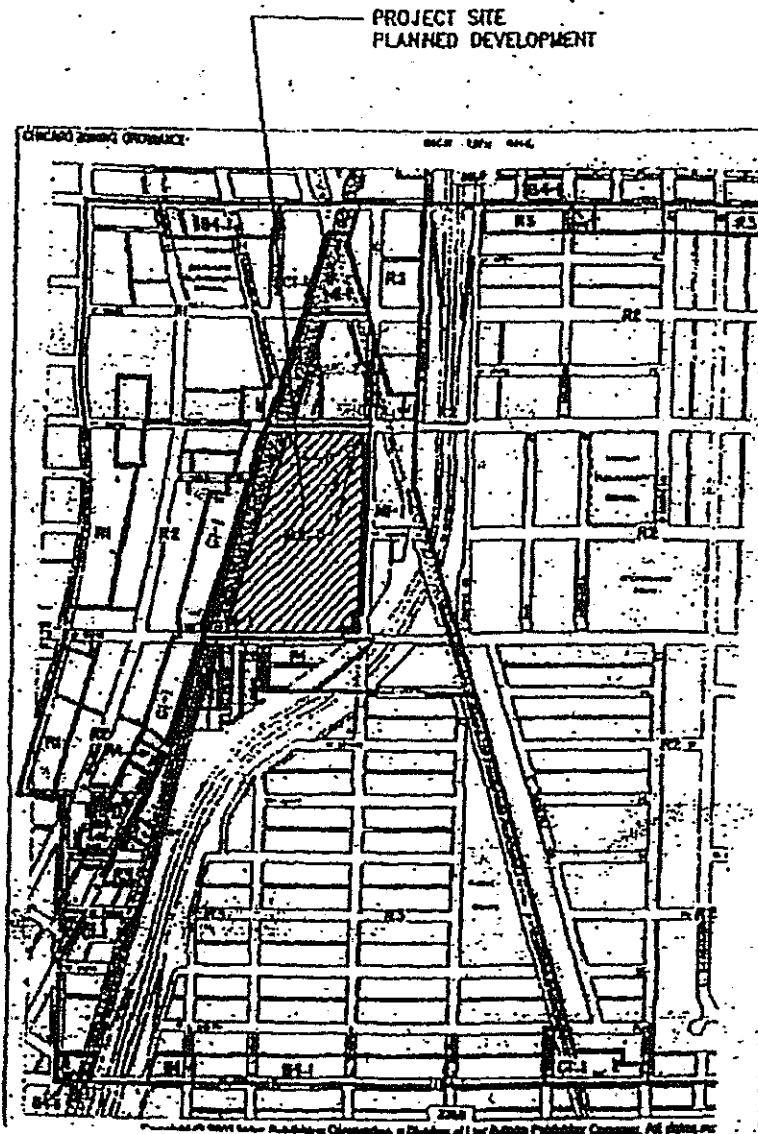
*Plan Of Development.*

*Bulk Regulations And Data Table.*

Gross Site Area (1,043,706 square feet) (23.91 acres) = Net Site Area (634,098 square feet)(14.53 acres) + Area Remaining in Public Right-of-Way (409,608 square feet)(9.38 acres)

Net Site Area:	634,098 square feet (14.53 acres)
Maximum Floor Area Ratio (F.A.R.):	.90
Minimum Building Setbacks:	15 feet
Maximum Number of Dwelling Units:	172
Maximum Site Coverage:	In accordance with the Site Plan
Minimum Number of Parking Spaces:	172
Minimum Number of Loading Berths:	0
Maximum Building Height:	35 feet

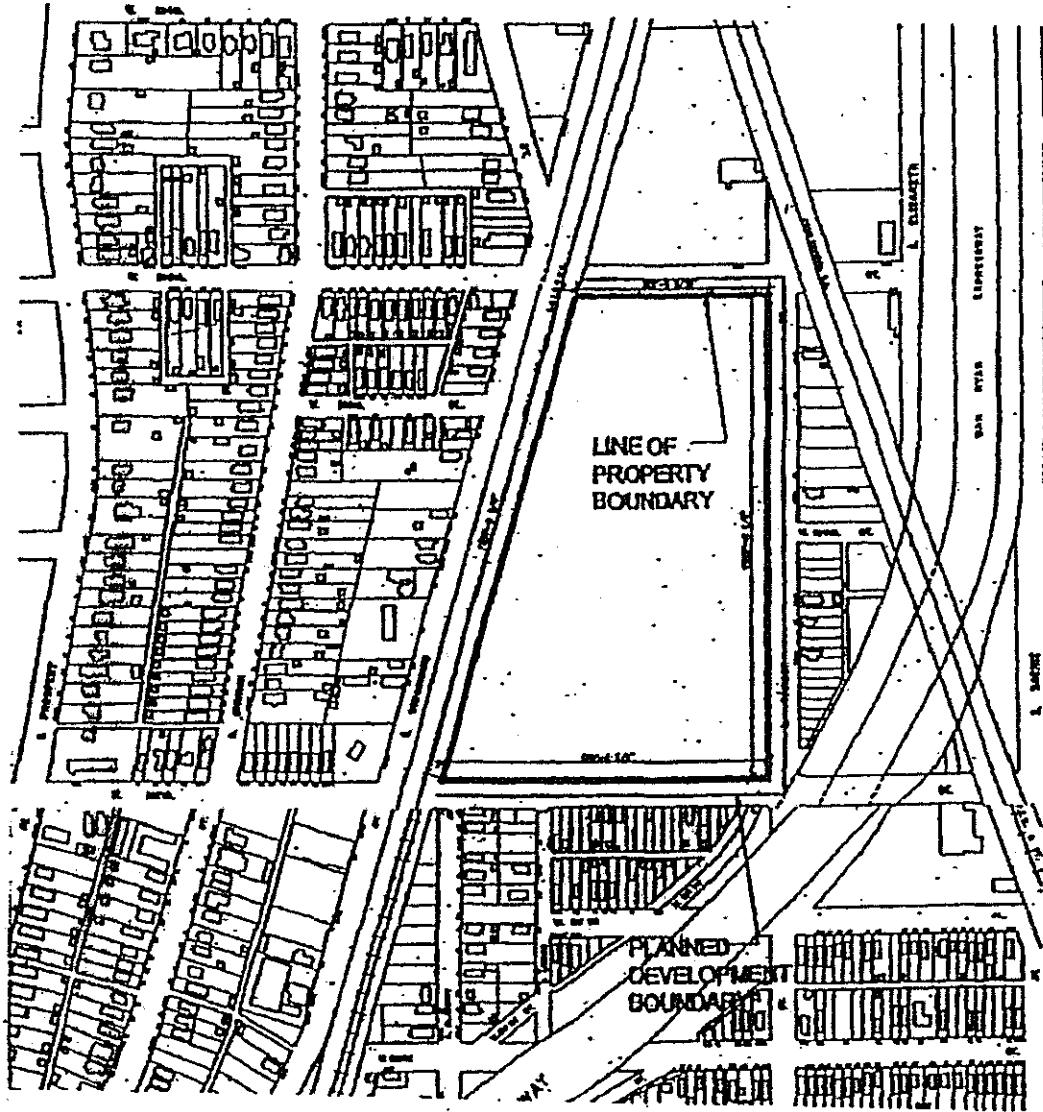
Location Map.



LOCATION MAP  
EXISTING ZONE



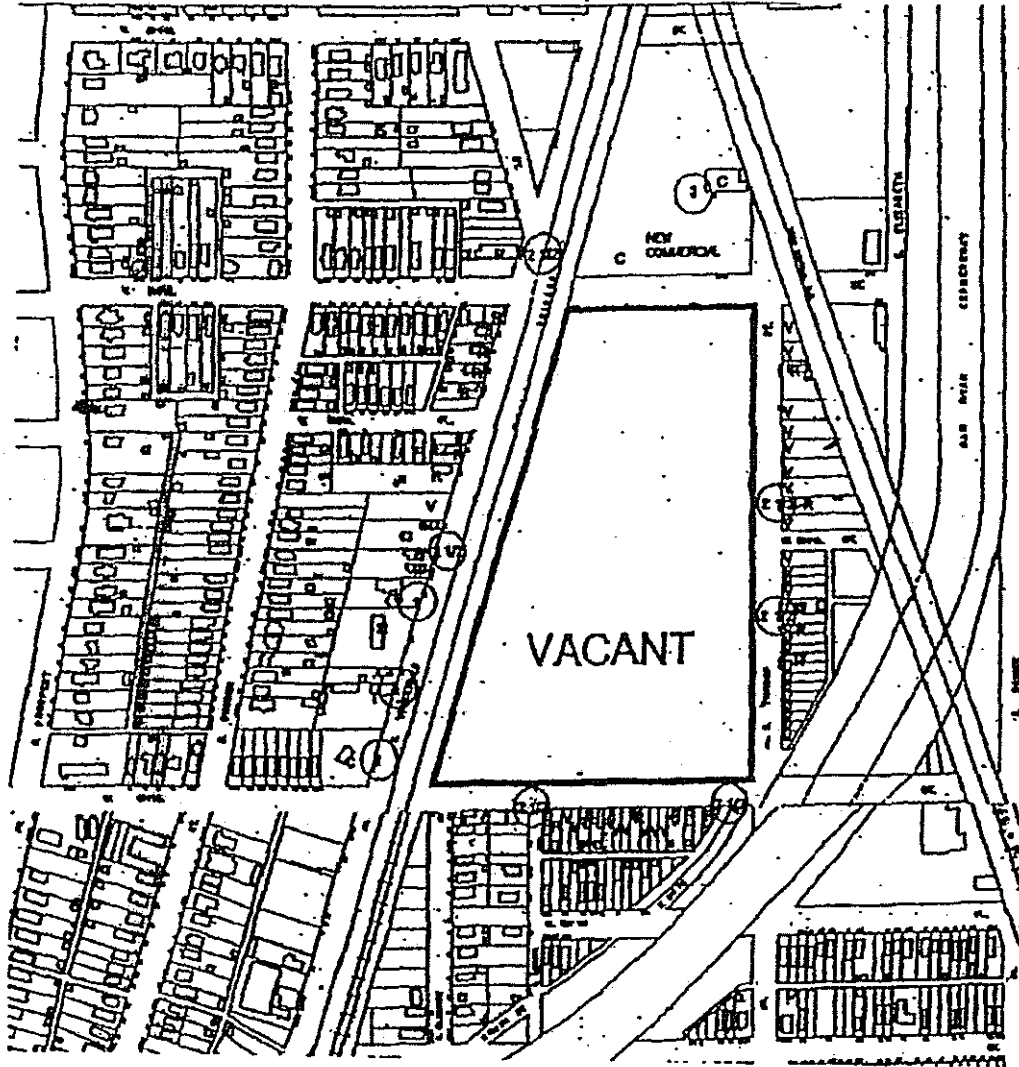
Plan Development Boundary And Property Line Map.



PLAN DEVELOPMENT BOUNDARY  
AND PROPERTY LINE MAP



Existing Land-Use Map.

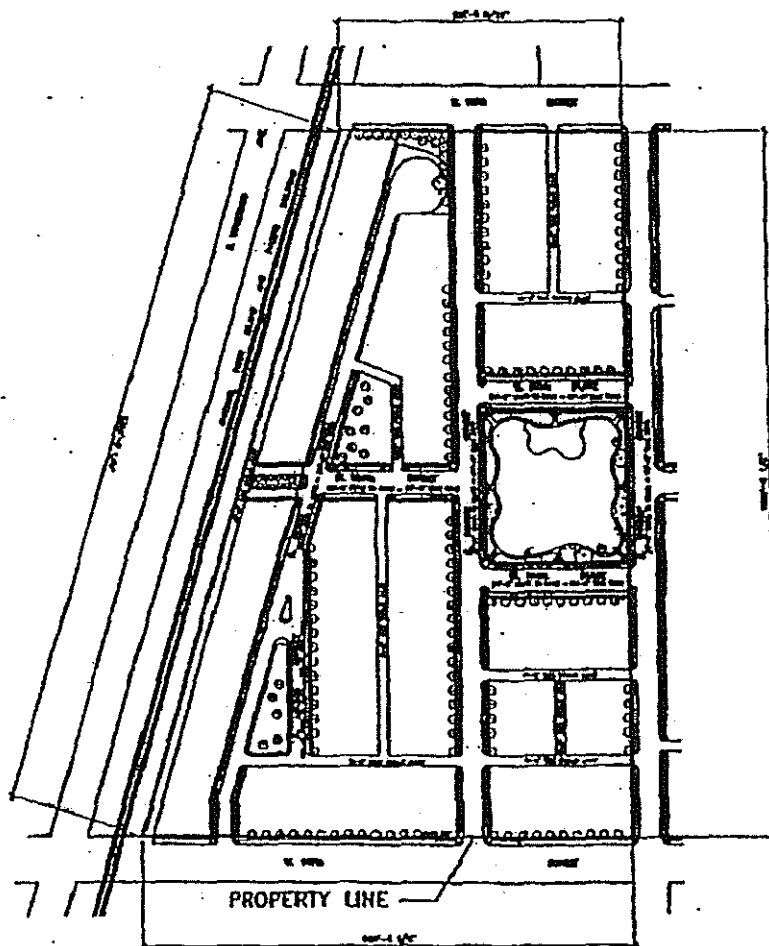


RESIDENTIAL	R
COMMERCIAL	C
VACANT	V
INSTITUTIONAL	I
NO. OF STORIES	X

EXISTING LAND USE MAP



Property Line And Right-Of-Way Adjustment Map.

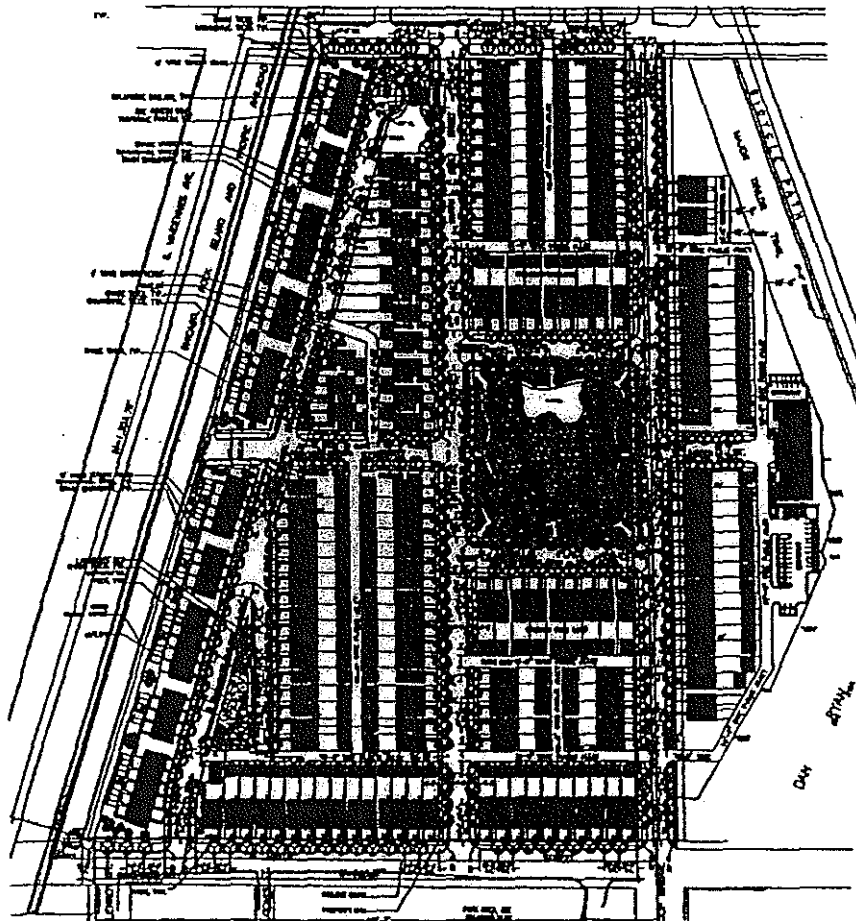


NOTE:  
ALL STREETS AND ALLEYS  
WITHIN BOUNDARY TO BE  
DEDICATED.

**PROPERTY LINE & R.O.W. ADJUSTMENT MAP**  
EXISTING ZONE



Site Plan.

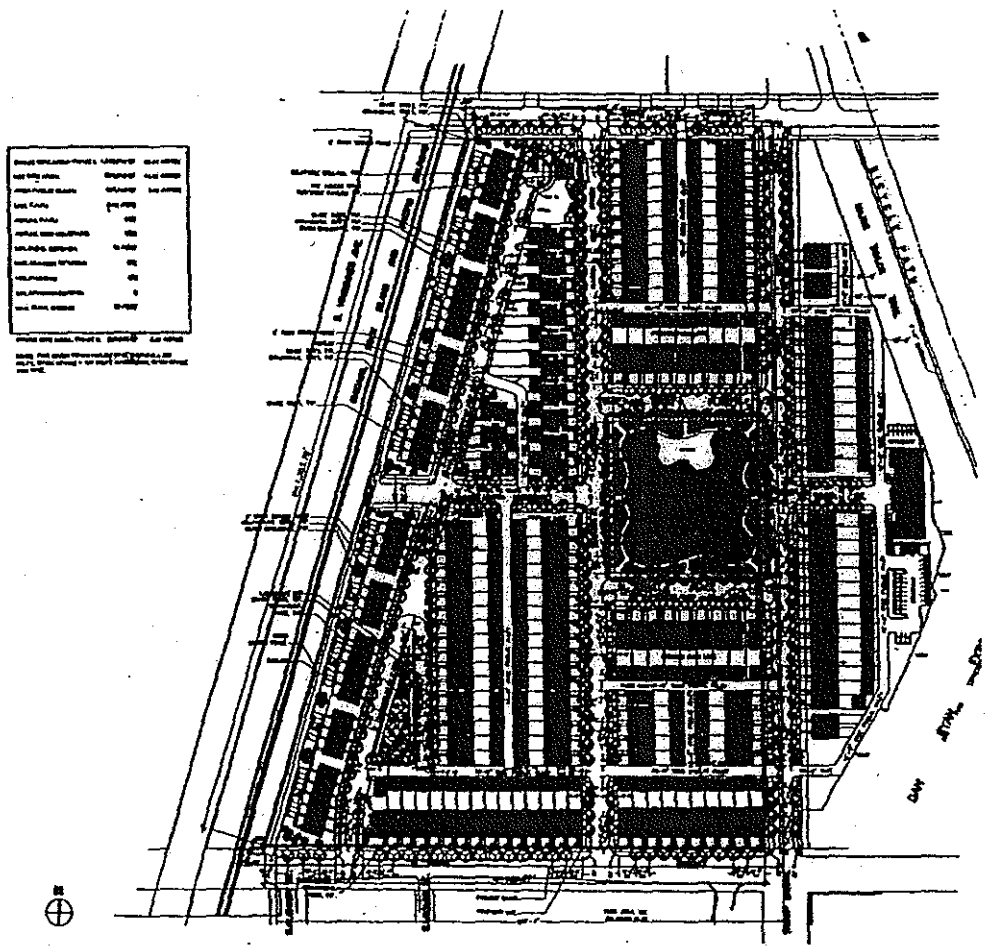


SITE PLAN  
SCALE: "1"=10'



BRUSH WTR AREA-PHASE 1	1,642,700 SF	37.5 ACRES
NET SITE AREA	824,300 SF	18.8 ACRES
AREA PUBLIC'S USE	408,000 SF	9.3 ACRES
SHA. P.A.R.	6.00 ACRES	
ACTUAL P.A.R.	6.00	
ACTUAL GIVE COVERAGE	6.00	
MIN. ROAD SETBACK	10 FEET	
MIN. FRONTAGE OF WTR.	172	
MIN. PARKING	172	
MIN. LAUNDRY BERTH	0	
MIN. ROAD WIDTH	30 FEET	
BRUSH WTR AREA-PHASE 2	224,000 SF	5.1 ACRES

Landscape Plan: Site.



Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting
Planting Schedule	Planting	Planting

SCALE: 1"=75'  
LANDSCAPE PLAN : SITE

APPROVED: [Signature]

DATE: JAN 2006

BY: [Signature]

SYMBOL	DESCRIPTION	SIZE	QUANTITY	REMARKS
[Tree Symbol]	Planting	12"	10	
[Tree Symbol]	Planting	18"	5	

**STREET INDEX**

- S. STATE ST.
- S. MICHIGAN ST.
- S. WABASH ST.
- W. MADISON ST.

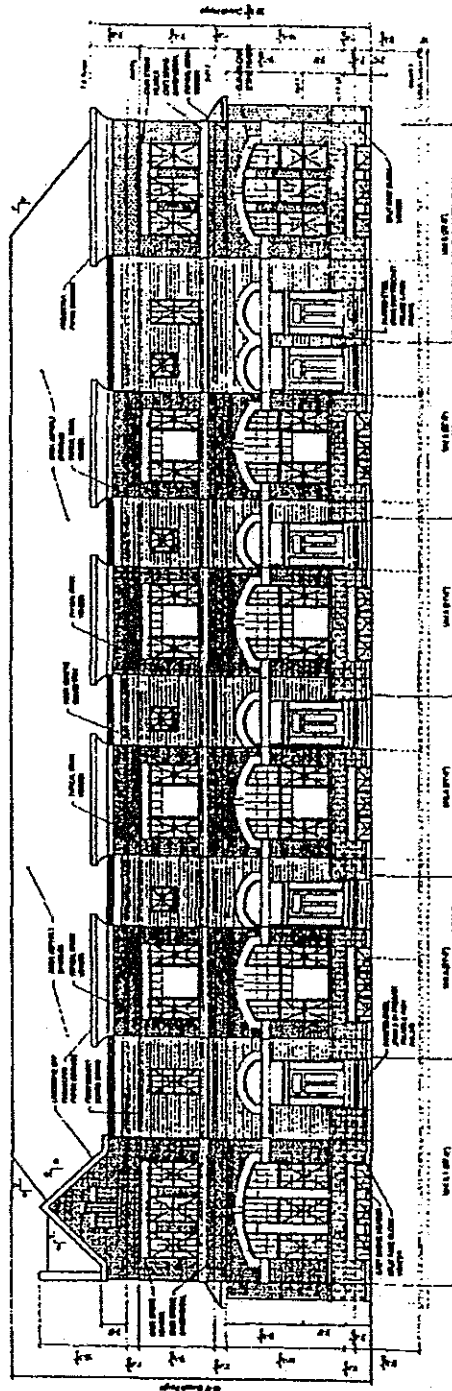


2/8/2006

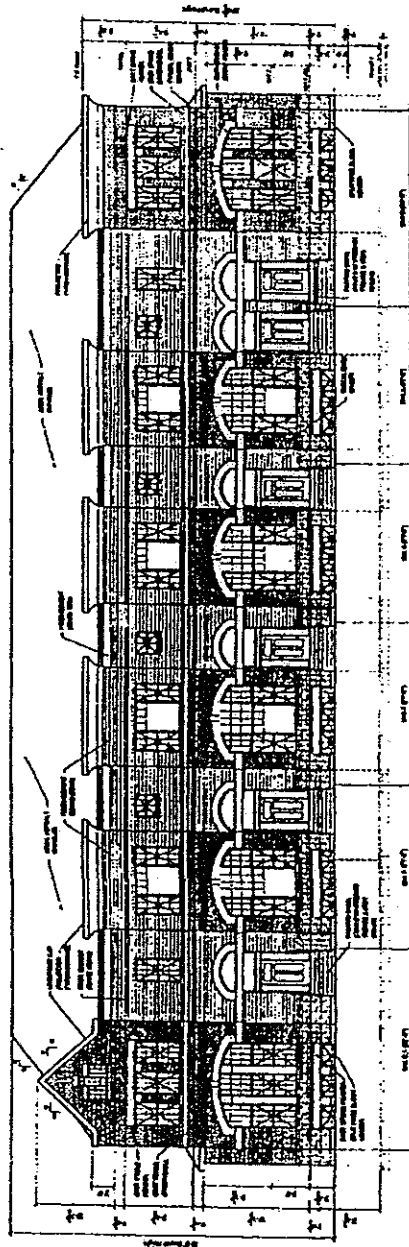
REPORTS OF COMMITTEES

70491

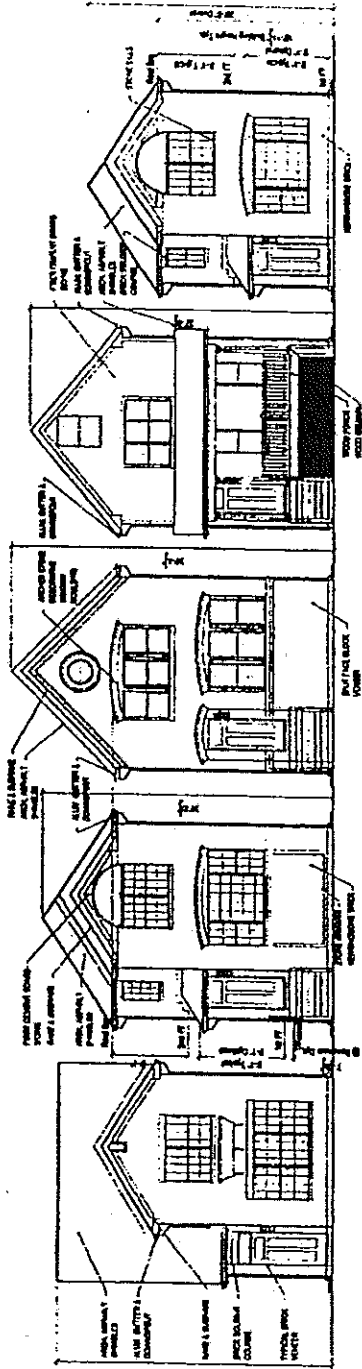
Townhome Product -- Front Elevation.  
(Page 1 of 2)



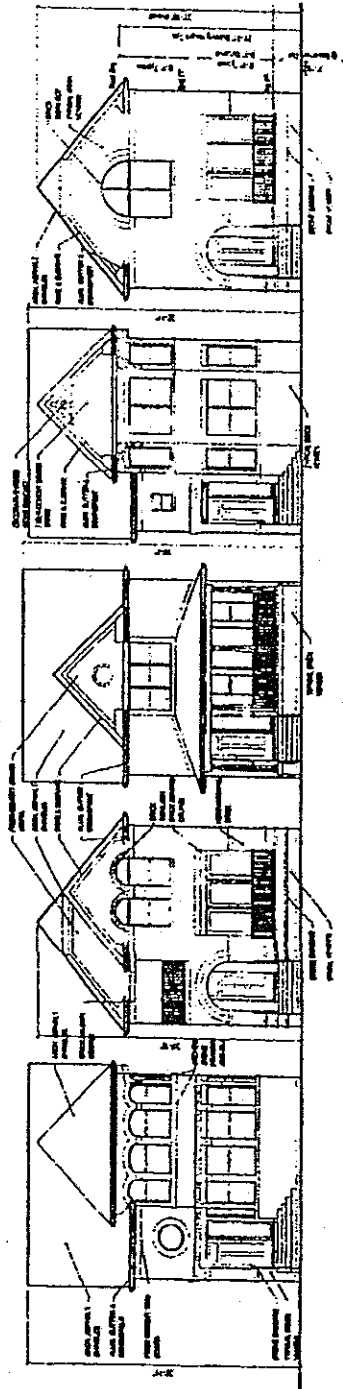
Townhome Product -- Front Elevation.  
(Page 2 of 2)



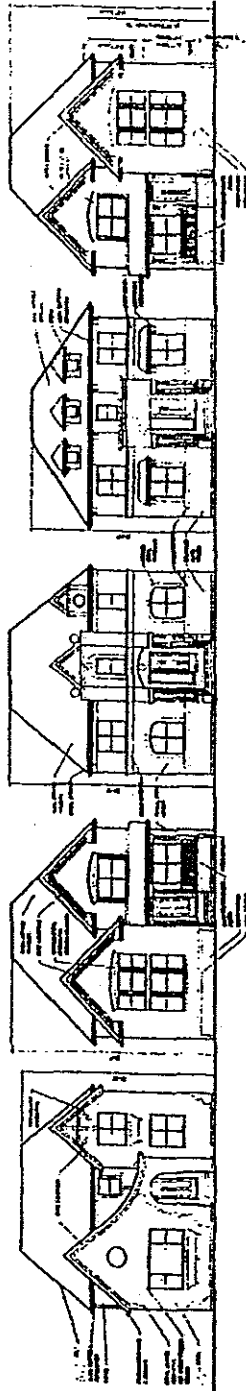
Single-Family 25 Foot Product -- Front Elevations.



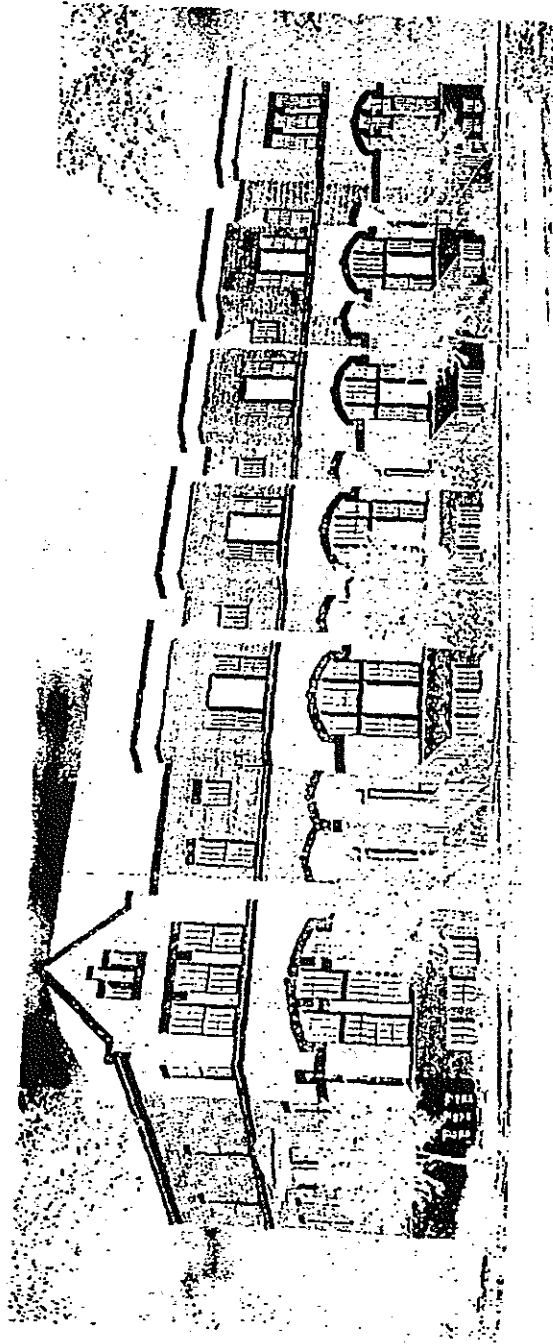
Single-Family 28 Foot Product -- Front Elevations.



Single-Family 44 Foot Product -- Front Elevations.



Townhome Product -- Front Elevation.  
(Page 1 of 2)

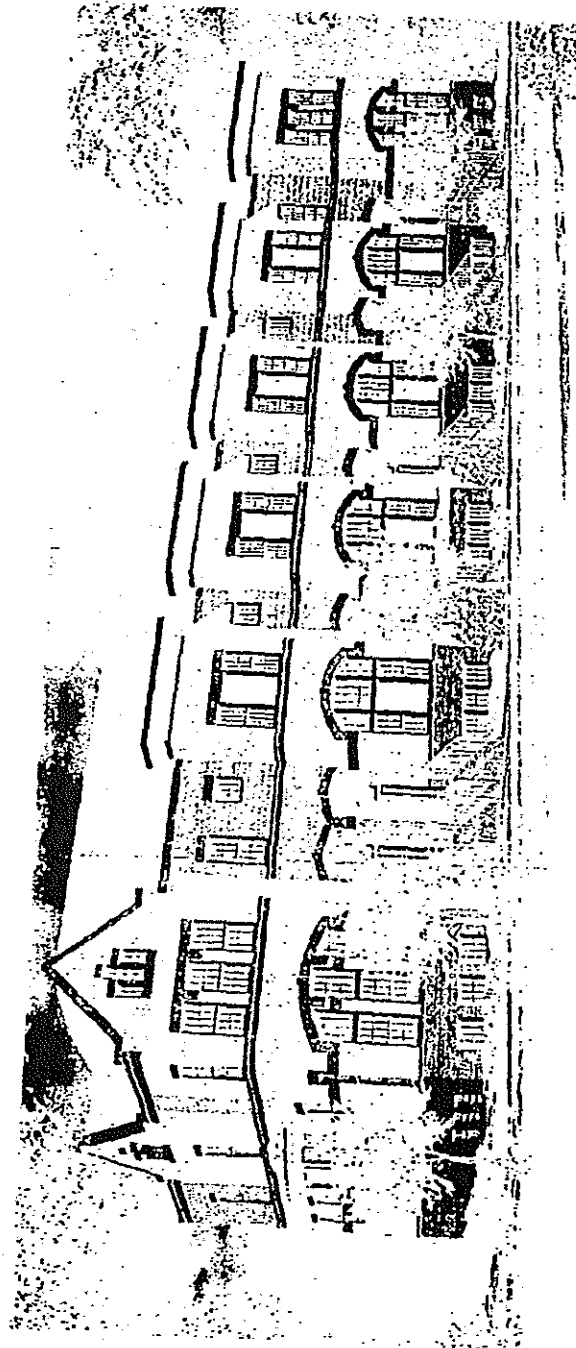


2/8/2006

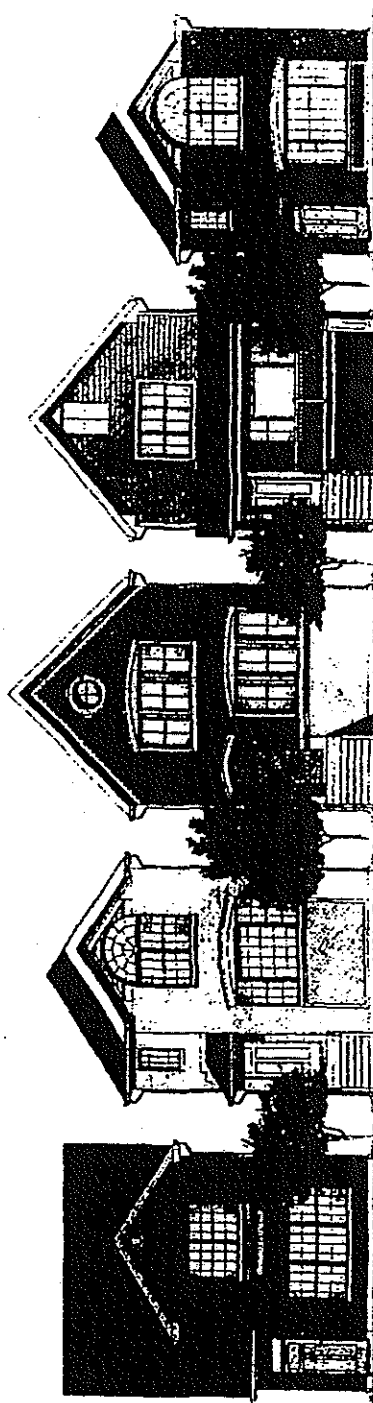
REPORTS OF COMMITTEES

70497

Townhome Product -- Front Elevation.  
(Page 2 of 2)



Single-Family 25 Foot Product -- Front Elevations.





2/8/2006

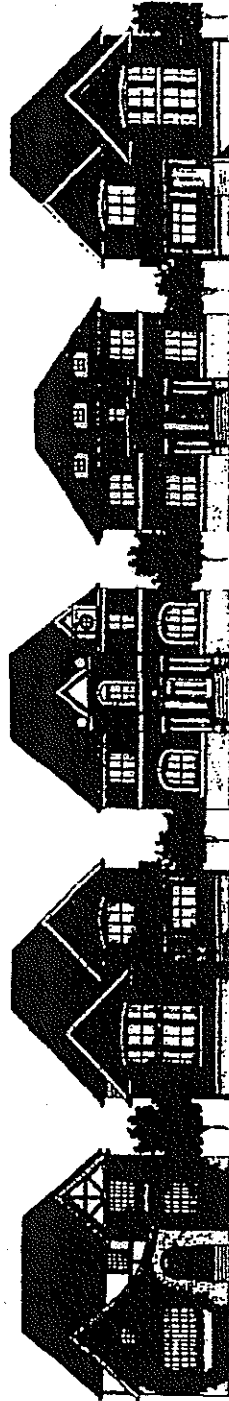
REPORTS OF COMMITTEES

70499

Single-Family 28 Foot Product -- Front Elevations.



Single-Family 44 Foot Product -- Front Elevations.



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT C

REDEVELOPMENT PLAN

A true and correct copy of the 105<sup>th</sup> Street and Vincennes Avenue Redevelopment Project Area, Tax Increment Finance Program, Redevelopment Plan and Project dated May 12, 1997 and revised September 20, 2001, and passed by City Council on October 3, 2001, and any amendments thereto as of the Closing Date is attached to this exhibit cover sheet.

**AMENDED 105th STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

---

City of Chicago, Illinois

May 12, 1997  
Revised September 20, 2001  
Amended November 30, 2005

Prepared by:  
Johnson Research Group, Inc.

*This Amended Redevelopment Plan includes changes that may be considered substantial in nature. These changes may replace some or all of the revisions that were made in 2001. The 2001 revisions were not substantial in nature and were marked, "Revised as of September 20, 2001" in the footer of individual pages where revisions were made. All pages of this Amended Redevelopment Plan are marked "Amended November 30, 2005" regardless of whether a 2005 change has been proposed for that individual page.*

**AMENDED 105th STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

---

City of Chicago, Illinois

Prepared by:  
Johnson Research Group, Inc.

May 12, 1997  
Revised September 20, 2001  
Amended November 30, 2005

# TABLE OF CONTENTS

I.	INTRODUCTION.....	1
	A. Tax Increment Financing.....	2
	B. The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area.....	3
	C. The Amended 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project and Plan.....	4
II.	LEGAL DESCRIPTION.....	6
III.	ELIGIBILITY CONDITIONS.....	8
	A. Project Area Eligibility.....	8
	B. Surveys And Analyses Conducted.....	8
IV.	REDEVELOPMENT GOALS AND POLICIES.....	9
	A. General Goals.....	9
	B. Redevelopment Objectives.....	9
V.	REDEVELOPMENT PROJECT.....	11
	A. Overall Redevelopment Concept.....	11
	B. Development and Design Objectives.....	11
	C. Redevelopment Improvements and Activities.....	13
	D. General Land-Use Plan.....	17
	E. Redevelopment Project Costs.....	19
	F. Sources of Funds to Pay Redevelopment Project Costs.....	22
	G. Issuance of Obligations.....	23
	H. Valuation of the Project Area.....	23
VI.	LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE.....	25
VII.	FINANCIAL IMPACT.....	27
VIII.	DEMAND ON TAXING DISTRICT SERVICES.....	28
	A. Impact of the Redevelopment Project.....	29
	B. Program to Address Increased Demand for Services or Capital Improvements.....	30
IX.	CONFORMITY OF THE AMENDED REDEVELOPMENT PLAN TO THE PLANS FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE AND USES THAT HAVE BEEN APPROVED BY THE PLAN COMMISSION OF THE CITY.....	33
X.	PHASING AND SCHEDULING.....	34
XI.	PROVISIONS FOR AMENDING THE AMENDED REDEVELOPMENT PLAN.....	35
XII.	COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN.....	36
XIII.	HOUSING IMPACT AND RELATED MATTERS.....	37

## **TABLES AND FIGURES**

FIGURE 1. PROJECT AREA BOUNDARY .....	7
FIGURE 2. GENERAL LAND-USE PLAN .....	18
FIGURE 3. COMMUNITY FACILITIES.....	30

## **LIST OF EXHIBITS**

EXHIBIT I:	ESTIMATED REDEVELOPMENT PROJECT COSTS
EXHIBIT II:	105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY DATED MAY 12, 1997

## I. INTRODUCTION

The City of Chicago (the "City") is recognized throughout the world as the urban center of America's heartland, serving as a focal point of commerce, industry, finance, culture and education. The City is known for its economic wealth and vitality as well as its diverse population, eclectic neighborhoods and rich cultural heritage.

The subject of this report is an approximately 57.8 acre area located along the east side of Vincennes Avenue, between 103rd Street and 107th Street in the Washington Heights Community Area. Located approximately 11 miles south of the City's "Loop," the Washington Heights Community Area reflects much of the culture and diversity for which the City is known.

Settlement of the Washington Heights Community Area began in the 1860s, when railroad workers began to inhabit "the Crossing" of the Rock Island Railroad and the Panhandle Line (Pittsburgh, Cincinnati, Chicago and St. Louis Railroad) near the intersection of 103rd Street and Vincennes Avenue. The combination of excellent rail transportation and available land attracted the Chicago Bridge and Iron Works Company (CB&I) to the Crossing. This company provided jobs and a way of life to Washington Heights residents for more than 80 years. The suburb of Washington Heights grew quickly around the railroad station and was annexed to Chicago in 1890. Washington Heights remained largely vacant until housing booms in the 1920s and again following World War II, which resulted in the construction of primarily single family homes. By 1950, the area reached residential maturity and by 1970 population reached an all time high of 36,540. Over the last two decades, Washington Heights has lost 6,600 residents from a 1980 population of 36,453 to a year 2000 population of 29,843.

Washington Heights continues to be a middle class neighborhood. Three-fourths of the existing units are single-family structures and owner occupied. However, the community area lost housing units for the first time in the 1980s because virtually no new structures were built to replace demolitions over the decade. The site of the former Chicago Bridge and Iron Works Company spans 4 city blocks, has been largely vacant for more than 20 years, with little or no new private development or rehabilitation occurring on the site or in the area immediately surrounding it.

As part of a strategy to encourage managed growth and stimulate private investment on the site of the former Chicago Bridge and Iron Works Company and in the surrounding area, Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP"), was engaged to investigate whether an approximately 57.8 acre area qualifies as a "conservation area," a "blighted area," or a combination of both blighted and conservation areas under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) as amended (the "Act"). The area under investigation is generally bordered by 103rd Street on the north, the extension of the Dan Ryan Expressway (I-57) on the east, 107th Street on the south, and Vincennes Avenue on the west and is referred to as the 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area (the "Project Area").



The Project Area, described in more detail below as well as in the accompanying *105<sup>th</sup> Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study* (the "Eligibility Study"), has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without the efforts and intervention of the City. Based on a proposed residential development plan, the *105<sup>th</sup> Street and Vincennes Avenue Tax Increment Financing Redevelopment Project and Plan* (the "Redevelopment Plan") and the accompanying Eligibility Study were prepared in 1997 and presented for public hearing but were not adopted at that time. Minor revisions were made to the Redevelopment Plan in 2001 to reflect updated Equalized Assessed Valuation and existing conditions in the Project Area. The Redevelopment Plan was adopted on October 3, 2001. Shortly thereafter, the developer of the proposed residential development filed for bankruptcy and the development did not occur. Johnson Research Group, Inc. was engaged by the development team of MGM Construction Company and The Terrell Group in 2005 with a new residential development proposal in the Project Area. To achieve the objectives of the original Redevelopment Plan and ensure the successful residential development of the 105<sup>th</sup> Street and Vincennes Avenue Project Area, it has become necessary to amend language and data contained herein, which will be referred to as the *Amended 105<sup>th</sup> Street and Vincennes Avenue Tax Increment Financing Redevelopment Area Project and Plan* (the "Amended Redevelopment Plan"). The related Eligibility Study has not been amended or revised since its preparation in 1997 and adoption in 2001.

This Amended Redevelopment Plan summarizes the analyses and findings of TPAP and Johnson Research Group's (the "consultants") work, which, unless otherwise noted, is the responsibility of the consultants. The City is entitled to rely on the findings and conclusions of this Amended Redevelopment Plan in designating the Redevelopment Project Area as a redevelopment project area under the Act. TPAP has prepared this Amended Redevelopment Plan, which includes as an Exhibit, the related Eligibility Study prepared by TPAP with the understanding that the City would rely (i) on the findings and conclusions of the Amended Redevelopment Plan and the related Eligibility Study in proceeding with the adoption and implementation of the Amended Redevelopment Plan, and (ii) on the fact that the consultants have obtained the necessary information so that the Amended Redevelopment Plan and the related Eligibility Study will comply with the Act.

## A. TAX INCREMENT FINANCING

In January 1977, Tax Increment Financing ("TIF") was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance redevelopment project costs (sometimes referred to as "Project Costs" or "Redevelopment Project Costs") with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed valuation ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate, which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within a project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. All taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess amounts are not otherwise pledged, earmarked or designated for future usage on other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid and the project area's term has expired or has been terminated.

### ***B. THE 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA***

The 105th Street and Vincennes Avenue Tax Increment Redevelopment Project Area (the "Project Area") consists of an area of approximately 57.8 acres, including perimeter and interior streets. The area also contains 1 active rail line servicing both Metra commuter and freight trains and 1 vacated rail line. The Project Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street. The smaller triangular block is included in the Project Area because its condition is more similar to those found in the Project Area than in the adjacent residential areas. Figure 1, *Project Area Boundary*, illustrates the boundary of the Project Area.

Although the internal street system is deficient, access to the Project Area from the surrounding community is generally good from all directions. Vincennes Avenue, 107th Street and 103rd Street provide access to the surrounding community as well as to the I-57 Expressway.

The Project Area consists of 8 irregularly shaped tax blocks, 3 of which contain exempt parcels and 5 of which contain taxable parcels. The largest of these blocks is comprised of 1 large parcel formerly the site of the Chicago Bridge and Iron Works Company. The irregular shape of the blocks within the Project Area is due primarily to the diagonal alignments of Vincennes Avenue and the Rock Island and Pacific Railroad, a rail line currently operated by Metra. Although the

Project Area is predominantly vacant, the Metra Commuter Station is located north of 104th Street, within the boundaries of the Project Area. A self-storage facility, built in 2003, is located immediately south of the commuter station.

In general, the Project Area is characterized by a large portion of vacant and underutilized land, deteriorated and obsolete buildings, extensive fly dumping, and the presence of building debris, high weeds and junk storage. The internal street system is fragmented and deficient, and there is an overall lack of sidewalks, curbs and gutters throughout the Project Area.

In addition to the 2 diagonal rights-of-way highlighted above, several other conditions have influenced the overall shape and character of the Project Area. First, construction of the I-57 Expressway along the eastern edge of the Project Area effectively cut off the Project Area from the residential neighborhood and the typical grid street pattern located to the east. Second, closure of the Chicago Bridge and Iron Works Company more than 20 years ago resulted in a large vacant parcel in the heart of the Project Area. Third, removal of the former Pittsburgh, Cincinnati, Chicago & St. Louis Railroad, which bisects the Project Area in a northwest to southeast direction, resulted in additional vacant land. Fourth, vacant parcels are widely scattered throughout the remaining blocks within the Project Area. Finally, the small triangular block bordered by St. Charles Street, Vincennes Avenue, and 104th Street is characterized by vacancies, obsolescence and physical deterioration.

The Project Area is dominated by the former Chicago Bridge and Iron Works plant site. A combination of long-term vacancy, weather damage, lack of building maintenance, fly dumping, and the existence of old foundations and other building remains and debris has resulted in extreme deterioration and a negative impact on adjacent property.

### ***C. THE AMENDED 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN***

As evidenced in Section VI, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

This Amended Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate growth and private investment in the Project Area as a whole. The goal of the City, through the implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned development basis to ensure that private investment in new development and rehabilitation occurs:

1. On a coordinated rather than piecemeal basis to ensure that the land use, pedestrian access, vehicular circulation, parking, service and urban design systems are functionally integrated and meet present-day principles and standards;

2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated;
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City; and
4. With a reasonable mix of new development and rehabilitation which supports and takes advantage of labor, financial institutions, and other resources or needs to be served within the community.

The Amended Redevelopment Plan sets forth the overall Redevelopment Project to be undertaken to accomplish the above-stated goal. During the implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels or any other lawful purpose. Items (i) and (ii) are collectively referred to as "Redevelopment Projects."

The Amended Redevelopment Plan specifically describes the Project Area and summarizes the blighting factors which qualify the Project Area for designation as a blighted area as defined in the Act.

Successful implementation of this Amended Redevelopment Plan requires that the City utilize Incremental Property Taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the conditions of blight which have limited development of the Project Area by the private sector.

The use of Incremental Property Taxes will permit the City to direct, implement, and coordinate public improvements and activities, which are intended to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- An increased property tax base arising from new residential and commercial development and the rehabilitation of existing buildings;
- Elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties;
- Increased opportunities for affordable housing within the City;
- Remediation of environmental contamination and the removal of a potential hazard to the health, safety and welfare of the surrounding community; and
- Increased job opportunities during the construction portions of the Redevelopment Project.

## II. LEGAL DESCRIPTION

The boundaries of the Project Area have been carefully drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Amended Redevelopment Plan. The boundaries are shown in Figure 1, *Project Area Boundary*, and are generally described below:

The Project Area is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street.

The boundaries of the Project Area are legally described as follows:

THAT PART OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN TAKEN AS A TRACT AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF CHARLES STREET; THENCE NORTHWESTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 104TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF VINCENNES AVENUE; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF THE FORMER PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILROAD; THENCE SOUTHEASTERLY ON THE LAST DESCRIBED LINE TO THE NORTH RIGHT-OF-WAY LINE OF 105TH STREET; THENCE EASTERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 57 EXPRESSWAY; THENCE SOUTHERLY ON THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF 107TH STREET; THENCE WESTERLY ON THE LAST DESCRIBED LINE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

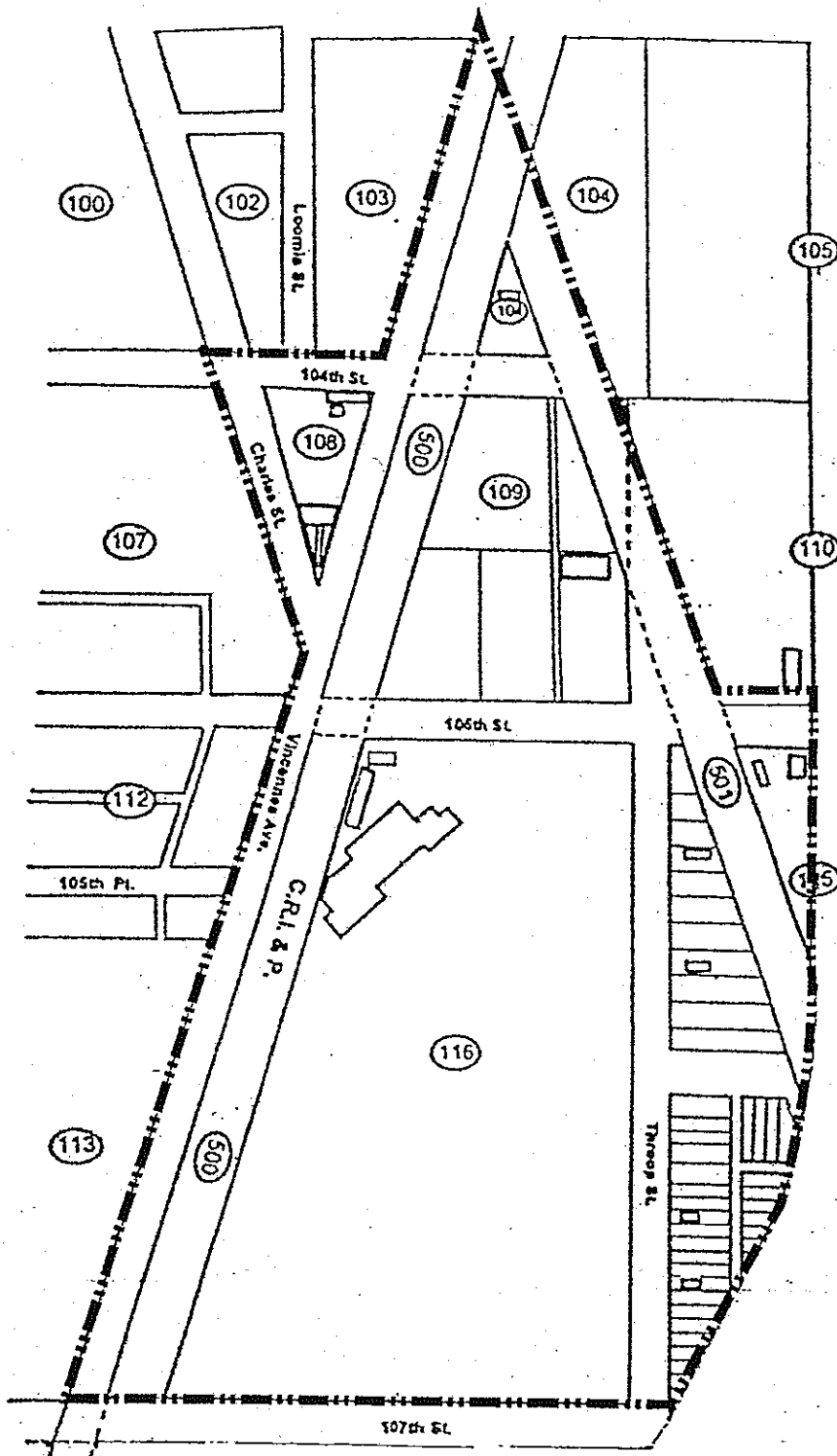


Figure 1  
Project Area Boundary

105th Street & Vincennes Avenue

Chicago, IL

### III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the blight factors in the Project Area. The report, prepared by TPAP and entitled "105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study," is attached as Exhibit II to this Amended Redevelopment Plan.

#### A. PROJECT AREA ELIGIBILITY

Based upon surveys, inspections and analyses conducted by TPAP, the Project Area qualifies as a "blighted area" within the requirements of the Act. The Project Area is characterized by the presence of a combination of 5 or more of the blight factors listed in the Act for improved areas, rendering the area detrimental to the public safety, health and welfare of the citizens of the City. Specifically,

- Of the fourteen factors for "improved" blighted areas as set forth in the Act, 9 are present to a major extent and 1 is present to a minor extent.
- These 10 factors are reasonably distributed throughout the entire Project Area.
- The entire Project Area is impacted by and shows the presence of these 10 factors.
- Of the 7 criteria for "vacant" blighted areas as set forth in the Act, 3 are present within the Project Area.
- The Project Area includes only real property and improvements substantially benefited by the Redevelopment Project.

#### B. SURVEYS AND ANALYSES CONDUCTED

The blight factors found to be present in the Project Area are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, lighting, curbs and gutters, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to the current zoning ordinance and zoning map;
5. Comparison of exterior building conditions to property maintenance codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings; and
8. Review of previously prepared plans, studies and data.

## **IV. REDEVELOPMENT GOALS AND POLICIES**

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, additional construction employment and job training opportunities and an increase in the number and quality of affordable housing opportunities.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V of this Amended Redevelopment Plan presents more specific objectives for development and design within the Project Area, and describes the redevelopment activities the City intends to undertake to achieve the redevelopment goals and objectives presented in this Section.

### **A. GENERAL GOALS**

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Amended Redevelopment Plan.

1. An improved quality of life in the Project Area, the Washington Heights Community Area and the City through the elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
2. An environment within the Project Area which will contribute more positively to the health, safety and general welfare of the City, and preserve or enhance the value of properties adjacent to the Project Area.
3. An increased real estate tax base for the City and other taxing districts having jurisdiction over the Project Area.

### **B. REDEVELOPMENT OBJECTIVES**

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted area. These conditions are described in detail in Exhibit II to this Amended Redevelopment Plan.
2. Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
3. Strengthen the economic well-being of the Project Area and the City by increasing taxable values and affordable housing opportunities.



4. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Amended Redevelopment Plan and contemporary development needs and standards.
5. Create an environment which stimulates private investment in new construction and rehabilitation.
6. Provide needed improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
7. Provide needed incentives to encourage a broad range of improvements in preservation, rehabilitation and new development.
8. Create new job opportunities for City residents utilizing appropriate job training and hiring programs.
9. Establish job training and job readiness programs to provide residents of the City with the skills necessary to secure jobs in the Project Area during the construction period.
10. Provide opportunities for women-owned and minority-owned businesses to share in the redevelopment of the Project Area.

## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities in furtherance of this Amended Redevelopment Plan. The Redevelopment Project described in this Amended Redevelopment Plan and pursuant to the Act includes the overall redevelopment concept, development and design objectives, a description of redevelopment improvements and activities, a general land use plan, estimated redevelopment project costs, a description of sources of funds to pay estimated redevelopment project costs, a description of obligations that may be issued, identification of the most recent EAV of properties in the Project Area, and an estimate of future EAV.

### A. OVERALL REDEVELOPMENT CONCEPT

The Project Area should be redeveloped as a cohesive and distinctive urban neighborhood. It should consist of residential development that complements and enhances the range and styles of the existing housing stock in the community; limited commercial development that is compatible with surrounding residential uses; and complementary open space and pedestrian amenities.

The Project Area should be served by a street system and public transportation facilities that provide safe and convenient access to and circulation within the Project Area. New development should be served by a street network that reflects and extends the traditional grid street system which exists in surrounding areas.

The Project Area should be characterized by a planned network of open spaces and private development which will organize and provide focus to the Project Area. An open space network should be created which links residential areas, parks and public spaces, landscaped streets and surrounding neighborhood amenities.

The Project Area should have a coherent neighborhood design and character. Individual developments should be visually and physically linked within the Project Area and to the larger community. The Project Area should respect Chicago's traditional neighborhood form, which is characterized by a grid pattern of streets, buildings facing the street, and a human scale that is attractive and inviting for pedestrians.

The Project Area should become an attractive and desirable "neighborhood of choice" which provides new affordable housing opportunities, and complements the sound existing community areas located nearby.

### B. DEVELOPMENT AND DESIGN OBJECTIVES

Listed below are the specific development and design objectives which will assist the City in directing and coordinating public and private improvement and investment within the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Amended Redevelopment Plan.

### *Land Use*

- Promote comprehensive, area-wide redevelopment of the Project Area as a planned and cohesive urban neighborhood.
- Remove or minimize physical barriers and other impediments to unified development.
- Promote quality new residential developments throughout the Project Area.
- Provide sites for a wide range of affordable housing types.
- Promote housing types that accommodate a diverse mix of households and income levels.
- Allow for limited and compatible commercial development in selected locations.
- Promote commercial uses that support the needs of the area's residents and employees.
- Ensure a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.
- Encourage maintenance and upgrading of existing commercial and industrial uses.
- Locate parks, open spaces and other community facilities within walking distance of residential developments.

### *Transportation and Infrastructure*

- Maintain and extend the grid pattern of streets and blocks that exists in surrounding areas.
- Improve street connections between the Project Area and surrounding neighborhoods to the east and west.
- Improve east-west circulation to and through the Project Area.
- Improve north-south circulation through the Project Area.
- Provide improved at-grade rail crossings at 107th, 105th and 104th Streets.
- Upgrade infrastructure throughout the Project Area.

### *Open Space and Pedestrian Facilities*

- Develop new, easily accessible neighborhood parks in the vicinity of new residential developments.
- Provide community parks to help serve the population within the surrounding area.
- Provide well-defined and safe pedestrian connections between residential developments within the Project Area, and between the Project Area and nearby neighborhood destinations.

### *Urban Design*

- Establish a distinctive and cohesive visual identity for the Project Area.
- Ensure that all new development reflects Chicago's traditional grid pattern of streets and blocks.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the streets and creating areas for pedestrian activity.
- Preserve buildings with historic and architectural value.
- Require new developments to respect the architectural character and scale of the surrounding community.
- Provide distinctive design features, including landscaping and signage, at the major entryways into the Project Area.
- Screen the Metra - Chicago, Rock Island and Pacific Railroad corridor through the use of berming and landscaping.

## **C. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES**

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Amended Redevelopment Plan to construct, rehabilitate, renovate or restore improvements for public or private facilities on one or several parcels or any other lawful purpose (collectively referred to as "Redevelopment Projects"). Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Amended Redevelopment Plan and which include affordable housing requirements as described below.

Developers who receive TIF assistance for market-rate housing are to set aside 20 percent of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income.

### **1. Property Assembly**

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

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Amended Redevelopment Plan.

### **2. Relocation**

Relocation assistance may be provided to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City subsequent to this Amended Redevelopment Plan may be provided with relocation advisory and financial assistance as determined by the City. In the event that the implementation of the Amended Redevelopment Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

As used in the above paragraph "low-income households", "very low-income households" and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Amended Redevelopment Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

**3. Provision of Public Works or Improvements**

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Amended Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

*a) Streets and Utilities*

A range of individual roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction, may be undertaken.

*b) Parks, Open Space and Landscaping*

Improvements to existing or future parks, open spaces and public plazas may be provided and a range of public improvements, including, the construction of public walkways, screening the active railroad through berming, landscaping, lighting and general beautification improvements which may be provided for the use of the general public.

**4. Rehabilitation of Existing Buildings**

The City will encourage the rehabilitation of buildings that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project.

**5. Job Training and Related Educational Programs**

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

**6. Taxing Districts Capital Costs**

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Amended Redevelopment Plan.

**7. Interest Subsidies**

Funds may be provided to developers or redevelopers for a portion of interest costs incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the developer or redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) costs paid or incurred by a developer or redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- (e) Up to 75 percent of interest costs incurred by a developer or redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

**8. Affordable Housing**

Funds may be provided to developers for up to 50 percent of the cost of construction, renovation and/or rehabilitation of all new low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.

**9. Analysis, Administration, Studies, Surveys, Legal, etc.**

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Amended Redevelopment Plan.

#### D. GENERAL LAND-USE PLAN

Figure 2 presents the General Land-Use Plan that will be in effect upon adoption of this Amended Redevelopment Plan.

As indicated in Figure 2, the Project Area should be redeveloped as a planned and cohesive urban neighborhood providing sites for a range of housing types, parks and open space, and limited new commercial development. The various land uses should be arranged and located so that there is a sensitive transition between residential and non-residential developments in order to minimize conflicts between different land uses.

The Land-Use Plan divides the Project Area into 5 subareas, each of which would be suitable for a somewhat different mix of uses and scale and character of development.

- Subarea 1 includes the major portion of the Project Area, and is generally bounded by 107th Street on the south; Throop Street on the east; 104th Street on the north; and the Metra railroad on the west. Subarea 1 also includes the vacated rail line right-of-way between 104th Street and 105th Street. This Subarea should be devoted primarily to planned residential development. A wide variety of housing types and styles could be accommodated, provided they are compatible with adjacent developments and are consistent with the overall objectives for the Project Area. Parks and institutional uses could also be appropriate in selected locations.
- Subarea 2 includes the properties along the east side of Throop Street, between 107th and 105th Streets and includes the portion of the vacated rail line right-of-way between 105th and 106th Streets. This Subarea would be suitable for residential development similar to that permitted in Subarea 1; parks, playgrounds and open spaces; public and institutional.
- Subarea 3 includes the triangular area east of the vacated rail line right-of-way, between 105th Street and 106th Street and encompasses the existing industrial use at this location. Although the existing use could remain, the site and building should be upgraded and improved, and the property screened and buffered from the adjacent residential area. If this property is redeveloped, it should be devoted to residential uses, similar to that recommended for Subarea 1.
- Subarea 4 includes the small triangular block along the west side of Vincennes Avenue, just south of 104th Street. This Subarea would be suitable for small-scale new commercial development; public uses; off-street parking; or public open space. The existing fire station building has historic interest and adaptive reuse of this structure should be encouraged.
- Subarea 5 includes the triangular area generally bounded by 103rd Street on the north; Vincennes Avenue on the west; 104th Street on the south; and the eastern boundary of the vacated rail line right-of-way on the east. This Subarea includes the Metra commuter station building and the vacated rail line right-of-way between 103rd Street and 104th Street. While the existing use should remain, additional parking should be considered for Metra commuters uses; or limited and compatible commercial development.



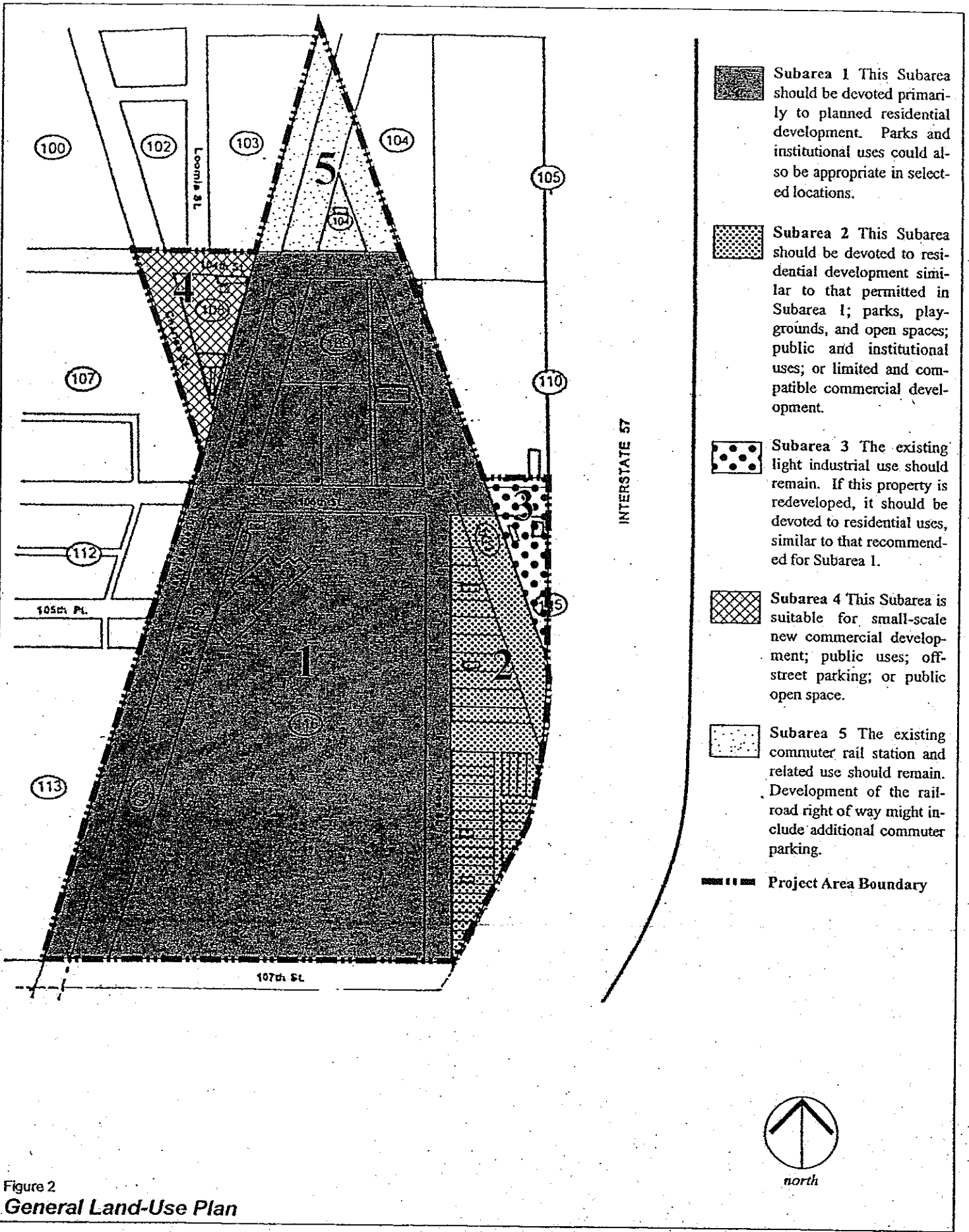


Figure 2  
**General Land-Use Plan**

## **E. REDEVELOPMENT PROJECT COSTS**

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Amended Redevelopment Plan (the "Redevelopment Project Costs").

In the event the Act is amended by the Illinois General Assembly after the date of the approval of this Amended Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Amended Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Amended Redevelopment Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Exhibit I or otherwise adjust the line items in Exhibit I without amendment to this Amended Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Amended Redevelopment Plan.

### **1. Eligible Redevelopment Project Costs**

Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Amended Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Amended Redevelopment Plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the Project Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment

project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the Project Area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Washington Heights Community Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Amended Redevelopment Plan ;
- i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see Section V.C.2 above) or otherwise determines that the payment of relocation costs is appropriate;
- j) Payment in lieu of taxes, as defined in the Act;
- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38,

805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code 105 ILCS 5/10-22.20a and 5/10-23.3a;

- l) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  1. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
  2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
  5. Up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- n) An elementary, secondary, or units school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- o) Up to 50 percent of the cost of construction, renovation and/or rehabilitation of all new low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and
- p) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 *et. seq.*, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

**2. Estimated Redevelopment Project Costs**

A range of redevelopment activities and improvements will be required to implement this Amended Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit I of this Amended Redevelopment Plan. All estimates are based on 2004 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Amended Redevelopment Plan.

Redevelopment Project Costs described in this Amended Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Amended Redevelopment Plan.

**F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS**

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived partially from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur Redevelopment Project Costs which are paid for from funds of the City other than Incremental Property Taxes, and the City may then be reimbursed from such costs from Incremental Property Taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

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

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, *et seq.*). If the City finds that the goals, objectives and financial success of such contiguous

redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Amended Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Exhibit I of this Amended Redevelopment Plan.

### **G. ISSUANCE OF OBLIGATIONS**

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e. City Council approved the Redevelopment Plan and designated the Project Area on October 3, 2001), by December 31, 2025. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Amended Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

### **H. VALUATION OF THE PROJECT AREA**

#### **1. The Certified Initial EAV of Properties in the Project Area**

The Certified Initial EAV of all properties in the Project Area is \$1,268,074. This figure is based on 2000 EAV, certified by the County Clerk of Cook County, Illinois. The Certified Initial EAV of the Project Area is summarized by tax parcel in Table 1, Certified Initial EAV by Tax Parcel.

2. **Anticipated Equalized Assessed Valuation**

By the year 2024 (Collection Year 2025) and following the completion of the Redevelopment Project, the EAV of the Project Area is estimated to total approximately \$34.5 million. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) The EAV of existing development and new development will inflate at the rate of 3 percent per annum; 3) 233 housing units of a mixed variety will be constructed with an average sales price of \$286,762 per unit; and 4) the 5-year average state equalization factor of 2.3284 is used in all years to calculate estimated EAV.

**TABLE 1: CERTIFIED INITIAL EAV BY TAX PARCEL**

<b>Tax Parcel</b>	<b>Certified 2000 EAV</b>	<b>Tax Parcel</b>	<b>Certified 2000 EAV</b>
25-17-104-010-0000	Exempt	25-17-117-011-0000	2,139
25-17-108-001-0000	Exempt	25-17-117-012-0000	2,139
25-17-108-003-0000	14,573	25-17-117-013-0000	2,139
25-17-108-005-0000	Exempt	25-17-117-014-0000	10,747
25-17-109-014-0000	37,815	25-17-117-015-0000	1,834
25-17-109-016-0000	50,949	25-17-117-016-0000	1,672
25-17-109-017-0000	1,299	25-17-117-017-0000	1,456
25-17-109-018-0000	22,048	25-17-117-018-0000	1,212
25-17-109-019-0000	32,745	25-17-117-019-0000	954
25-17-109-020-0000	1,299	25-17-117-020-0000	700
25-17-109-021-0000	340,433	25-17-117-023-0000	2,139
25-17-115-001-0000	2,790	25-17-117-024-0000	2,139
25-17-115-002-0000	1,986	25-17-117-025-0000	2,139
25-17-115-003-0000	19,157	25-17-117-026-0000	1,512
25-17-115-004-0000	17,708	25-17-117-027-0000	1,681
25-17-115-005-0000	4,249	25-17-117-028-0000	1,441
25-17-115-006-0000	4,798	25-17-117-029-0000	1,274
25-17-115-007-0000	5,381	25-17-117-030-0000	1,101
25-17-115-008-0000	5,899	25-17-117-031-0000	907
25-17-115-009-0000	21,624	25-17-117-032-0000	736
25-17-115-010-0000	9,325	25-17-117-033-0000	525
25-17-115-011-0000	61,213	25-17-117-034-0000	218
25-17-116-002-0000	540,660	25-17-117-045-0000	2,995
25-17-117-001-0000	3,587	25-17-117-046-0000	Exempt
25-17-117-002-0000	2,139	25-17-500-001-0000	RR
25-17-117-003-0000	2,139	25-17-501-004-0000	RR
25-17-117-006-0000	Exempt	25-17-501-005-0000	RR
25-17-117-007-0000	Exempt		
25-17-117-008-0000	1,070	<b>TOTAL</b>	<b>\$1,268,074</b>
25-17-117-009-0000	17,250		
25-17-117-010-0000	2,139		

## VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in *Section III* of this Amended Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. Blighting factors within the Project Area are widespread and represent major impediments to sound growth and development.

The lack of private investment is evidenced by the following:

- The Project Area is characterized by age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use and layout, depreciation of physical maintenance and an overall lack of community planning.
- The Project Area is dominated by a large, dilapidated, abandoned industrial building, formerly occupied by the Chicago Bridge and Iron Works Company which had remained vacant for more than 20 years.
- Between 1991 and 1995, the Assessed Valuation ("AV") of the Project Area decreased by approximately 5.3 percent. Over this same period, the AV of the City as a whole increased by 7.1 percent.
- In the period between 1980 and 1990, the Washington Heights community area, which includes the Project Area, lost housing units.
- Within the last ten years, only one building was constructed in the Project Area.

The following impediments illustrate why the Project Area would not reasonably be anticipated to be developed without the intervention of the City and the adoption of this Amended Redevelopment Plan.

- The presence of fly dumping, building debris, soil piles, excavations and the deterioration of the main industrial building on the former CB&I property present a negative image that cannot be overcome without large-scale redevelopment.
- Site preparation requires the costly removal of concrete slabs, once used for iron processing activities.
- Remediation of environmental contamination is necessary to safeguard the health, safety and welfare of the surrounding community from potential hazards caused by previous uses.
- Most of the former CB&I property is unserved or underserved by modern infrastructure including sidewalks, curbs, street lights, water and sewer.
- The internal street system within the larger Project Area is fragmented and lacks sidewalks, curbs and gutters.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. The Project Area would not reasonably be expected to be



developed on a comprehensive and coordinated basis without the intervention of the City and the adoption of this Amended Redevelopment Plan for the Project Area.

## VII. FINANCIAL IMPACT

Without the adoption of this Amended Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives there is a prospect that blighted conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the investment and improvement of the community. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Amended Redevelopment Plan describes the comprehensive Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as the Redevelopment Project set forth in this Amended Redevelopment Plan. Successful implementation of this Amended Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and new construction on a scale sufficient to eliminate deteriorating problem conditions and to return the area to a long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Amended Redevelopment Plan. In the short-term, the City's effective use of TIF can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, the Redevelopment Project and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Project.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within the Project Area:

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

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

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

South Cook County Mosquito Abatement District. The district provides mosquito abatement services to the City of Chicago (south of 87th Street) and communities located in southern Cook County.

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

Board of Education of the City of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of educational services for kindergarten through twelfth grade. No public school facilities are located within the boundaries of the Project Area. Public school facilities located within a ½-mile of the Project Area include Percy Julian High School, located immediately east of the Project Area, Barnard Elementary School, and Mt. Vernon Elementary School.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs. There are no parks located within the Project Area. Park District facilities located within a ½-mile of the Project Area include Lamb, Mt. Vernon, and Graver Parks.

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

City of Chicago. The City is responsible for the provision of the full range of municipal services typically associated with large, mature cities, including the following: police and

fire protection; capital improvements and maintenance; water production and distribution; sanitation service; building, housing and zoning codes, etc.

City of Chicago Library Fund. General responsibilities of the Library Fund include the provision, maintenance and operation of the City's library facilities. There are no libraries within the boundaries of the Project Area. The nearest library facilities are located outside the Project Area and include Woodson Regional Library at 9525 S. Halsted Street, the Walker Branch Library at 11071 S. Hoyne Avenue and the Beverly Branch Library at 2121 W. 95<sup>th</sup> Street.

#### **A. *IMPACT OF THE REDEVELOPMENT PROJECT***

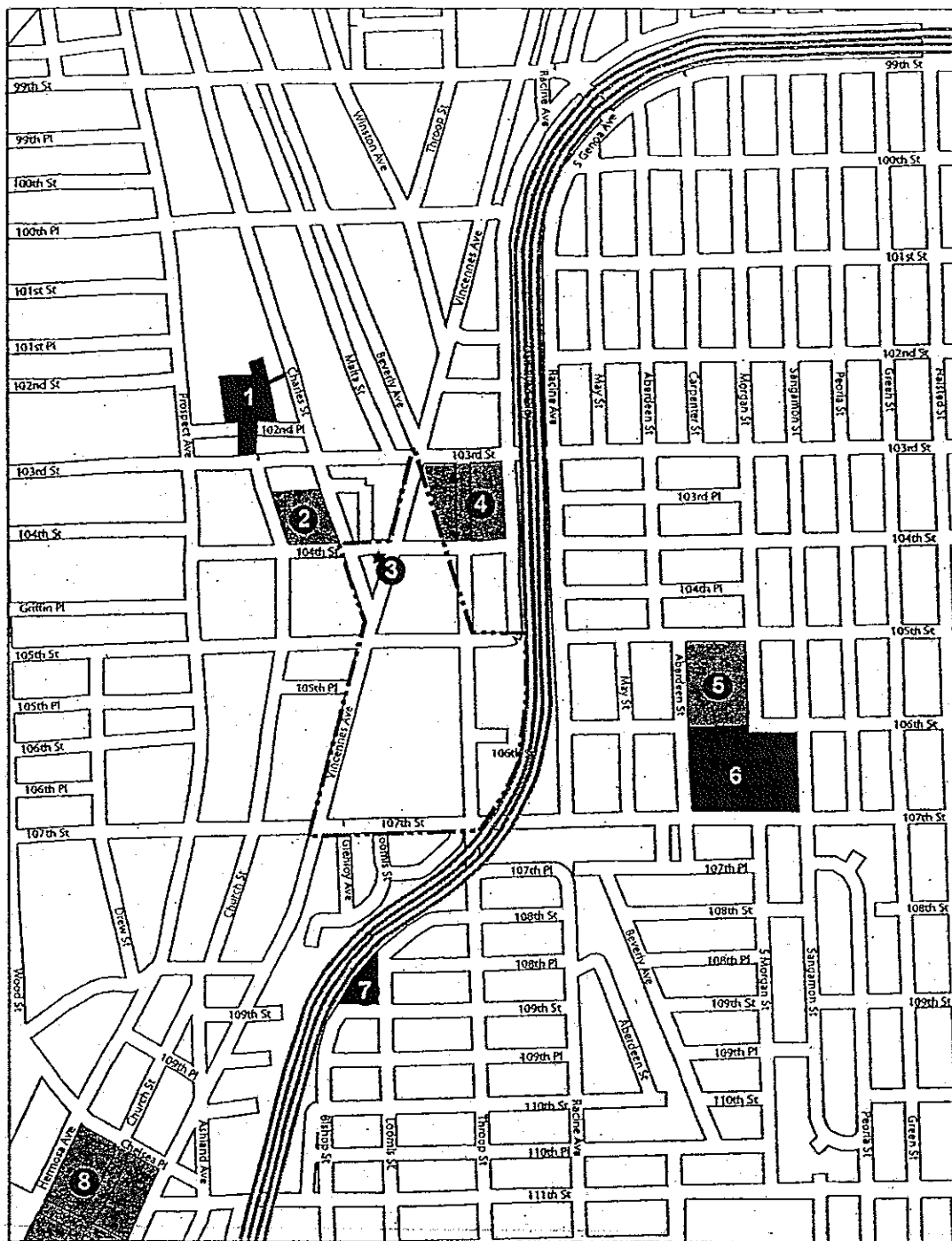
In 1994, the Act was amended to require an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Amended Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City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

Metropolitan Water Reclamation District of Greater Chicago. The rehabilitation of or replacement of underutilized properties with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement or rehabilitation of underutilized properties with new development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Board of Education. The replacement or rehabilitation of underutilized properties with new residential development is likely to increase the demand for services and programs provided by the Board of Education. There are no public school facilities located within the Project Area. Three public schools are located within a ½-mile of the Project Area and include Percy L. Julian High School, Mt. Vernon Elementary School and Barnard Elementary School. These school facilities are illustrated in *Figure 3, Community Facilities*.

Chicago Park District. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the Chicago Park District within and adjacent to the Project Area. These public services or capital improvements may include, but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. There are no public parks located within the Project Area. The nearest public parks within a ½-mile of the Project Area are identified in *Figure 3, Community Facilities*.



### Legend

- Project Area Boundary
- ▨ Educational
- Parks and Open Space
- ★ Fire house

### Community Facilities

1. Graver Park
2. Barnard Elementary
3. Fire Station
4. Percy Julian High School
5. Mount Vernon Elementary
6. Jackie Robinson Park
7. Lamb Playlot Park
8. Morgan Park High School

Figure 3  
Community Facilities

City of Chicago Library Fund. The replacement or rehabilitation of underutilized properties with residential, commercial, business and other development is likely to increase the demand for services, programs and capital improvements provided by the City of Chicago Library Fund.

**B. PROGRAM TO ADDRESS INCREASED DEMAND FOR SERVICES OR CAPITAL IMPROVEMENTS**

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- It is expected that any increase in demand for City services and programs associated with the Project Area can be adequately handled by existing City, police, fire protection, library facilities, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- It is expected that new residential development and the redevelopment of vacant, underutilized or non-residential property to residential use may generate additional demand for recreational services and programs and, therefore, would warrant additional open spaces and recreational facilities operated by the Chicago Park District. The *Land Policies Plan*, released by the Chicago Park District in 1990, established the goal of 2 acres of parkland per 1,000 residents for each community area. The *Parkland Needs Analysis*, released in 1993, indicates that Washington Heights does not meet this standard. Open space needed to meet the minimum standard was identified at 3.6 acres. Redevelopment of the Project Area anticipates the inclusion of a 2-acre park to be donated to the Chicago Park District. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential development.
- It is expected that new residential development and the redevelopment of vacant, underutilized or non-residential property to residential use will result in an increase in demand for services provided by the Board of Education. To determine this potential increase, the Ehlers & Associates' (formerly Illinois School Consulting Services) methodology for estimating school age children was utilized. Based on the possible development of 233 new residential units, including a mix of single-family detached and

attached units and condominium units, an increase of approximately 100 elementary school age children and approximately 32 high school age children could result.

There are 2 elementary schools and 2 high schools which serve the Project Area. New residential development within the Project Area would fall within the Mt. Vernon Elementary School attendance boundary. Mt. Vernon is operating at 39 percent of capacity and would be able to accommodate additional students. Barnard Elementary School is adjacent to the TIF district on the western boundary but is currently operating at capacity. High schools within a half-mile of the Project Area include Percy L. Julian High School, located adjacent to the Project Area and Morgan Park High School to the southwest. High school capacity analysis is approached from a regional perspective due to the number of students willing and able to travel longer distances to schools outside their attendance area. Chicago Public Schools representatives indicate that as a region, they would be able to handle additional high school students that might be generated by the Project Area.

It is anticipated that the current capacity at existing public schools in the area, particularly Mt. Vernon Elementary and Percy L. Julian High School, can accommodate children from the Project Area. However, the City will work with the Chicago Board of Education to monitor the number of school-aged children from the Project Area who may enroll at public schools. The City will assist in accommodating such students on an annual basis based on the available capacity of schools in the attendance area.

- It is expected that any increase in demand for Cook County, Cook County Forest Preserve District, South Cook County Mosquito Abatement District and Chicago Community College District 508 services and programs associated with the Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

The City's program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in this Amended Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs; and (iii) the generation of sufficient Incremental Property Taxes to pay for the Redevelopment Project Costs in Exhibit I. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise its program to address increased demand, to the extent permitted by the Act, without amending this Amended Redevelopment Plan.

Exhibit I to this Amended Redevelopment Plan illustrates the present allocation of estimated Redevelopment Project Costs.

**IX. CONFORMITY OF THE AMENDED REDEVELOPMENT PLAN TO THE PLANS FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE AND USES THAT HAVE BEEN APPROVED BY THE PLAN COMMISSION OF THE CITY**

This Amended Redevelopment Plan and the Redevelopment Project described herein include land uses which were approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan.



## **X. PHASING AND SCHEDULING**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Redevelopment Plan was adopted, which occurred in 2001 (i.e. December 31, 2025).

## **XI. PROVISIONS FOR AMENDING THE AMENDED REDEVELOPMENT PLAN**

This Amended Redevelopment Plan may be amended pursuant to the Act.

## **XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN**

The City is committed to and will affirmatively implement the following principles with respect to this Amended Redevelopment Plan:

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) Redevelopers must meet the City's standards for participation of 24 percent Minority Business Enterprises and 4 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

### **XIII. HOUSING IMPACT AND RELATED MATTERS**

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Project Area contains 4 inhabited residential units. The Amended Redevelopment Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 4 inhabited residential units could occur.

Given that this Amended Redevelopment Plan would not result in the displacement of residents from 10 or more inhabited residential units and the Project Area does not contain 75 or more inhabited residential units, the completion of a housing impact study is not required under the Act.

# EXHIBIT I: Estimated Redevelopment Project Costs

## 105<sup>th</sup> Street and Vincennes Avenue TIF

ELIGIBLE EXPENSE	ESTIMATED COST
Analysis, Administration, Studies, Surveys, Legal, Marketing etc.	\$ 1,300,000
Property Assembly -Acquisition, Site Prep, Demolition, and Environmental Remediation	\$ 6,200,000
Public Works & Improvements <sup>[1]</sup> -Streets and Utilities, Community Facilities, Parks and Open Space, and Landscaping	\$ 4,450,000
Taxing District's Capital Costs	\$ 1,300,000
Job Training, Retraining, Welfare-to-Work	\$ 300,000
Day Care Services	\$ 200,000
Developer Interest Subsidy	\$ 400,000
<b>TOTAL REDEVELOPMENT COSTS<sup>[2][3]</sup></b>	<b>\$ 14,150,000<sup>[4]</sup></b>

<sup>[1]</sup> This category may also include paying for or reimbursing (i) elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

<sup>[2]</sup> Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

<sup>[3]</sup> The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right of way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right of way.

<sup>[4]</sup> Increases in estimated Total Redevelopment Project Costs of more than 5 percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

**EXHIBIT II: 105TH STREET AND VINCENNES AVENUE TAX INCREMENT  
FINANCING REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY  
DATED MAY 12, 1997**

**105TH STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AREA**

**ELIGIBILITY STUDY**

---

---

City of Chicago, Illinois

---

---

Prepared by  
Trkla, Pettigrew, Allen & Payne, Inc.

May 12, 1997

# TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	1
I. BASIS FOR REDEVELOPMENT.....	4
II. THE 105TH AND VINCENNES PROJECT AREA.....	7
III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS.....	11
A. AGE.....	14
B. DILAPIDATION.....	14
C. OBSOLESCENCE.....	17
D. DETERIORATION.....	19
E. ILLEGAL USE OF INDIVIDUAL STRUCTURES.....	22
F. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS.....	22
G. EXCESSIVE VACANCIES.....	24
H. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES.....	24
I. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES.....	27
J. INADEQUATE UTILITIES.....	27
K. EXCESSIVE LAND COVERAGE.....	27
L. DELETERIOUS LAND-USE OR LAYOUT.....	28
M. DEPRECIATION OF PHYSICAL MAINTENANCE.....	30
N. LACK OF COMMUNITY PLANNING.....	32
IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: VACANT AREAS.....	34
V. DETERMINATION OF PROJECT AREA ELIGIBILITY.....	35



# LIST OF TABLES AND FIGURES

## TABLES

TABLE 1, ACREAGE DISTRIBUTION.....	7
TABLE 2, SUMMARY OF BUILDING DETERIORATION.....	21

## FIGURES

FIGURE 1A: PROJECT AREA BOUNDARY.....	9
FIGURE 1B: SUBAREAS BOUNDARY.....	10
FIGURE 2, EXISTING LAND-USES.....	12
FIGURE 3, EXTERIOR SURVEY FORM.....	13
FIGURE 4, AGE.....	15
FIGURE 5, DILAPIDATION.....	18
FIGURE 6, OBSOLESCENCE.....	20
FIGURE 7, DETERIORATION.....	23
FIGURE 8, STRUCTURES BELOW MINIMUM CODE STANDARDS.....	25
FIGURE 9, EXCESSIVE VACANCIES.....	26
FIGURE 10, EXCESSIVE LAND COVERAGE.....	29
FIGURE 11, DELETERIOUS LAND-USE OR LAYOUT.....	31
FIGURE 12, DEPRECIATION OF PHYSICAL MAINTENANCE.....	33
FIGURE 13, DISTRIBUTION OF BLIGHT FACTORS.....	37

## EXECUTIVE SUMMARY

The purpose of this study is to determine whether the *105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area* (the "Project Area") qualifies for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act-5, Section 11-74.4-1 *et seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") for the Project Area of approximately 57.8 acres located approximately 11 miles south of the central business district of Chicago, Illinois.

The Project Area consists of approximately 57.8 acres generally bounded by 103rd Street on the north, the extension of the Dan Ryan Expressway (I-57) on the east, 107th Street on the south and Vincennes Avenue on the west. The Project Area is dominated by a large, vacant, industrial site formerly occupied by the Chicago Bridge and Iron Works Company, and includes eight irregularly shaped tax blocks, including two railroad rights-of-way (the Metra-Rock Island Line and the vacated Pittsburgh, Cincinnati, Chicago, and St. Louis Rail Line). Street and rail line rights-of-way consist of 21.0 acres within the Project Area. The Project Area contains a large portion of vacant land, several isolated residential buildings, two public uses, an industrial use and one commercial establishment.

The boundaries of the Project Area are shown on Figure 1A, *Project Area Boundary*. A more detailed description of the Project Area is presented in *Section II, The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area*.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light

or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by: (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of way, or (5) the area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 or more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) above relating to vacant areas, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of blight, this evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighting factors throughout the project area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Project Area is found to be eligible as a blighted area within the definition set forth in the Act. Included in the Project Area are three subareas: (i) Improved Areas with 10 of the 14 factors set forth in the Act; (ii) Vacant Areas with 3 of the 5 factors set forth in the Act; and (iii) Vacant railroad right-of-way.

Figure 1B, *Subareas Boundary* illustrates the three subareas described in more detail below.

### **Improved Areas**

The improved area within the Project Area is found to be eligible as an "improved" blighted area within the definition set forth in the Act. Specifically,

- Of the fourteen factors set forth in the Act for "improved" blighted areas, ten are present in the improved portion of the Project Area.
- The factors present are reasonably distributed throughout the improved portion of the Project Area.

- All blocks within the improved portion of the Project Area show the presence of blight factors.
- The improved portion of the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

#### **Vacant Areas**

The vacant area within the Project Area is found to be eligible as a “vacant” blighted area within the definition set forth in the Act. Specifically,

- Approximately 26.2 acres within the vacant area are characterized by 3 of the 5 factors listed under the first requirement for “vacant” blighted areas as set forth in the Act. These factors include: obsolete platting, diversity of ownership, and deterioration of structures and site improvements in areas adjacent to the vacant land.
- The factors are reasonably distributed throughout this vacant area within the Project Area.
- All blocks within this vacant area show the presence of blight factors.
- This vacant area within the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

#### **Vacant Railroad Right-Of-Way**

The vacant area within the Project Area is found to be eligible as a “vacant” blighted area within the definition set forth in the Act. Specifically,

- Approximately 4 acres within the vacant area consist of unused railroad right-of-way.

## I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key findings in adopting the Act:

1. That there exist in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that the prospective Redevelopment Project Area qualifies as a "blighted area" within the definitions set forth in the Act (Section 11-74.4-3). These definitions are paraphrased below:

### ELIGIBILITY OF A BLIGHTED AREA

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

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

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant.
- The area immediately prior to becoming vacant qualified as a blighted improved area, or
- The area consists of an unused quarry or unused quarries, or
- The area consists of unused railyards, rail tracks or railroad right-of-way, or
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or (is) in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in the first bullet item above for a vacant blighted area, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

## ELIGIBILITY OF A CONSERVATION AREA

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the fourteen factors listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Abandonment
- Excessive vacancies
- Overcrowding of structures and community facilities

- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning.

While the Act defines a blighted area, it does not define the various factors, nor does it describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as a blighted area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present and the presence of each must be documented;
2. For a factor to be found present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the Project Area as a whole; it is not required that eligibility be established for each and every property in the project area.

The City of Chicago is entitled to rely on the findings and conclusions of this report in designating the Project Area as a redevelopment project area under the Act. TPAP has prepared this report with the understanding that the City would rely (i) on the findings and conclusion of this report in proceeding with the designation of the Project Area as a redevelopment project area under the Act, and (ii) on the fact that TPAP has obtained the necessary information to conclude that the Project Area can be designated as a redevelopment project area in compliance with the Act.

## II. THE 105TH STREET AND VINCENNES AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

The Project Area consists of an area of approximately 57.8 acres, including perimeter and interior streets. The area contains one active rail line servicing both Metra commuter and freight trains and one vacated rail line formerly used by the Pittsburgh, Cincinnati, Chicago, & St. Louis Railroad. The Project Area is located along the western edge of the Washington Heights community area on the City's south side and is generally bordered on the north by 103rd Street; on the east by the I-57 Expressway right-of-way; on the south by 107th Street; and on the west by Vincennes Avenue, including the small triangular block bordered by Charles Street and 104th Street. Figure 1A, *Project Area Boundary*, illustrates the boundary of the Project Area.

The Project Area consists of both vacant and built-up areas. As indicated in Figure 1B, vacant areas exist in five of the eight tax blocks comprising the Project Area. Vacant land areas, including vacated streets in Block 116 and the vacated railroad right-of-way, total 30.2 acres, or 52.2 percent of the total acreage within the Project Area.

Table 1 illustrates the acreage of various subareas within the Project Area.

**Table 1, Acreage Distribution**

### 105th Street and Vincennes Avenue Tax Increment Financing Redevelopment Project Area

Area	Acres	Percent of total
• Vacant land/parcels	26.2	45.3
• Vacant land consisting of former railroad right-of-way	4.0	6.9
• Improved land/parcels	6.6	11.4
• Streets and Metra rail line right-of-way	21.0	36.4
<b>Total Project Area</b>	<b>57.8</b>	<b>100.0</b>

The Project Area consists of eight irregularly shaped tax blocks, three of which contain exempt parcels and five of which contain taxable parcels. The largest of these blocks is comprised of one large parcel which spans four city blocks and was formerly the site of the Chicago Bridge and Iron Works Company. The triangular shape of the blocks was established decades earlier by the diagonal alignment of Vincennes Avenue and the Metra -Rock Island and Pacific Rail Line which run parallel to, and along side of, each other.

In addition to these conditions, several other factors have influenced the overall shape and character of the Project Area. First, the construction of the I-57 Expressway effectively cut off the Project Area from the residential neighborhood and typical grid street pattern located to the east. Second,



the closure of the Chicago Bridge and Iron Works Company resulted in a large vacant parcel in the heart of the Project Area. Third, the removal of the former Pittsburgh, Cincinnati, Chicago, and St. Louis Railroad, which bisects the area in a northwest to southeast direction, further contributed to the amount of vacant land within the Project Area. Finally, vacant parcels are widely scattered throughout the remaining blocks within the Project Area.

The Project Area is dominated by the former Chicago Bridge and Iron Works plant site. A combination of long-term vacancy, weather damage, lack of maintenance of the main building, fly dumping and the existence of building remains and debris on the former Chicago Bridge and Iron Works plant site as well as in the surrounding area, has resulted in the current condition of extreme deterioration and has adversely impacted adjacent property.

The Metra Station is at the north end within the Project Area. Access to the Project Area is good from all directions and is provided by Vincennes Avenue, 107th Street, and 103rd Street; which provides access to all parts of the surrounding area in this part of the City and to the I-57 Expressway.

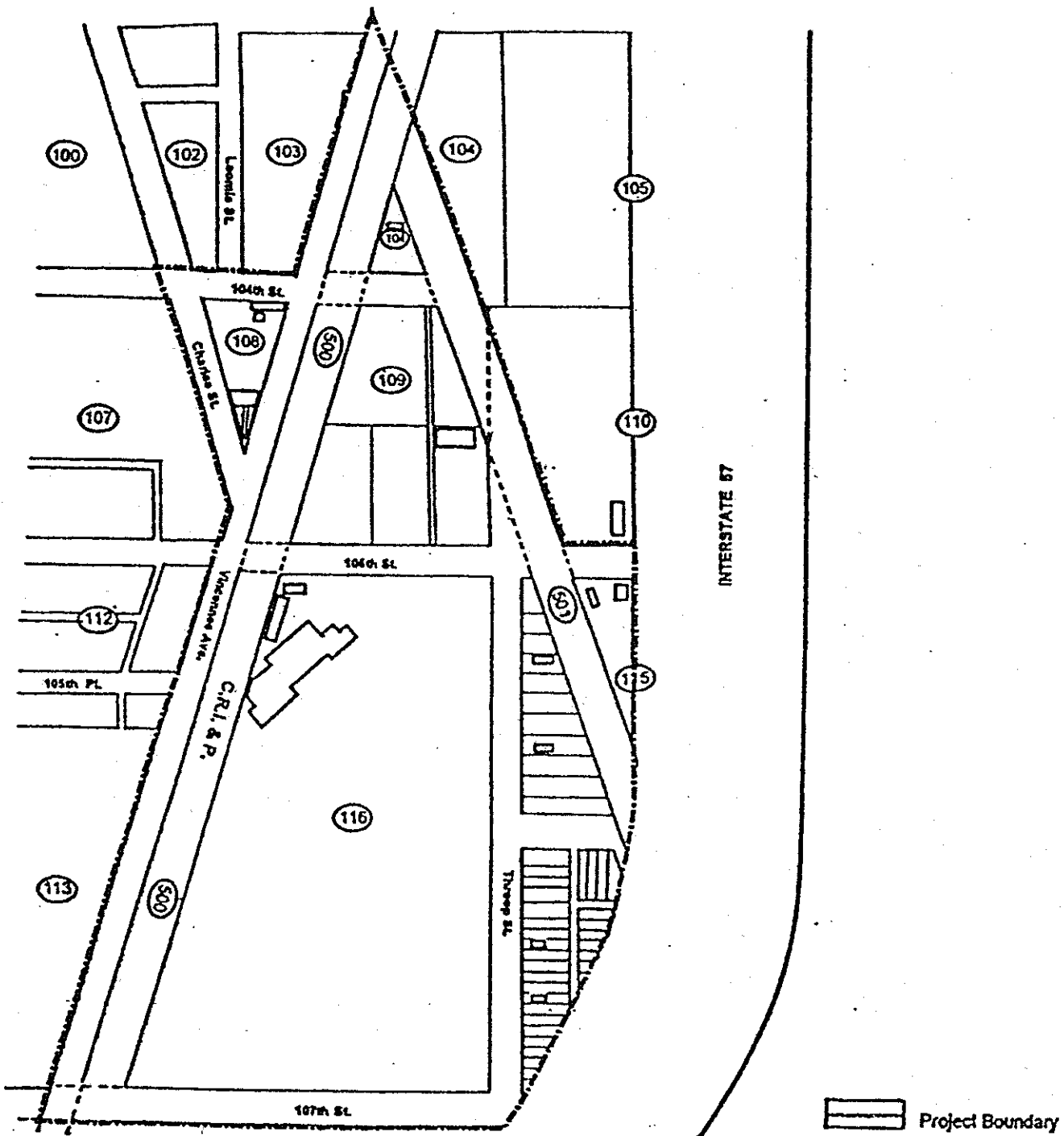


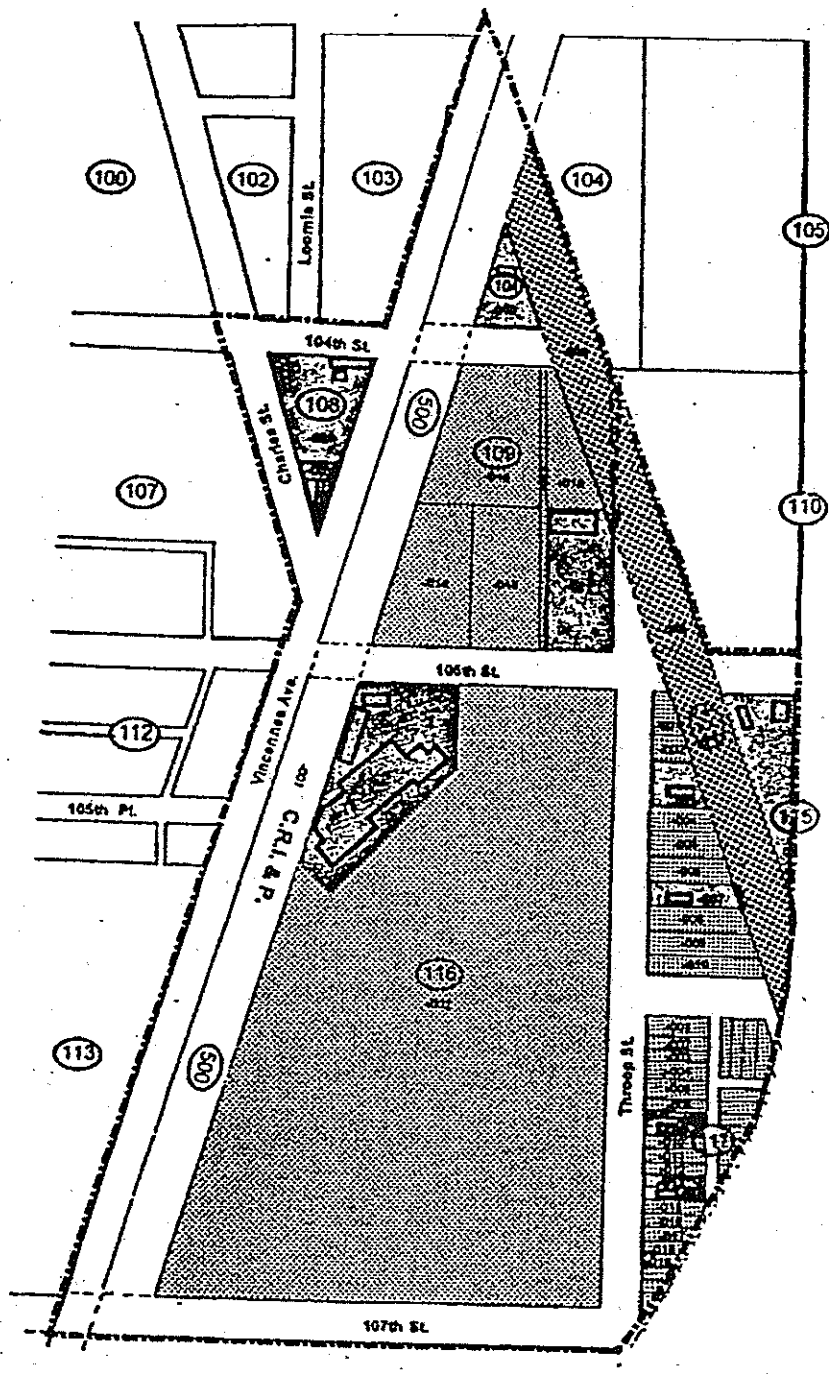
Figure 1A  
**PROJECT AREA BOUNDARY**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

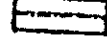



**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing and Development Project



INTERSTATE 57

-  Project Boundary
-  Improved Areas
-  Vacant Areas
-  Vacant Railroad Right-Of-Way



north

Figure 1B  
SUBAREAS BOUNDARY

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

### III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS

An analysis was completed for each of the blighted area eligibility factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP included:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, lighting, curbs and gutters, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of exterior building conditions to property maintenance codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings; and
8. Review of previously prepared plans, studies and data.

In October of 1996 and again in March of 1997, TPAP documented conditions based on exterior inspections of all buildings. Noted during the inspection were structural deficiencies of individual buildings and related environmental deficiencies in the Project Area. Figure 2, *Existing Land Use* identifies existing land uses within the Project Area and Figure 3, *Exterior Survey Form*, illustrates the building condition survey form used to record building conditions.

The following statement of findings is presented for each blighted area eligibility factor listed in the Act. The conditions that exist and the relative extent to which each factor is present in the Project Area are described.

A factor noted as not present indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist which document that the factor is present, but that the distribution or impact of the blight condition is limited. Finally, a factor noted as present to a major extent indicates that conditions exist which document that the factor is present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

What follows is the summary evaluation of the 14 factors for an "improved" blighted area. The factors are presented in order of their listing in the Act.

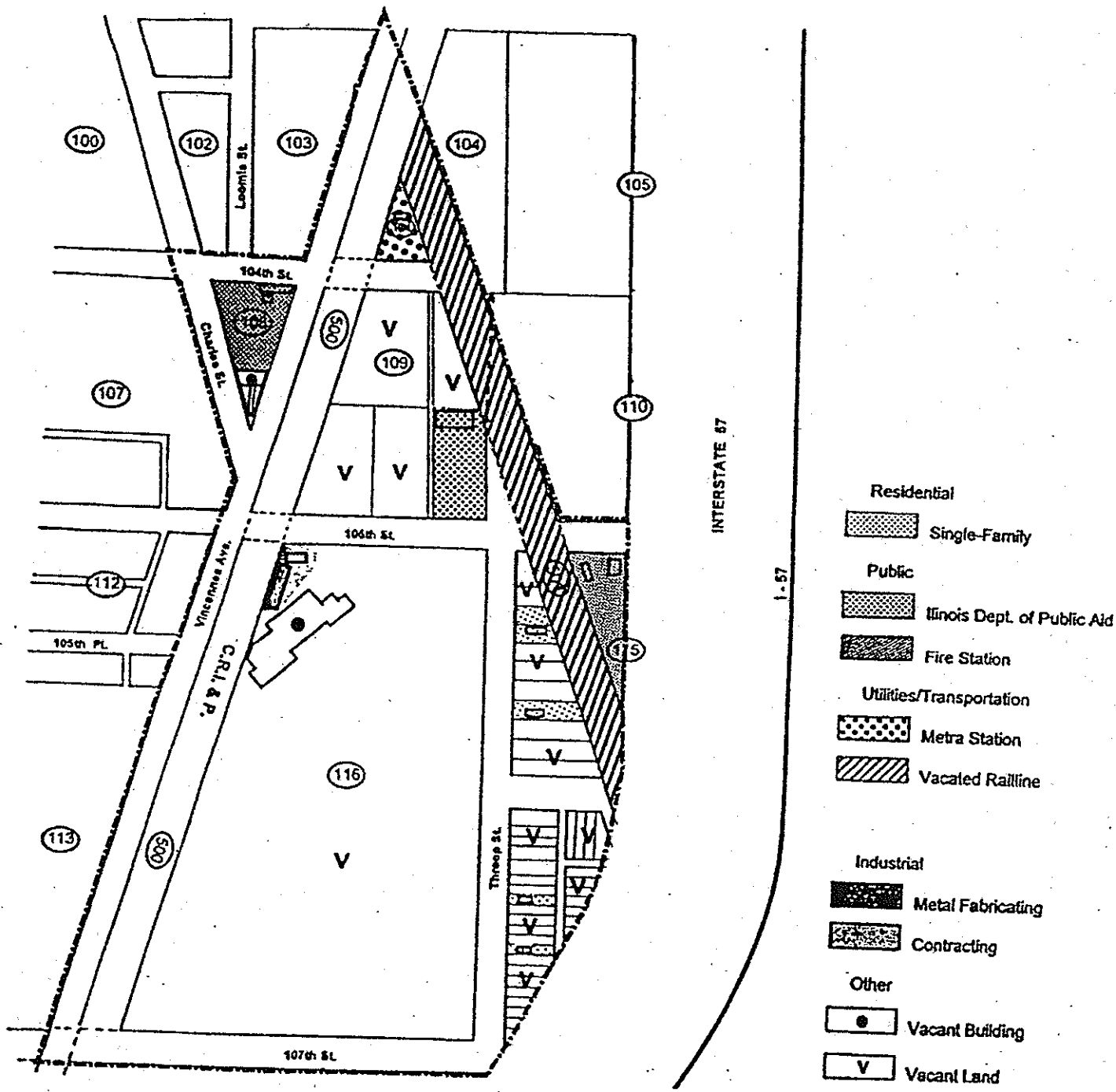


Figure 2  
EXISTING LAND-USES

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.



## A. AGE

Age as a blighting factor presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, temperature and moisture, structures which are 35 years or older typically exhibit more problems and require a greater level of maintenance than more recently constructed buildings.

Figure 4, *Age* illustrates the location of all buildings in the Project Area which are more than 35 years of age.

### **Conclusion**

Of the total thirteen principal buildings and related accessory buildings and structures, all thirteen, or 100 percent, are 35 years of age or older. Age as a factor of blight is present to a major extent.

## B. DILAPIDATION

Dilapidation refers to advanced disrepair of buildings and site improvements. Webster's New Collegiate Dictionary defines "dilapidate," "dilapidated," and "dilapidation" as follows:

- Dilapidate, "...to become or cause to become partially ruined and in need for repairs, as through neglect."
- Dilapidated, "...falling to pieces or into disrepair; broken down; shabby and neglected."
- Dilapidation, "...a dilapidating or becoming dilapidated; a dilapidated condition."

To determine the existence of dilapidation, an assessment was undertaken of all buildings within the Project Area. The process used for assessing building conditions, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation are presented below.

The building condition analysis is based on an exterior inspection of buildings and site improvements undertaken during October of 1996 and again in March of 1997. Noted during the inspections were structural deficiencies in building components and related environmental deficiencies in the Project Area. Dilapidation as a factor can refer to site improvements but for purposes of this study has been documented in the section describing *Deterioration*.

### ***1. Building Components Evaluated***

During the field survey, each component of a subject building was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

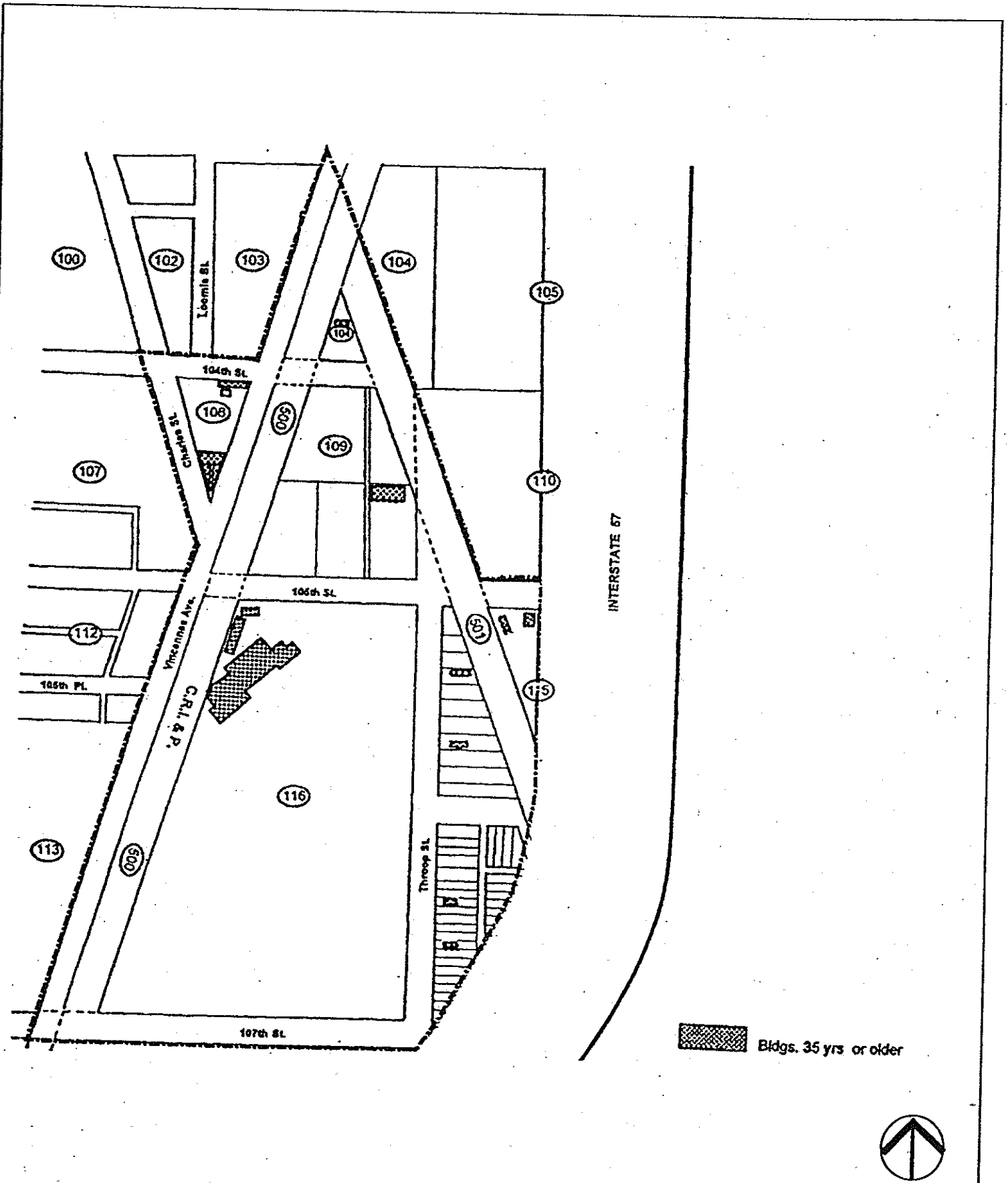


Figure 4  
AGE

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

105th Street & Vincennes Avenue

Chicago, Illinois



-- Primary Structural.

These include the basic elements of any building: foundation walls, load bearing walls and columns, roof and roof structure.

-- Secondary Components.

These are components generally added to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys, and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in the various components have on the remainder of the building.

## ***2. Building Rating Classifications***

Based on the evaluation of building components, each building was rated and classified into one of the following categories:

### Sound

Buildings which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.

### Deficient

Buildings which contain defects (loose or missing material or holes and cracks) over a limited or widespread areas which may or may not be correctable through the course of normal maintenance (depending on the size of the building or number of buildings in a large complex). Deficient buildings contain defects which, in the case of limited or minor defects, clearly indicate a lack or a reduced level of maintenance. In the case of major defects, advanced defects are present over widespread areas, perhaps including mechanical systems, and would require major upgrading and significant investment to correct.

### Dilapidated

Building which contain major defects in primary and secondary components and mechanical systems over widespread areas within most of the floor levels. The defects are so serious and advanced that building is considered to be substandard, requiring improvements or total reconstruction which may either be infeasible or difficult to correct.

### **Conclusion**

Of the thirteen buildings, four are in a substandard (dilapidated) condition. These include the largest remaining building on the former Chicago Bridge and Iron Works site, one commercial building and two residential buildings. The factor of dilapidation is present to a major extent in the Project Area.

Figure 5, *Dilapidation* illustrates the location of substandard (dilapidated) buildings in the Project Area.

### C. OBSOLESCENCE

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

- Functional Obsolescence

Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupant at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

- Economic Obsolescence.

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence

#### 1. Obsolete Building Types

Functional or economic obsolescence in buildings, which limits their long-term use or reuse, is typically difficult and expensive to correct. Deferred maintenance, deterioration and vacancies often result, which can have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

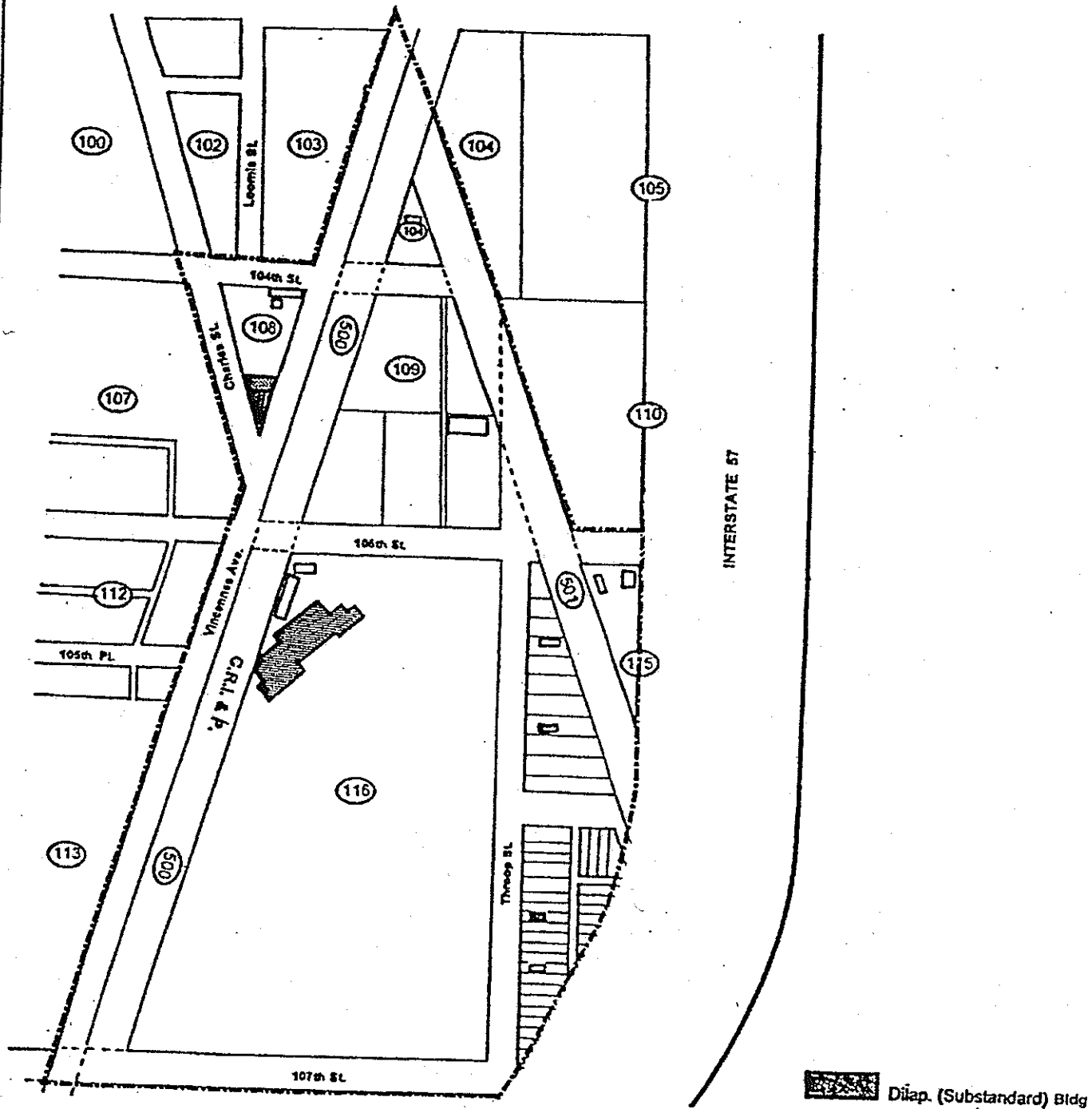


Figure 5  
**DILAPIDATION**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing and Development Project

Functional obsolescence is present in seven of the thirteen buildings in the Project Area. Characteristics observed in the obsolete buildings include both large and small, single-purpose industrial buildings not suitable for improvement or conversion to accommodate other activity, small structures with limited utility or adaptable design for expansion and re-use; older buildings of narrow width or irregular shape with limited space and amenities for existing use or potential for conversion to accommodate future activity (fire station and vacant commercial building previously occupied by a pet service); and older buildings converted from their original use to accommodate present activity such as the Public Aid facility.

These buildings are characterized by obsolescence which limit their efficient or economic use consistent with contemporary standards. All thirteen buildings in the Project Area are impacted by functional and economic obsolescence.

### 1. Obsolete Site Improvement/Platting

While the layout of the area, including block and parcel size and shape, is the result of the alignment of two rail lines and the construction of I-57, these existing characteristics are nevertheless present. This poor layout is compounded by the platting of small lots in two residential blocks which are unsuitable for development on an individual lot basis. Two very narrow parcels which are unsuitable for development also exist in Block 109. The vacant building located on parcel -003 in Block 108 occupies the entire lot and provides no provision for off-street parking. The Metra station is located on a small triangular parcel with very limited parking space for commuters, forcing vehicles to park along 104th Street and along the vacated rail line right-of-way. Streets such as 104th Street, east of Vincennes and 105th Street, east of the vacated rail line were never completed with curbs, gutters and sidewalks and contain only semi-permanent street surfaces with extensive deterioration and pot holes. 106th Street, similarly, was never fully constructed and consists of a narrow gravel path.

### Conclusions

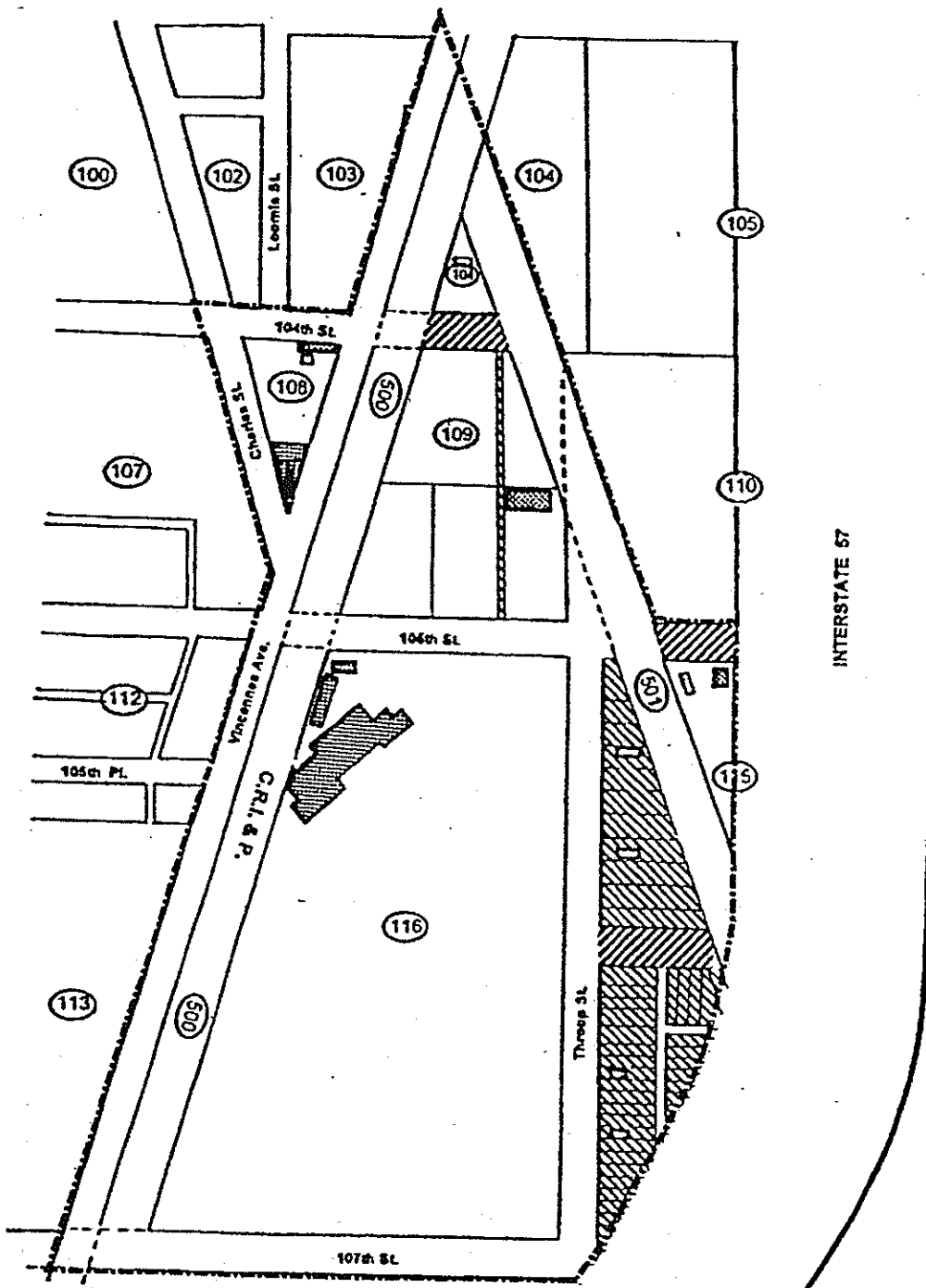
All of the 13 buildings in the Project Area are obsolete and obsolete platting is present throughout the Project Area. Obsolescence as a factor is present to a major extent in the Project Area.

Figure 6, *Obsolescence* illustrates the location of obsolete buildings in the Project Area.

### D. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of paint, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.






-  Obsolete Buildings
-  Obsolete Platting
-  Obsolete Streets



Figure 6  
**OBSOLESCENCE**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing...

- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. Minor deficient and major deficient buildings are characterized by defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, interior walls, ceilings, stairs etc.), and defects in primary building components (e.g., foundations, frames, roofs, floors, load-bearing walls or building systems etc.), respectively.

It should be noted that all buildings classified as dilapidated are also deteriorated.

### Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Of the total thirteen buildings and related structures, 11 buildings, or 84.6 percent, are classified as deteriorated or deteriorating.

Table 2, *Summary of Building Deterioration*, summarizes building deterioration within the blocks containing buildings in the Project Area.

**Table 2, Summary of Building Deterioration**

Block	Total Structures	No. Sound	Minor Deficient	Major Deficient	Substandard (Dilap.)	Percent Deteriorated
104	1	--	1	--	--	100.0
108	3	1	1	--	1	66.7
109	1	--	1	--	--	100.0
115	4	1	--	2	1	75.0
116	2	--	--	1	1	100.0
117	2	--	--	1	1	100.0
<b>Total</b>	<b>13</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>100.0</b>
<b>Percent</b>	<b>100.0</b>	<b>15.3</b>	<b>23.1</b>	<b>30.8</b>	<b>30.8</b>	<b>84.6</b>

### Deterioration of Parking and Site Surface Areas

Field surveys were conducted to identify the condition of parking and surface storage areas. All parcels contain either gravel or sandy surfaces or deteriorated asphalt and/or concrete around the perimeter of all buildings within each of the properties. These surface areas contain depressions, pot holes, debris (including junk and fly dumping), overgrowth of high weeds (including weeds protruding through concrete or asphalt), weed trees, and exposed storage of industrial equipment (including inoperable junk vehicles).

### **Deterioration of Street Pavement, Curbs and Gutters**

Several interior streets (105th Street and 106th Street, east of Throop) are gravel or sand surface with depressions, weed growth and pot holes. 104th Street and 105th Street contain rough pavement, pot holes, deteriorated curbing, and limited sections of broken sidewalk. Additionally, 104th and 105th Streets lack sidewalks and curbs in several sections and are impacted by fly dumping, weeds and debris.

### **Conclusion**

Deterioration is present in 11 of the 13 buildings in the Project Area and deterioration of site improvements is present throughout the Project Area. Deterioration as a factor is present to a major extent in the Project Area.

Figure 7, *Deterioration* illustrates deterioration within the improved portions of the Project Area.

### **E. ILLEGAL USE OF INDIVIDUAL STRUCTURES**

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

A review of the City's Zoning Ordinance indicates that the entire area is zoned for either a manufacturing district, east of Vincennes Avenue or for commercial activity, west of Vincennes Avenue. While the residential properties and the Public Aid facility are not in compliance with this zoning, the Public Aid facility is permitted by special use and the residential properties are legal non-conforming uses and therefore are not considered illegal activities.

### **Conclusion**

No illegal uses of individual structures were evident from the field surveys conducted.

### **F. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS**

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed so they will be strong enough to support the loads expected, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

Of the thirteen structures in the Project Area, eight contain visible defects over major portions of the various components, including advanced defects which are below the current building and property maintenance code for existing buildings.





## Conclusion

The results of the analysis, based on exterior surveys, indicate that the factor of structures below minimum code standards is present to a major extent within a large portion (four of the eight tax blocks) of the Project Area.

Figure 8, *Structures Below Minimum Code Standards* illustrates buildings and site improvements which are below minimum code standards.

## G. EXCESSIVE VACANCIES

Excessive vacancies as a factor refers to the presence of buildings or sites which are either unoccupied or not fully utilized, and which represent an adverse influence on the surrounding area because of the frequency, or the duration of vacancies. Excessive vacancies include properties for which there is little expectation for future occupancy or utilization.

Two of the largest commercial and industrial buildings are vacant. The largest building on the former Chicago Bridge and Iron Works site has been vacant since 1972 when the company moved to a suburban location. The multi-story commercial building in Block 108, formerly occupied by the Beverly Veterinary Clinic, has been vacant for over a year and is for sale. While smaller buildings, including residential structures remain occupied, these two large buildings and the vacant nature of the Project Area continue to adversely impact major portions of the surrounding area.

## Conclusion

Excessive vacancies are present in the two largest buildings in the Project Area, one of which has been vacant for 25 years. The factor of excessive vacancies is present to a major extent in the Project Area.

Figure 9, *Excessive Vacancies* illustrates buildings in the Project Area which are 20 percent or more vacant.

## H. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

Overcrowding of structures and community facilities refers to the utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without regard for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

## Conclusion

No conditions of overcrowding of structures and community facilities have been documented as part of the surveys and analyses undertaken within the Project Area.

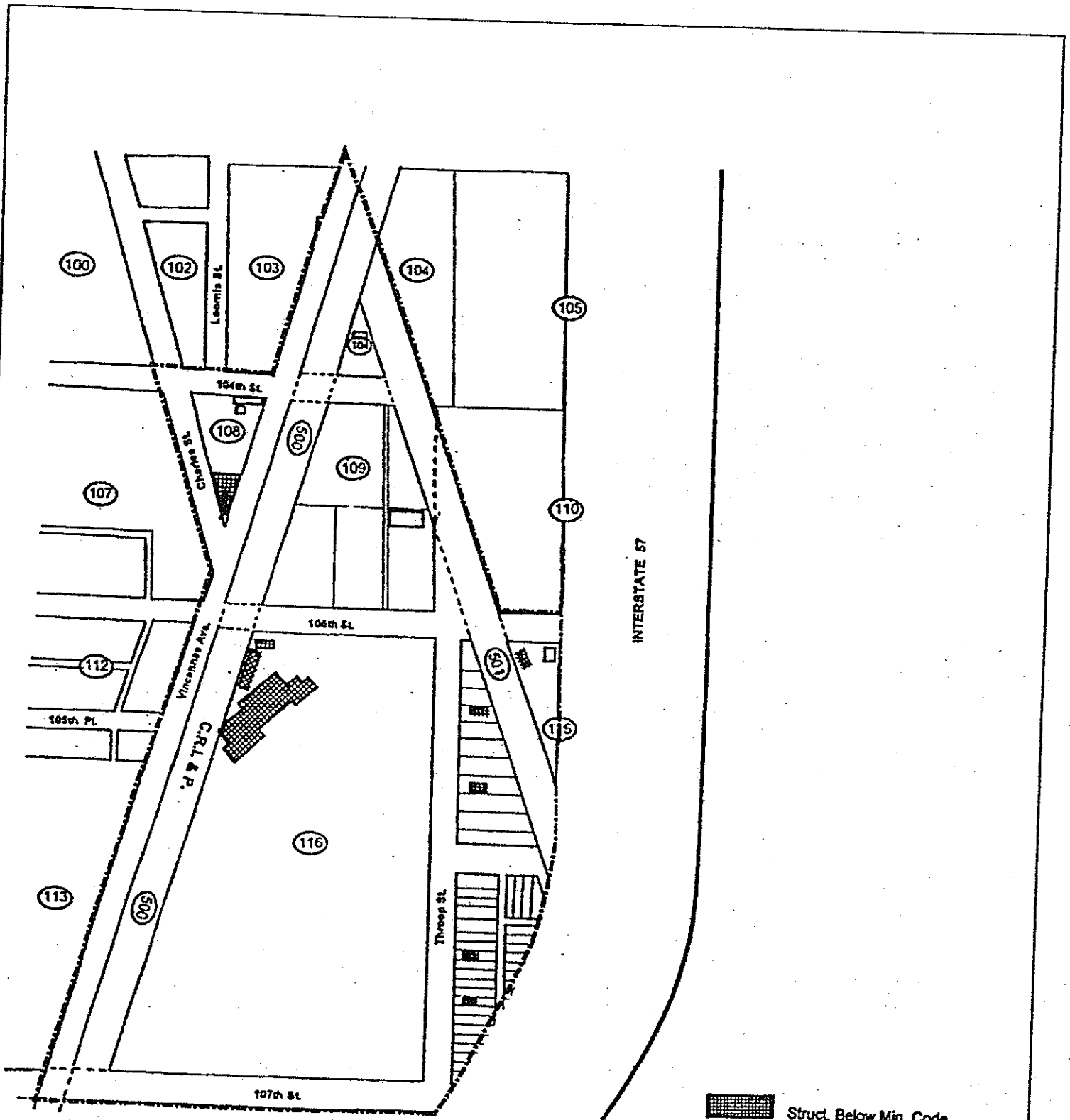


Figure 8  
**STRUCTURES BELOW  
 MINIMUM CODE STANDARD**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

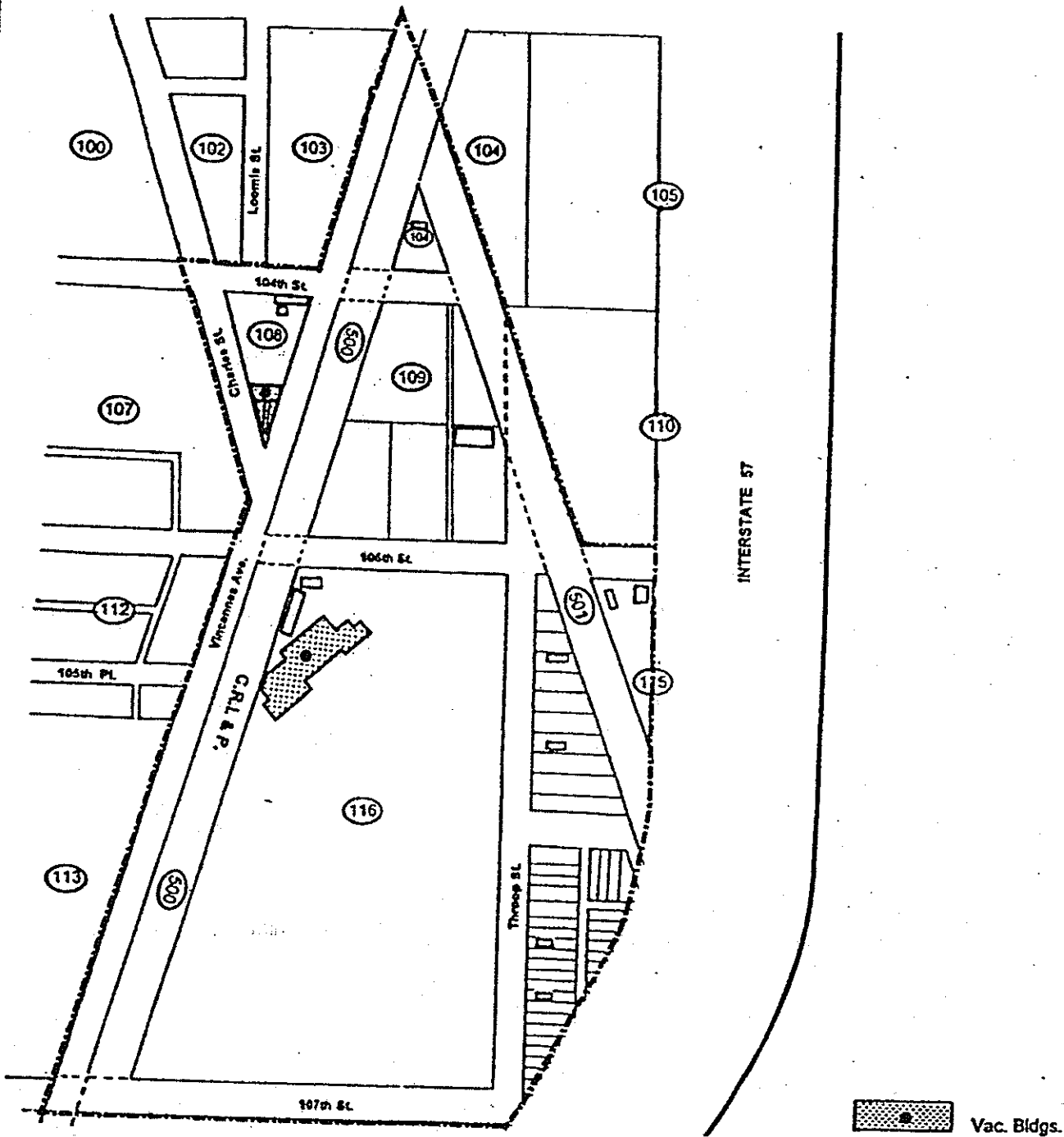


Figure 9  
**EXCESSIVE VACANCIES**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

## **I. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES**

Lack of ventilation, light, or sanitary facilities refer to substandard conditions which adversely affect the health and welfare of building occupants, *e.g.*, residents, employees, or visitors. Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, *i.e.*, bathrooms, and rooms that produce dust, odor or smoke;
- Adequate natural light and ventilation by means of skylights or windows, proper window sizes and adequate room area to window area ratios; and
- Adequate sanitary facilities, *i.e.*, garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

### **Conclusion**

The factor of lack of ventilation, light or sanitary facilities is not documented as part of this report.

## **J. INADEQUATE UTILITIES**

Inadequate utilities refers to deficiencies in the capacity or condition of utilities which service a property or area, including but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, and natural gas lines.

### **Conclusion**

While the extension of existing sewers, drains and structures is required and water supply and sanitary sewers would need to be upgraded and extended to accommodate any new development in the future, no conditions of inadequate utilities in place have been documented as part of the surveys and analysis undertaken within the Project Area.

## **K. EXCESSIVE LAND COVERAGE**

Excessive land coverage refers to the over-intensive use of land and the crowding of buildings and accessory facilities on a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, and increased threat of the spread of fires due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking and inadequate provision for loading and service. Excessive land coverage has an adverse or blighting effect on nearby development.

One multi-story building, previously occupied by Beverly Veterinary Clinic and more recently occupied by a pet grooming business, has been vacated. This property, which includes the main brick building and frame sheds, covers nearly 95 percent of a small triangular parcel. The result is that no provision for off-street parking, loading and service is possible without using the adjacent parking area of the Fire Department property.

### **Conclusion**

The factor of excessive land coverage is present to a limited extent, impacting one parcel out of the entire Project Area.

Figure 10, *Excessive Land Coverage* illustrates the presence of this factor in the Project Area.

## **L. DELETERIOUS LAND-USE OR LAYOUT**

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, and uses which may be considered noxious, offensive, or environmentally unsuitable.

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other nearby buildings.

### **Incompatible Uses**

Four single family residences in two of the eight blocks in the Project Area are inappropriately located in an area zoned as a manufacturing district. While the major industrial activity has terminated, industrial uses remain in the area. The residential uses are located in the area as a result of the I-57 expressway which has severed these blocks from the residential neighborhood east of the expressway and are also isolated from the residential neighborhood to the south.

### **Improper platting/layout**

The entire Project Area is impacted by triangular small blocks including two blocks platted for residential development with small narrow parcels. A vacated rail line right-of-way which runs diagonally through the area further dissects the block pattern of the area, restricting land assembly and contributing to the existing block and parcel configuration. Several interior streets were never fully improved with permanent pavement, curbs, gutters and sidewalks.

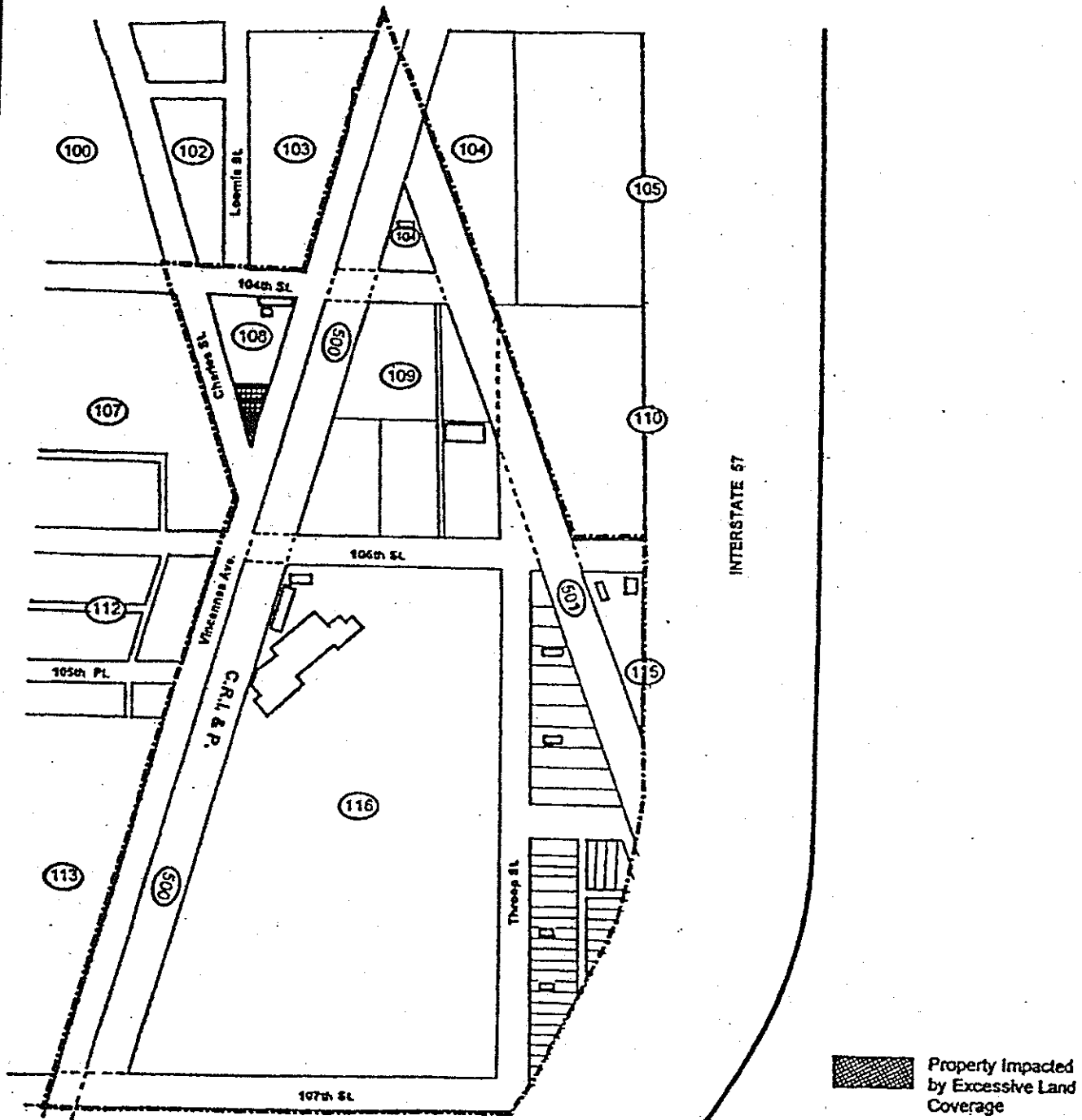


Figure 10  
**EXCESSIVE LAND COVERAGE**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.



**105th Street & Vincennes Avenue**

**Chicago, Illinois**

## Conclusion

Deleterious land-use or layout is present to a major extent throughout the entire Project Area.

Figure 11, *Deleterious Land-Use or Layout* illustrates the presence of this factor in the Project Area.

## M. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the deferred maintenance of buildings, parking areas and public improvements such as alleys, sidewalks, and streets.

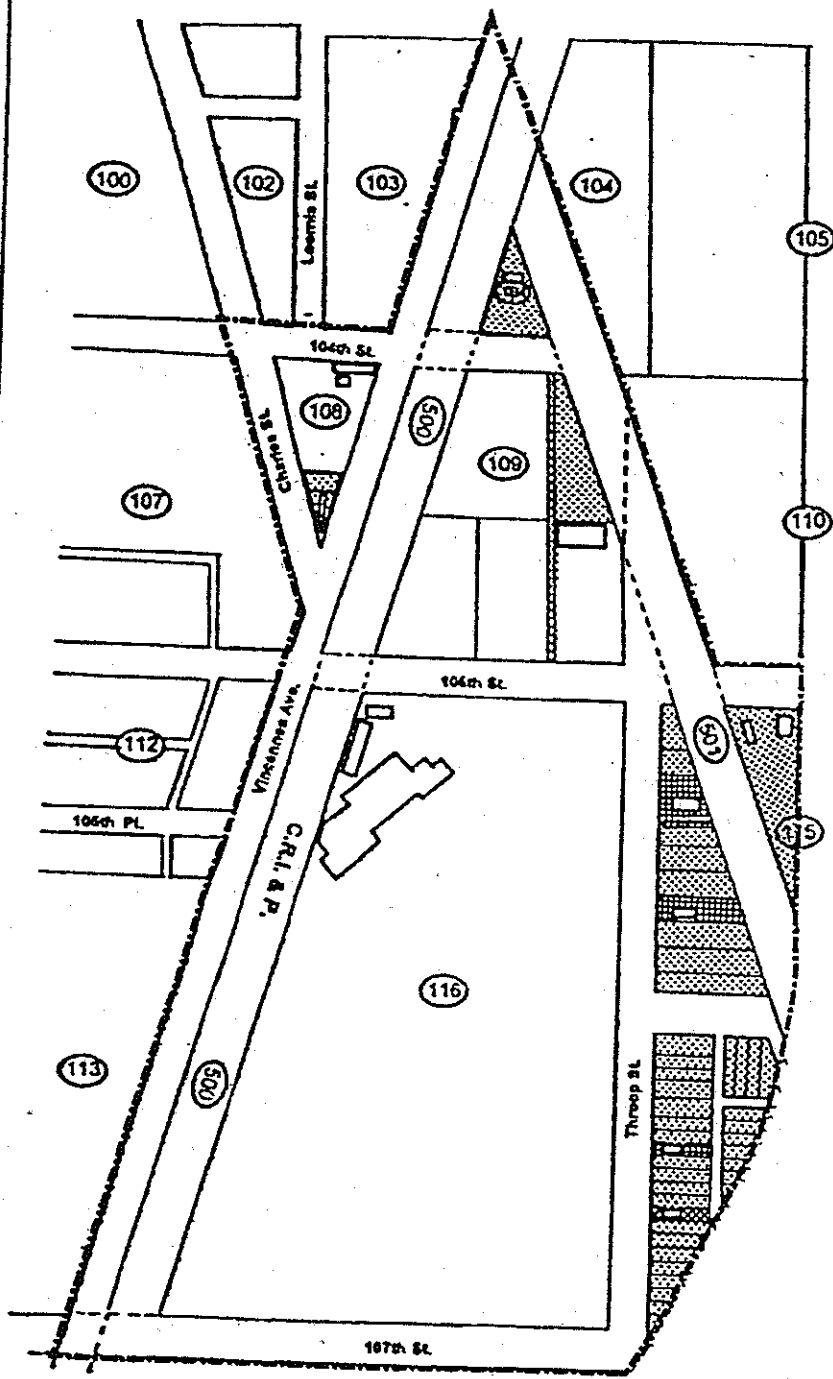
The presence of this factor within the Project Area includes:

- Buildings. All properties, including the remains of the former Chicago Bridge and Iron Works Company plant complex, suffer from advanced deterioration and deferred maintenance of building components, including roofs, fascias, exterior walls, doors and windows, loading docks, porches and steps, gutters and downspouts.
- Storage Yards, Premises and Fences. In addition to the deferred maintenance of buildings with advanced deterioration, all improved properties contain areas with junk storage and debris, abandoned cars, broken concrete sections, high weeds, gravel site surfaces with pot holes, and lack screening and general upkeep. The cyclone perimeter fencing around the former Chicago Bridge and Iron Works site is rusted, contains bent posts and is overgrown with high weeds. Several building remains are still present on the site as well as excavations from underground storage tank removal and piles of building debris. Fly dumping is evident on widespread portions of the site and along interior streets. Two of the residential properties contain excessive storage of vehicles, including cars, buses and semi trucks and trailers. Parking areas at the Metra Station, fire station and at the Public Aid facility are deteriorated and overgrown with weeds or contain gravel with depressions and irregular surfaces.
- Streets. Three of the four interior streets serving the Project Area are poorly maintained, lack provisions for storm water drainage and contain irregular semi-permanent or gravel surfaces, narrow width, pot holes, weeds and debris.

## Conclusion

Depreciation of physical maintenance as a factor exists to a major extent throughout the Project Area.

Figure 12, *Depreciation of Physical Maintenance* illustrates the presence of this factor in the Project Area.





-  Incompatible Uses
-  Improper Platting  
(Small Parcels of Limited  
Size/Shape Unsuitable  
for Development - Lack  
of or Limited  
Off-Street Parking)



Figure 11  
**DELETERIOUS LAND-USE  
 OR LAYOUT**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.



## N. LACK OF COMMUNITY PLANNING

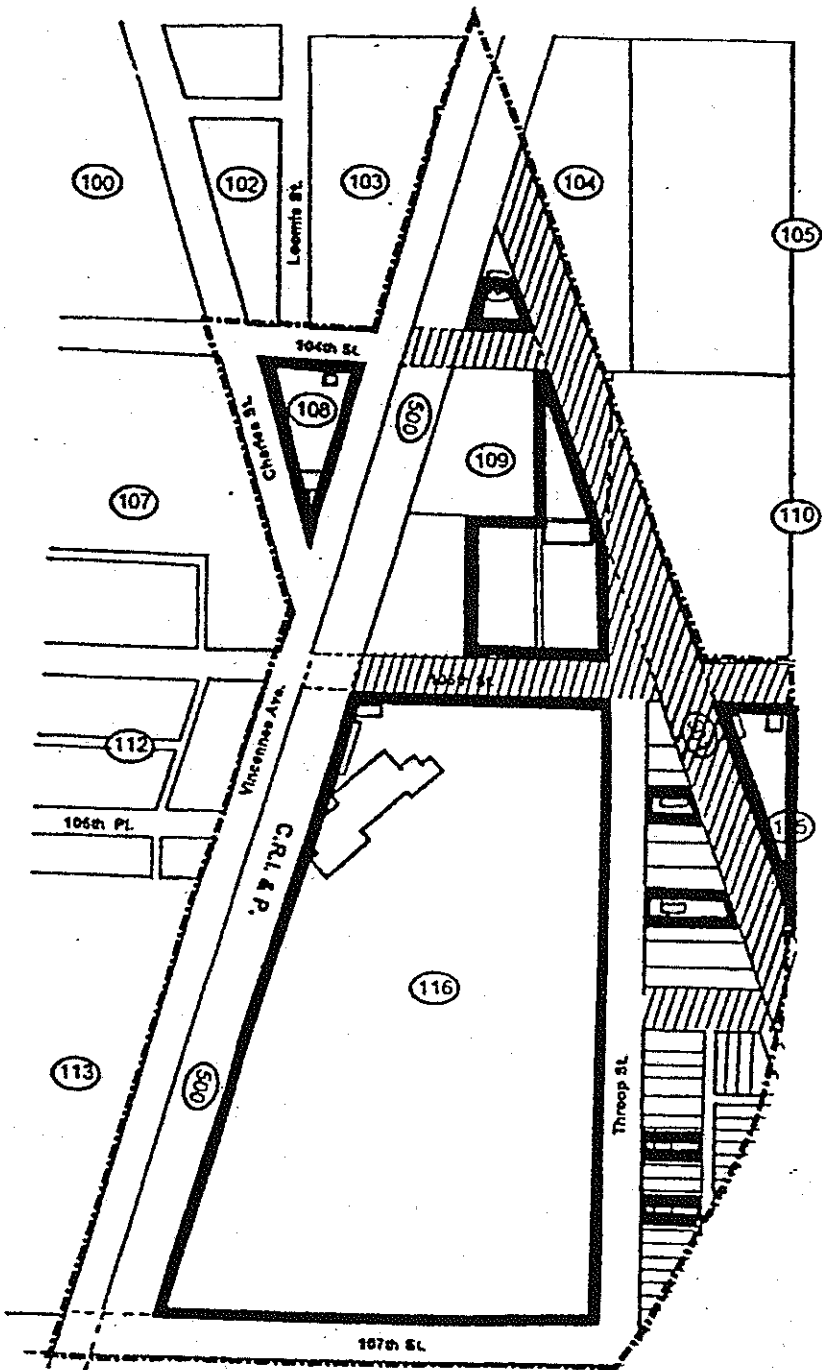
The Project Area was developed without the benefit or guidance of overall community planning. The Project Area developed on a parcel by parcel basis without development controls for industrial uses and the proper separation from residential areas in adjacent blocks at the time. The former Chicago Bridge and Iron Works Company, which provided the main activity in the area, was constructed back in 1889, long before other development occurred in adjacent blocks. The construction of the I-57 Expressway severed the area from the neighborhood to the east. The freight line, which has been vacated for numerous years further dissected blocks from the patterns and activity of surrounding areas.

In addition to the above-mentioned constraints of the Project Area, a lack of building and site planning guidelines during the original development of the area has partly contributed to the problem conditions which characterize the Project Area.

The current block, parcel and building configuration, lack of definable parking, inadequate loading and service areas, and the orientation of buildings and set backs are not consistent with present-day standards for industrial development.

### **Conclusion**

Lack of community planning as a factor is present to a major extent throughout the Project Area.





-  Properties Lacking Maintenance
-  Streets and Rail Line Right-of-Way Indicating Deferred Maintenance



Figure 12  
**DEPRECIATION OF  
 PHYSICAL MAINTENANCE**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

#### **IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: VACANT AREAS**

The vacant areas in the Project Area meet the requirements of the Act for "vacant" blighted areas under two criteria. These criteria are described as follows:

**1. Three of the five eligibility factors for "vacant" blighted areas are present in the vacant area within the Project Area. Only two are required under the Act.**

**a) Obsolete platting of the vacant land.**

Obsolete platting exists in five blocks which contain vacant land. Block 104 is bisected by the vacated rail line, resulting in one small triangular parcel remaining for Metra Station use. Block 109 contains one small irregularly shaped parcel and two parcels limited to 10 feet in width. Block 116 consists of a single parcel which spans four city blocks, includes vacated streets and has no interior access. Blocks 115 and 117 contain small narrow parcels, some of which are limited in depth or irregularly shaped as a result of the alignment of the vacated rail line and I-57 Expressway rights-of-way.

**b) Diversity of ownership.**

While most of the vacant land areas are under similar ownership, a total of nine (9) separate owners of record are indicated for all vacant parcels within the Project Area.

**c) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.**

All vacant land areas are adjacent to deteriorating structures or site improvements as described in Section III.

**2. A portion of the vacant area is eligible as "vacant" blighted area due to the presence of unused rail yards, rail tracks or railroad rights-of-way.**

Part of the Project Area includes a vacated Pittsburgh, Cincinnati, Chicago, & St. Louis rail line, which forms part of the eastern boundary and bisects four blocks. This right-of-way contains close to four acres within the Project Area, a portion of which is used as vehicular access and spill-over parking for the Metra Station.

#### **Conclusion**

The vacant area meets the minimum criteria required for eligibility as a "vacant" blighted area.

## V. DETERMINATION OF PROJECT AREA ELIGIBILITY

### VACANT AREA

The vacant areas within the Project Area meet the requirements of the Act for designation as a "vacant" blighted area. The sound growth of the taxing districts is impaired by a reasonable presence and distribution of the following criteria:

1. The vacant area exhibits 3 of the 5 "vacant" blighted area factors set forth in the Act including:
  - a) Obsolete platting of the vacant land.
  - b) Diversity of ownership of such land.
  - c) Deterioration of structures and site improvements in neighboring areas adjacent to the vacant land.
2. A portion of the vacant area consist of unused railyards, rail tracks or railroad rights-of-way.

### IMPROVED AREA

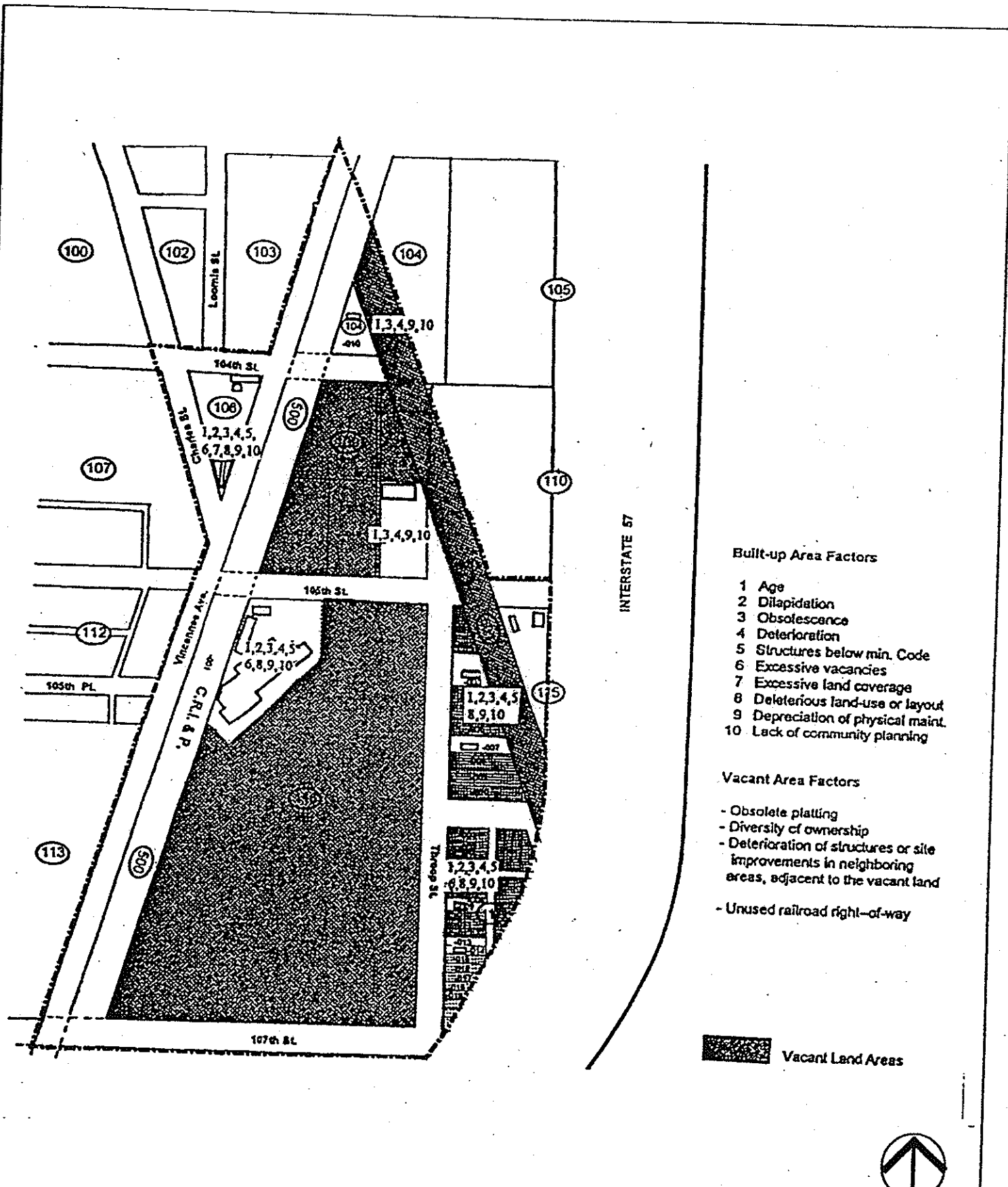
The improved areas within the Project Area meet the requirements of the Act for designation as an "improved" blighted area. There is a reasonable presence and distribution of 10 of the 14 factors listed in the Act for improved blighted areas. These blighting factors include the following:

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures below minimum code standards
6. Excessive vacancies
7. Excessive land coverage
8. Deleterious land-use or lay-out
9. Depreciation of physical maintenance
10. Lack of community planning

The distribution and summary of blighting factors is indicated in Figure 13, *Distribution of Blight Factors*.

The eligibility findings indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the

City. The Project Area is deteriorating and declining. All factors indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.



**Built-up Area Factors**

- 1 Age
- 2 Dilapidation
- 3 Obsolescence
- 4 Deterioration
- 5 Structures below min. Code
- 6 Excessive vacancies
- 7 Excessive land coverage
- 8 Deleterious land-use or layout
- 9 Depreciation of physical maint.
- 10 Lack of community planning

**Vacant Area Factors**

- Obsolete platting
- Diversity of ownership
- Deterioration of structures or site improvements in neighboring areas, adjacent to the vacant land
- Unused railroad right-of-way

 Vacant Land Areas



Figure 13  
**DISTRIBUTION OF BLIGHT FACTORS**

Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

**105th Street & Vincennes Avenue**

**Chicago, Illinois**

Tax Increment Financing and Development

**SUPPLEMENT TO THE  
105TH STREET AND VINCENNES AVENUE  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY**

**Summary of Existing Conditions**

The site at the northwest corner of Block 116 was occupied previously by two Chicago Bridge and Iron Works structures. Initial field analysis of the site completed in 1996, 1997, and in 1998 identified the two large structures which remained on the site. Site visits conducted in April 1999 and September 2001 documented that the structures and related site improvements have been demolished and the site is now vacant. Prior to becoming vacant, this improved area qualified as a Blighted Area under the Act as documented in the Eligibility Report dated May 12, 1997 and introduced to City Council on October 1, 1997. Nine of the fourteen factors set forth in the Act for Blighted Areas were present prior to the removal of these structures including: age, dilapidation, obsolescence, deterioration, structures below minimum code, excessive vacancies, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning.

The owners of the above-mentioned property were notified in 1997 that the existing site conditions and buildings were not in compliance with City codes and ordinances. Problem conditions cited roof damage, broken windows, and miscellaneous debris that included piles of railroad ties, drums of hazardous waste, concrete rubble and wood chips. The property owners were ordered to secure the site with fencing and remove the debris and buildings. The site was secured and debris was removed in 1998 and the buildings were razed in 1999.

**Impact to Eligibility**

With the removal of these buildings, this site no longer qualifies as an improved area. The area now qualifies as a vacant area that was blighted prior to becoming vacant. These changes reduce the acreage of the improved areas as well as the building count within the overall Project Area. References to building count, acreage, existing conditions and eligibility factors as they pertain to the above mentioned buildings which are affected by the change in existing conditions are found in the Eligibility Study on pages 1-3, 7-12, 14-16, 18-24, 26-31, 33-35 and 37. An additional reference affected by this change is found in the Redevelopment Plan on page 8.

The change in the number of buildings does not change the overall eligibility for either the vacant or improved portions of the Project Area. The total improved area factors remain at 10 of the 14 qualifying factors. One additional vacant site has been added to the vacant portion of the Project Area and qualifies under the criteria that the area was blighted prior to becoming vacant. The other remaining vacant areas in the Project Area are not affected by the eligibility analysis update.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-1

PROJECT BUDGET

	<b>TOTAL</b>
Land Acquisition	\$ 7,748,469
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$ 10,155,433
Hard costs in connection with the construction of residential units (foundation to finishes)	\$ 22,640,720
Soft Costs (professional fees, surveys, marketing, etc.)	\$ 6,321,598
<u>Financing &amp; Interest Expense</u>	<u>\$ 2,750,000</u>
<b><u>TOTAL</u></b>	<b><u>\$ 49,616,220</u></b>



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT D-2

CONSTRUCTION (MBE/WBE) BUDGET

	<b>TOTAL*</b>	<b>MBE 24%</b>	<b>WBE 4%</b>
Land Acquisition	n/a	n/a	n/a
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$10,155,433	\$2,437,304	\$406,217
Hard costs in connection with the construction of residential units (foundation to finishes)	\$22,640,720	\$5,433,773	\$905,629
Soft Costs (professional fees, surveys, marketing, etc.)	\$5,775,598	\$1,386,144	\$231,024
Financing & Interest Expense	n/a	n/a	n/a
<b><u>TOTAL</u></b>	<b><u>\$38,571,751</u></b>	<b><u>\$9,257,221</u></b>	<b><u>\$1,542,870</u></b>

---

\*Total Costs subject to MBE/WBE Requirements  
Actual MBE/WBE expenditures may vary among budgeted line items. However, the Total  
Actual MBE/WBE expenditures will equal or exceed the Total MBE/WBE budget.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA  
MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT E

SCHEDULE OF TIF-FUNDED IMPROVEMENTS

Land Acquisition	\$ 7,748,469
Site work, clearing and grading of land, infrastructure and public works or improvements (roadways, streetscape, lighting, park, etc.)	\$10,155,433
Soft Costs (professional fees, surveys, marketing, etc.)	\$ 1,108,478
<u>Financing &amp; Interest Expense</u>	<u>\$ 2,750,000</u>
<b><u>TOTAL</u></b>	<b><u>\$21,762,380</u></b>

Note: Notwithstanding the total of TIF-Funded Improvements, the assistance to be provided by the City is limited to not more than \$11,900,000.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT F

RESERVED

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT G

**CONSTRUCTION CONTRACT**

The construction contract for the Project is attached to this exhibit cover sheet.

AMENDED AGREEMENT BETWEEN OWNER AND GENERAL CONTRACTOR

AGREEMENT made as of the 29 day of June in the year of 2012

BETWEEN the Owner:

MGM/TGI 105<sup>th</sup> Street, LLC, an Illinois Limited Liability Company

and the Contractor:

The Terrell Group, Inc., an Illinois corporation

The Project is:

105<sup>th</sup> Street and Vincennes TIF Redevelopment Project Area

The Owner and Contractor agree as follows.

**ARTICLE 1 THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 8.

**ARTICLE 2 THE WORK OF THIS CONTRACT**

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

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

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

[REDACTED]

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

[REDACTED]

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

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than the dates set forth in the MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement, dated \_\_\_\_\_, (hereinafter referred to as the "RDA", a copy of which has been provided to the Contractor.

[REDACTED]

**Portion of Work**

**Substantial Completion Date**

[REDACTED]

[REDACTED]

, subject to adjustments of this Contract Time as provided in the Contract Documents.

**ARTICLE 4 CONTRACT SUM**

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be the "GC Per Home Fee" as set for in the Forbearance Agreement dated June 29, 2012, entered into between MGM/TGI 105<sup>th</sup> Street, LLC, the Terrell Group, Inc., Patrick C. Terrell, and Bridgeview Bank Group. In addition, upon execution of this Amended Agreement, Owner agrees to pay the Contractor an initial General Contractor Fee of One Hundred Thousand and 00/100 Dollars (\$100,000.00) for past work completed under the original Agreement dated October, 2006. Such past work consists of project management, lien and judgment research; facilitating communication, community outreach, and meetings with Aldermen Austin and Brookins; meetings with residents; attendance at and participation in City council and commission meetings, project budget revisions, infrastructure cost estimates, development of park site plans and negotiation of park dedication to Chicago Park District; meetings with marketing broker @Properties to develop pricing; contact with developers of prior homes to ensure their compliance; meetings with City's compliance department; preparing closing documents related to insurance, economic disclosures, work related to re-activating LLC status.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

None.

§ 4.3 Unit prices, if any, are as follows:

**Description**

**Units**

**Price (\$ 0.00)**

[REDACTED]

[REDACTED]

[REDACTED]

**ARTICLE 5 Intentionally Deleted.**

**ARTICLE 6 TERMINATION OR SUSPENSION**

§ 6.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-1997.

§ 6.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997.

**ARTICLE 7 MISCELLANEOUS PROVISIONS**

§ 7.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 7.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

( ) per annum

§ 7.3 The Owner's representative is:

Patrick Terrell

§ 7.4 The Contractor's representative is:

Patrick Terrell

§ 7.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 7.6 Other provisions:

None.

**ARTICLE 8 ENUMERATION OF CONTRACT DOCUMENTS**

§ 8.1 Scope of Work: Contractor agrees to construct single family residences in accordance with the plans and specifications for the "Regal", "Diplomat", "Monarch" and "Diplomat Deluxe" plans, and such further plans and specifications as may from time to time be approved by Owner's Lender, and in accordance with budgets to be approved by Owner's lender. Contractor further agrees that the construction of the residences shall be in accordance with the MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement.

§ 8.1.1 The Agreement is this executed 1997 Amended edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A101-1997.

§ 8.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997, as modified by the parties, and to the extent consistent with the Amended Agreement.

§ 8.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows

Document	Title	Pages

§ 8.1.4 The Specifications are those contained in the Project Manual dated as in Section 8.1.3, and are as follows:

Title of Specifications exhibit:

§ 8.1.5 The Drawings are as follows, and are dated unless a different date is shown below:

Title of Drawings exhibit:

§ 8.1.6 The Addenda, if any, are as follows:

Number	Date	Pages

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 8.

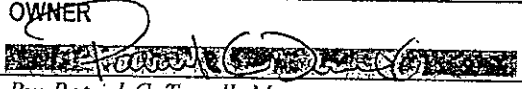
§ 8.1.7 Other documents, if any, forming part of the Contract Documents are as follows:

See Rider A to Amended Agreement

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.


MGM/TGI 105<sup>TH</sup> STREET, LLC

OWNER

  
By: Patrick C. Terrell, Manager

THE TERRELL GROUP, INC.

CONTRACTOR

  
Patrick C. Terrell, President



Rider A to Amended Agreement between Owner and General Contractor

General Contractor agrees to comply with all terms of the MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement, dated July 19, 2012, (hereinafter referred to as the "RDA") a copy of which has been provided to General Contractor. General Contractor agrees that any and all contracts entered into between the General Contractor and any subcontractor shall contain all the necessary terms and provisions required by said RDA.

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT H

APPROVED PRIOR EXPENDITURES

A Schedule of Approved Prior Expenditures  
is attached to this exhibit cover sheet.



DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT  
CITY OF CHICAGO

July 19, 2012

Patrick Terrell  
MGM/TGI 105<sup>th</sup> Street LLC  
616 South Access Road  
Suite 305  
Chicago, IL 60666

Re: MGM/TGI 105<sup>TH</sup> Street LLC Amended and Restated Redevelopment Agreement  
Confirmation of Prior TIF - Eligible Expenses

Dear Mr. Terrell:

The City of Chicago's Department of Housing and Economic Development ("**HED**") is providing this letter as confirmation for MGM/TGI 105<sup>th</sup> Street LLC ("**Developer**") and its successors and assigns that the City of Chicago (the "**City**") is in receipt of and has certified the eligibility of \$14,342,961.14 of TIF eligible expenses incurred and paid relating to the Amended and Restated Redevelopment Agreement referred to above (the "**Amended and Restated RDA**").

The City issued a Certificate of Expenditure of \$9,250,000 in connection with the City's issuance of a note of even amount on April 16, 2008 (the "**Old Note**") and that certain Redevelopment Agreement by and between the City and Developer dated as of October 20, 2006 and referred to in the Amended and Restated RDA as (the "**2006 RDA**"). As part of the closing of the Amended and Restated RDA (the "**Closing**");

- (i) The Old Note and related \$9,250,000 Certificate of Expenditure will be cancelled;
- (ii) The City will issue a new Certificate of Expenditure for \$3,200,000 to establish the opening value of the City Note referred to in the Amended and Restated RDA (the "**New Note**");
- (iii) The City will be providing funds in the amount of \$1,100,000 for reimbursement of the certified TIF eligible expenses.

Patrick Terrell  
July 19, 2012  
Page 2

The Closing elements described above will not in any way cancel or limit the remaining \$10,042,961.14 of certified TIF eligible expenses for purposes of future pay-as-you-go reimbursements (if any) in accordance with the terms of the Amended and Restated RDA.

The Department of Housing and Economic Development looks forward to working with you toward successful completion of this development.

Sincerely,



Andrew J. Mooney  
Commissioner

cc: Beth McGuire  
William Nyberg

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT I

PERMITTED LIENS

1. Liens or encumbrances against the Property (and related improvements):

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

2. Liens or encumbrances against Developer or the Project, other than liens against the Property (and related improvements), if any:

NONE

105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA

MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT J

FORM OF OPINION OF DEVELOPER'S COUNSEL

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

\_\_\_\_\_, 2012

City of Chicago  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company, in connection with the construction of certain improvements on the property in the 105th Street and Vincennes Avenue Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) MGM/TGI 105<sup>th</sup> Street LLC Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of each of Developer's
  - (i) Articles of Organization, as amended to date, (ii) Operating Agreement, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all limited liability company proceedings relating to the Project; and

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

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

Based on the foregoing, it is our opinion that:

1. Developer is a limited liability company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's Articles of Organization or Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of any lender providing lender financing.

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

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies the members of Developer and the number of membership interests held by each member. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the

equity of Developer. Each outstanding membership interest of Developer is duly authorized, validly issued, fully paid and non-assessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

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

8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

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



This opinion is issued at Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

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

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

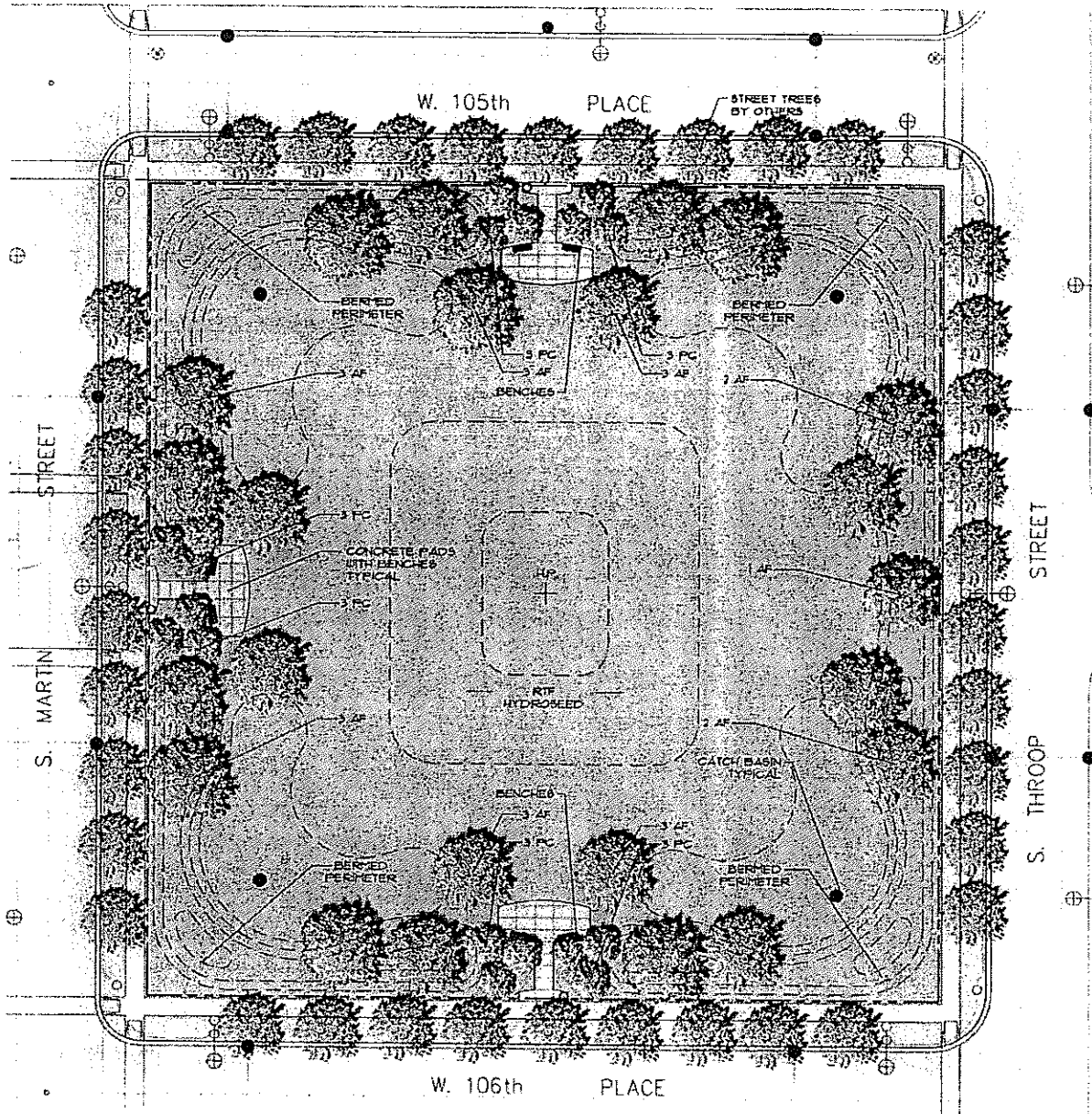
Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT K

PARK SITE PLAN

The Park Site Plan is attached to this exhibit cover sheet.

# EXHIBIT K PARK SITE PLAN



## PLANT LIST

CODE	BOTANICAL NAME	COMMON NAME	SIZE	ROOT	TOTAL	ADDITIONAL NOTES
DECIDUOUS TREES						
AF	ACER x FREEMANII 'AUTUMN BLAZE'	AUTUMN BLAZE MAPLE	5" CALIPER	B 4 B	23	BRANCHED UP 6'
PC	PYRUS CALLERYANA 'CHANTICLEER'	CHANTICLEER PEAR	3" CALIPER	B 4 B	18	BRANCHED UP 6'



**DANIEL WEINBACH  
&  
PARTNERS, LTD.**

Landscape Architects

53 W. Jackson Blvd., Suite 250  
Chicago, Illinois 60604  
312.427.2888  
Fax 427.7648

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT L

**FORM OF PAYMENT AND PERFORMANCE BOND**

A form of payment and performance bond is attached to this exhibit cover sheet.

# CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of \_\_\_\_\_ lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 199 \_\_\_\_\_

The Condition of the Above Obligation is such, That whereas the above

undersigned Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing date the

\_\_\_\_\_ day of \_\_\_\_\_ A.D. 19 \_\_\_\_\_ for \_\_\_\_\_

SPECIMEN

The said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and there shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs, and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any capacity whatsoever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all claims and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with respect to persons not so employed, shall pay at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all claims and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any case based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injury, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this litigation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless rescission thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no office of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the claimant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice herein provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of any of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_

Purchasing Agent

Approved as to form and legality:

Assistant Corporation Counsel

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT M

FORM OF CERTIFICATE OF EXPENDITURE AND CITY NOTE

A form of the Certificate of Expenditure and City Note are attached to this exhibit cover sheet

CERTIFICATE OF EXPENDITURE FOR CITY NOTE

\_\_\_\_\_, 2012

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$3,200,000 Tax Increment Allocation Revenue Note  
(MGM/TGI 105th Street LLC Redevelopment Project),  
Taxable Series A (the "City Note")

This Certificate is submitted to you, as Registered Owner of the City Note, pursuant to the Ordinance of the City authorizing the execution of the City Note adopted by the City Council of the City on \_\_\_\_\_, 2012 (the "Ordinance"). All terms used herein shall have the same meanings as when used in the Ordinance.

The City hereby certifies that \$3,200,000 is advanced as principal under the City Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note is \$3,200,000.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of \_\_\_\_\_, 2012.

CITY OF CHICAGO

By: \_\_\_\_\_ Commissioner  
Department of Housing and Economic  
Development

AUTHENTICATED BY:

\_\_\_\_\_  
REGISTRAR



TAXABLE SERIES A  
REGISTERED  
NO. R-1

PRINCIPAL AMOUNT  
\$3,200,000

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(MGM/TGI 105TH STREET LLC  
REDEVELOPMENT PROJECT), TAXABLE SERIES A

Registered Owner: MGM/TGI 105th Street LLC, an Illinois limited liability company

Interest Rate: \_\_\_% per annum (but not more than 8.50%)

Issue Date: \_\_\_\_\_, 2012

Principal Amount: \$3,200,000

Maturity Date: December 31, 2025, unless extended in accordance with Section 4.03 of the attached Redevelopment Agreement

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from those certain Pledged Revenues hereinafter identified, the principal amount of this Note (\$3,200,000) and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above from the Issue Date specified above. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above beginning on February 1st of each year until paid. Principal of and interest on this Note are payable annually on February 1st of each year in accordance with the attached amortization schedule from the following City Funds: (i) first from

funds within the 119th Street/I-57 Redevelopment Project Area in accordance with Section 4.03(c)(v)(A) of the Redevelopment Agreement, as defined below; (ii) only in the event such ported funds are insufficient to pay the amounts of principal and interest under the Note when due, from Available Incremental Taxes in accordance with Section 4.03(c)(v)(B) of the Redevelopment Agreement.

As described in the Redevelopment Agreement dated as of \_\_\_\_\_, 2012 (the "Redevelopment Agreement") between the City and Developer, Developer has agreed to construct the Project (as defined in the Redevelopment Agreement) and to advance funds under the TIF Act for certain eligible redevelopment project costs related to the Project. Prior to the date hereof, Developer has expended no less than \$3,200,000 for such redevelopment project costs, as evidenced by the certificate of expenditure executed by the City in accordance with the Redevelopment Agreement and attached hereto (the "Certificate of Expenditure").

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner or registered assigns hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the 15th day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner or registered assigns as it appears on such registration books or at such other address furnished in writing by such Registered Owner or registered assigns to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is issued by the City in fully registered form in the aggregate principal amount of \$3,200,000 for advances made prior to the date hereof by MGM/TGI 105th Street LLC, an Illinois limited liability company (the “Developer”) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Developer in connection with the redevelopment of property in the 105th Street and Vincennes Avenue Redevelopment Project Area (the “Redevelopment Area”) in the City, with such redevelopment work and related construction being defined as the “Infrastructure Project”, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) as amended (the “TIF Act”), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) as amended and an Ordinance adopted by the City Council of the City on \_\_\_\_\_, 2012 (the “Ordinance”), in all respects as by law required.

The City has assigned and pledged in the Redevelopment Agreement certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the 119th Street/I-57 Redevelopment Project Area and from the Redevelopment Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of the Note. The revenues so pledged are described in Section 4.03 of the Redevelopment Agreement and defined herein as the “Pledged Revenues”. Reference is hereby made to the Ordinance for a description, among others, with respect to the determination, custody and application of said Pledged Revenues, the nature and extent of such security with respect to the Note and the terms and conditions under which the Note is issued and secured. THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE CITY BUT IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM

THE PLEDGED REVENUES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER OR REGISTERED ASSIGNS HEREOF ONLY AGAINST SAID PLEDGED REVENUES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER AND REGISTERED ASSIGNS OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

The principal of this Note is subject to prepayment and/or redemption at any time without premium or penalty.

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

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

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

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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of \_\_\_\_\_, \_\_\_\_\_.

Mayor

(SEAL)  
Attest:

City Clerk

CERTIFICATE  
OF  
AUTHENTICATION

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

This Note is described in the within mentioned Ordinance and is the \$3,200,000 Tax Increment Allocation Revenue Note (MGM/TGI 105th Street LLC Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date: \_\_\_\_\_

TAXABLE SERIES A  
REGISTERED  
NO. R-1

PRINCIPAL AMOUNT  
\$3,200,000

ATTACHMENT TO UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(MGM/TGI 105<sup>TH</sup> STREET LLC  
REDEVELOPMENT PROJECT), TAXABLE SERIES A

NO. R-1

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: \_\_\_\_\_

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to as of: \_\_\_\_\_

City of Chicago, Illinois

By: \_\_\_\_\_  
Title \_\_\_\_\_, Department of  
Housing and Economic Development

ATTACHMENT TO UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(MGM/TGI 105<sup>TH</sup> STREET LLC  
REDEVELOPMENT PROJECT), TAXABLE SERIES A

NO. R-1

PAYMENT AND AMORTIZATION SCHEDULE

Payment and Amortization Schedule to be attached to this Cover Sheet at Closing



**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT N

**CITY FUNDS REQUISITION FORM**

A form of the City Funds Requisition Form is attached to this exhibit cover sheet.

REQUISITION FORM

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

The affiant, MGM/TGI 105<sup>th</sup> Street LLC, (“Developer”), hereby certifies that with respect to that certain MGM/TGI 105<sup>th</sup> Street LLC Amended and Restated Redevelopment Agreement between Developer and the City of Chicago dated as of \_\_\_\_\_, 2012 (the “Redevelopment Agreement”):

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

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

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

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

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

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

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

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

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

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

MGM/TGI 105<sup>th</sup> Street LLC, an Illinois limited liability company

By: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT O

FORM OF CITY SUBORDINATION AGREEMENT

This document prepared by and after recording return to:  
William A. Nyberg, Esq.  
Assistant Corporation Counsel  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement (“Agreement”) is made and entered into as of the day of, \_\_\_\_\_ between the City of Chicago by and through its Department of Housing and Economic Development (the “City”), [Name Lender], a [national banking association] (the “Lender”).

WITNESSETH:

WHEREAS, [description of the Project]

WHEREAS, [description of financing and security documents] as part of obtaining financing for the Project, Developer (the “Borrower”), have entered into a certain Construction Loan Agreement dated as of \_\_\_\_\_, 200\_\_ with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$July 19 (the “Loan”), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the “Note”), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated \_\_\_\_\_, 200\_\_ and recorded \_\_\_\_\_, 200\_\_ as document number \_\_\_\_\_ made by the Borrower to the Lender; and (ii) other security (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the “Loan Documents”);

WHEREAS, Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the

“Redevelopment Agreement,” referred to herein along with various other agreements and documents related thereto as the “City Agreements”);

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02 and 8.16 of the Redevelopment Agreement (the “City Encumbrances”);

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with Developer as of the date hereof, subject, among other things, to (a) the execution by Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit any of the Lender’s other rights or other priorities under the Loan Documents, including without limitation the Lender’s right to receive, and Developer’s ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein. Furthermore, nothing herein shall have any effect whatsoever on the respective rights, obligation and covenants of the Lender and the City under that certain Redevelopment Agreement dated \_\_\_\_\_, 2012. The liabilities and obligations of the Lender with respect to the City Encumbrances and the City Agreements shall be as set forth in Section 16 of the Redevelopment Agreement.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of Developer’s default in connection therewith. Under no circumstances shall Developer or any third party be entitled to rely upon the agreement provided for herein. Failure of either party to deliver such notices or waivers shall in no instance alter the rights or remedies of such party under the Loan Documents or the City Agreements.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and

decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

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

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

If to the Lender:               \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_  
  Attention: \_\_\_\_\_

With a copy to:                 \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_  
  Attention: \_\_\_\_\_

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By: \_\_\_\_\_

Its: \_\_\_\_\_

CITY OF CHICAGO

By: \_\_\_\_\_

Its: \_\_\_\_\_ Commissioner, Department of  
Housing and Economic Development

ACKNOWLEDGED AND AGREED TO  
THIS \_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

[Developer], a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_



STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such \_\_\_\_\_ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK)

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of [Lender], a \_\_\_\_\_, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)

EXHIBIT A - LEGAL DESCRIPTION

**105<sup>th</sup> STREET AND VINCENNES AVENUE  
REDEVELOPMENT PROJECT AREA**

**MGM/TGI 105<sup>th</sup> STREET LLC  
REDEVELOPMENT PROJECT**

Amended and Restated  
Redevelopment Agreement  
dated as of July 19, 2012

EXHIBIT P

**FORM OF CITY RECAPTURE MORTGAGE**

The form of the City Recapture Mortgage is attached to this exhibit cover sheet.

## CITY RECAPTURE MORTGAGE

This instrument prepared by  
and after recording return to:

\_\_\_\_\_  
Department of Law  
City of Chicago  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

### MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS ("this Mortgage") is made as of this \_\_\_ day of \_\_\_\_\_, 200\_\_ from \_\_\_\_\_ ("Mortgagor"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 (the "City" or "Mortgagee").

### RECITALS

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller: (i) that certain real property legally described on Exhibit A attached hereto and a single family home or townhome located thereon, or (ii) that certain condominium unit as described on Exhibit A attached hereto (the property described on Exhibit A hereto is hereinafter referred to as the "Home") (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto); and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any; and

WHEREAS, the City's TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as encumbrances and as covenants running with the land; and

WHEREAS, the Affordability Requirements are necessary to implement certain requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and the City's TIF Affordability Guidelines; and

WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and (unless Mortgagor is permitted and elects to repay to the City the City Subsidy Recapture

Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Qualified Household at an Affordable Price; and

WHEREAS, Mortgagor's household is a Qualified Household and the Purchase Price is an Affordable Price; and

WHEREAS, Mortgagor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgagor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage; and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgagor would have been unable to purchase the Home for an Affordable Price; and

WHEREAS, the City has required Mortgagor to execute this Mortgage in order to both: (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgagor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgagor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgagor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions,

improvements, betterments, renewals and replacements of any of the foregoing (“Improvements”);

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, as provided in the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable under this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage.

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals stated above constitute an integral part of the Mortgage and are hereby incorporated in this Mortgage by this reference with the same force and effect as if stated in this Mortgage as agreements of the parties.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period:

#### 2.01 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner’s association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and will, upon Mortgagee’s written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, material men's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Mortgagor will keep the Mortgaged Property continuously insured (or will use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same must not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Mortgaged Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor must not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor will promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property is damaged by fire or other casualty, then Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the fire or other casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage is subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that are superior to the lien of this



Mortgage will in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2.04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2.04.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, met the income eligibility requirements established by the City applicable to a purchaser of the Home, as set forth in the definition of Qualified Household on Exhibit B hereto.

### ARTICLE III

#### RECAPTURE OF CITY SUBSIDY PROVISIONS

3.01 Acknowledgment of City Subsidy. Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price.

3.02 Primary Residence; No Leasing. Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without the prior written consent of the City, which will be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount stated to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3.03 Permitted Transfers.

(a) Mortgagor covenants that during the Recapture Period, it will not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except: (i) to a Qualified Household, and (ii) for an Affordable Price, and provided that (iii) the Qualified Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing. If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (i), (ii) and (iii), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).

(b) Any transfer of ownership: (x) resulting from Mortgagor's death and occurring by: (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, or (y) to a spouse or member of Mortgagor's Qualified Household, or (z) resulting from Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, will be subject to the transfer restrictions stated

in Section 3.03(a), for further transfers, and provided, further that the transferee taking ownership under this Section 3.03(b) will be bound by all of the affordable housing covenants contained in this Mortgage.

3.04 Right to Request Waiver or Modification. The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

3.05 Approval of Transfer and Release of Mortgage. Upon either: (a) a permitted transfer described in Section 3.03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon 10 business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer under this Mortgage and effective to deliver legal title to the transferee. In addition, within 30 days of receipt of a written request from Mortgagor, Mortgagee will execute a release of the Mortgage in recordable form.

3.06 REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT: (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING LOW-INCOME AND VERY LOW-INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.

## ARTICLE IV

### DEFAULT

4.01 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Failure by Mortgagor to comply with any of the Affordability Requirements stated in Sections 3.02 or 3.03;

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in this Mortgage after the expiration of the applicable cure periods provided in Section 4.02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure under the Senior Mortgage.

4.02 City Remedies. The City has the following remedies depending on the nature and timing of the Event of Default.

(a) Recapture Payment Event. If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration, any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property makes the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture Amount (as defined below) in the event that the City determines that specific enforcement of the Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The “City Subsidy Recapture Amount” shall be an amount equal to the City Subsidy Amount plus simple, non-compounding interest on such amount at the rate of one percent (1.0%) per annum (assuming twelve 30 day months) calculated from the date of this Mortgage to the date of the Recapture Payment Event.

For example, if (x) this Mortgage was dated January 1, 2002, (y) the date of the Recapture Payment Event was July 1, 2008, and (z) the City Subsidy Amount was \$20,000, then (i) the interest on the City Subsidy Amount would be \$1,300 (\$200/year for 6 years, plus \$100 for one half-year), and (ii) the City Subsidy Recapture Amount would be \$21,300 (\$20,000 plus \$1,300).]

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within 10 days of the Mortgagee’s delivery of written notice of such failure to Mortgagor (a “Monetary Event of Default”), then Mortgagee may immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand.

(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within 60 days of the Mortgagee's delivery of written notice of such failure to Mortgagor, then Mortgagee may immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. If such default cannot be cured within such 60 day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, then such event of default will (notwithstanding anything in this Section 4.02 to the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee may immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount); and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

#### 4.03 Other Remedies.

(a) If any amounts due under and secured by this Mortgage become due, whether by acceleration or otherwise, Mortgagee has the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder will not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there will be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, will be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property will be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in

this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor must not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, BUT HEREBY WAIVES the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, WAIVES ANY AND ALL RIGHT to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor HEREBY WAIVES any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time:

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and

(iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage.

Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable:

(aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes);

- (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions;
- (cc) the cost of such insurance;
- (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay;
- (ee) other proper charges upon the Mortgaged Property or any part thereof; and
- (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee

shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default has occurred and is continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, is entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver will otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and is entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy is cumulative and concurrent and is in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy or will be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder will be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other

obligations of Mortgagor. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, will not constitute a waiver by Mortgagee of its rights or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns This Mortgage inures to the benefit of and is binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, includes all other genders; the singular includes the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references to articles, sections or paragraphs refers to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance becomes invalid or unenforceable to any extent, then the remainder of this Mortgage and the application of such provision to other persons or circumstances will not be affected thereby and will be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage must be construed as a "Security Agreement" within the meaning of and will create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee has all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, will be valid unless in writing and signed by the parties or their respective successors and assigns. Mortgagor has no right to convey the Home into a land trust without obtaining the prior written consent of the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof will not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law. This Mortgage must be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing and Economic Development, or any successor department thereto. All notices, requests, or other communications to the City hereunder must be made to the Department of Housing at the following address:

Department of Housing and Economic Development  
ATTN: Commissioner  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60604

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



IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be signed as of the day and year first above written.

MORTGAGOR(S):

\_\_\_\_\_  
\_\_\_\_\_

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK)

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_ to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this  
\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public

My commission expires  
\_\_\_\_\_.

Exhibit A  
(City Recapture Mortgage)

Legal Description of the Home

Exhibit B  
(City Recapture Mortgage)

Definitions

“Affordability Requirements” means the affordability requirements contained in Sections 3.02 and 3.03 hereof.

“Affordable Price” means an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Qualified Household.

“Base Purchase Price” means \_\_\_\_\_, being the amount of the Purchase Price exclusive of upgrades.

“City Subsidy Amount” means \$ \_\_\_\_\_, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence as shall be acceptable to the Department of Housing and Economic Development) and the Base Purchase Price.

“City Subsidy Recapture Amount” has the meaning set forth in Section 4.02 hereof.

“Closing Date” means the date of signing of this Mortgage.

“Home” has the meaning stated in the recitals.

“Initial Seller” means MGM/TGI 105<sup>th</sup> Street, LLC, an Illinois limited liability company, Developer.

“Monthly Homeownership Costs” means the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,
- (iii) annual insurance premiums, divided by 12, for homeowners’ insurance in the amount of the replacement value of the Home, and

- (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable.

"Purchase Price" means \$ \_\_\_\_\_, being the sum of the Base Purchase Price plus upgrades.

"Recapture Period" means for the period commencing on the Closing Date and ending upon the 30th anniversary of the Closing Date.

"Qualified Household" means a single person, family or unrelated persons living together whose adjusted income is not more than 100% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows:

<u># of Persons In Household</u>	<u>100% of AMI</u>
1	\$
2	\$
3	\$
4	\$
5	\$
6	\$

"Senior Lender" means \_\_\_\_\_, being the mortgagee under the Senior Mortgage.

"Senior Mortgage" means that certain mortgage dated as of \_\_\_\_\_, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on \_\_\_\_\_ as document # \_\_\_\_\_ to secure indebtedness in the original principal amount of \$ \_\_\_\_\_.

"TIF Contribution" means a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.