

Contract Summary Sheet

Contract (PO) Number: 16834

Specification Number: 63305

Name of Contractor: FINCH LIMITED PARTNERSHIP

City Department: PLANNING & DEVELOPMENT

Title of Contract: 1601 W. 69th Pl.

Term of Contract: Start Date: 4/14/2005

End Date: 12/31/2028

Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):

\$948,000.00

Brief Description of Work: 1601 W. 69th Pl.

Procurement Services Contract Area: COMPTROLLER-OTHER

Vendor Number: 50083085

Submission Date:

JAN 25 2008

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Indiana Insurance Company, as subrogee of Gallo Realty v. City of Chicago*, 03 L 3775, in the amount of \$357,500.00.

DESIGNATION OF FINCH LIMITED PARTNERSHIP AS PROJECT
DEVELOPER, AUTHORIZATION FOR EXECUTION OF
REDEVELOPMENT AGREEMENT AND ISSUANCE OF
TAX INCREMENT ALLOCATION REVENUE NOTE
(69TH/ASHLAND REDEVELOPMENT PROJECT)
FOR CONSTRUCTION AND OPERATION OF
RETAIL AND PROFESSIONAL SERVICES
SHOPPING CENTER AND PARKING
LOT AT 1601 WEST 69TH STREET.

The Committee on Finance submitted the following report:

CHICAGO, February 9, 2005.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a redevelopment agreement with Finch Limited Partnership and to issue a City of Chicago Tax Increment Allocation Revenue Note (69th/Ashland Redevelopment Project), Series 2004B, amount of note not to exceed \$948,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on November 3, 2004 (the "Approval Ordinance"), a certain redevelopment plan and project (the "Plan") for the 69th/Ashland Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on November 3, 2004 (the "Designation Ordinance"), the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on November 3, 2004 (the "Adoption Ordinance"), tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan (the Approval Ordinance, the Designation Ordinance and the Adoption Ordinance shall be known collectively herein as the "T.I.F. Ordinances"); and

WHEREAS, Finch Limited Partnership, an Illinois limited partnership (the "Company"), has acquired or will acquire from the City a two and six-tenths (2.6) acre site (the "Property") located within the Area and shall commence and complete construction of and then operate an approximately thirty-two thousand (32,000) square foot retail and professional services shopping center, an outlot and a parking lot with approximately one hundred seventy-one (171) parking spots on the Property (the "Project"); and

WHEREAS, The Company has proposed to undertake the redevelopment of the Property in accordance with the Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Company and the City, including but not limited to construction of the facilities, to be financed in part by incremental taxes, if any, deposited in the 69th/Ashland Redevelopment Project Area Special Tax Allocation Fund (as defined in the Adoption Ordinance) (the "Fund") pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, Pursuant to Resolution 04-CDC-74 (the "Resolution") adopted by the Community Development Commission of the City (the "Commission") on September 14, 2004, the Commission authorized the City's Department of Planning and Development ("D.P.D.") to publish notice pursuant to Section 5/11-74.4(c) of the Act of its intention to negotiate a redevelopment agreement with the Company for the Project and to request alternative proposals for redevelopment of the Property or a portion thereof (the "Notice"); and

WHEREAS, Pursuant to the Resolution, the Commission also recommended that, so long as no responsive alternative proposals were received by D.P.D. within thirty (30) days after publication of the Notice, or if alternative proposals were received and D.P.D., in its sole discretion, determined that the Company's Project was the best proposal, (i) the Company be designated as the developer (the "Developer") for the Project, and (ii) D.P.D. be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project; and

WHEREAS, D.P.D. published the Notice on September 16, 2004, requested alternative proposals for the redevelopment of the Property or a portion thereof and provided reasonable opportunity for other persons to submit alternative bids or proposals; and

WHEREAS, Since no other responsive proposals were received by D.P.D. for the redevelopment of the Property or a portion thereof within thirty (30) days after such publication, pursuant to the Resolution, the Commission has recommended that the Company be designated as the developer for the Project and that D.P.D. be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Company is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of D.P.D. (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Company and the City substantially in the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. The City Council of the City hereby finds that the City is authorized to issue its tax increment allocation revenue obligation in an aggregate principal amount not to exceed Nine Hundred Forty-eight Thousand Dollars (\$948,000) for the purpose of paying a portion of the eligible costs included within the Project.

SECTION 5. There shall be borrowed for and on behalf of the City a principal amount not to exceed Nine Hundred Forty-eight Thousand Dollars (\$948,000) for the payment of a portion of the eligible redevelopment project costs (as such term is defined under the Act) included within the Project (such costs shall be known herein and in the Agreement as "T.I.F.-Funded Improvements"). A note of the City in a principal amount up to Nine Hundred Forty-eight Thousand Dollars (\$948,000) shall be issued and shall be designated "Tax Increment Allocation Revenue Note" (69th/Ashland Redevelopment Project), Series 2004B (the "City Note"). The City Note shall be substantially in the form attached to the Agreement as (Sub)Exhibit M and made a part hereof, with such additions or modifications as shall be determined to be necessary by the Chief Financial Officer of the City (the "Chief Financial Officer"), at the time of issuance to reflect the purpose of the issue. The City Note shall be dated the date of delivery thereof and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein. The proceeds of the City Note are hereby appropriated for the purposes set forth in this Section 5.

The City Note shall mature on the later of payment in full or twelve (12) years after its date of issuance, in either event not later than December 31, 2028 and shall bear interest at a fixed interest rate of not less than six and five-tenths percent (6.5%) per annum and not to exceed nine percent (9%) per annum from the date of the City

Note until the principal amount of the City Note is paid or until maturity, with the exact rate to be determined by the Chief Financial Officer, computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

The principal of and interest on the City Note shall be paid by check, draft or wire transfer of funds by the City Comptroller of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the persons in whose names the City Note is registered at the close of business on the payment date, in any event no later than at the close of business on the fifteenth (15th) day of the month immediately after the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the City Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City on or before the maturity date.

The seal of the City shall be affixed to or a facsimile thereof printed on the City Note, and the City Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on the City Note shall cease to be such officer before the delivery of the City Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The City Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the City Note, and showing the date of authentication. The City Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the City Note shall be conclusive evidence that the City Note has been authenticated and delivered under this ordinance.

SECTION 6. The City shall cause books (the "Register") for the registration and for the transfer of the City Note (to the extent such transfer is permitted under the Agreement) as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the City Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple City Note blanks executed by the City for use in the transfer of the City Note.

Upon surrender for a transfer of the City Note authorized under the Agreement at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed

by the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidenced by the signature of the Chief Financial Officer (or his or her designee) on the instrument of transfer, and (iv) any deliveries required under the Agreement, the City shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee or transferees a new fully registered City Note of the same maturity, of authorized denomination, for the authorized principal amount of the City Note less previous retirements. The execution by the City of the fully registered City Note shall constitute full and due authorization of the City Note and the Registrar shall thereby be authorized to authenticate, date and deliver the City Note. The Registrar shall not be required to transfer or exchange the City Note during the period beginning at the close of business on the fifteenth (15th) day of the month immediately prior to the maturity date of the City Note nor to transfer or exchange the City Note after notice calling the City Note for prepayment has been made, nor during a period of five (5) days next preceding mailing of a notice of prepayment of principal of the City Note. No beneficial interests in the City Note shall be assigned, except in accordance with the procedures for transferring the City Note described above.

The person in whose name each City Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the City Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the City Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of the City Note, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the City Note.

SECTION 7. Subject to the limitations set forth herein, the Chief Financial Officer is authorized to determine the terms of the City Note and to issue the City Note on such terms as the Chief Financial Officer may deem to be in the best interest of the City. The principal of the City Note shall be subject to prepayment as provided in the form of City Note attached to the Agreement as (Sub)Exhibit M. As directed by the Chief Financial Officer, the Registrar shall proceed with prepayment without further notice or direction from the City.

SECTION 8. The Registrar shall note on the Debt Service Schedule attached to the City Note the amount of any payment of principal or interest on the City Note, including the amount of any prepayment and the amount of any reduction in principal pursuant to the Agreement.

SECTION 9. The City Note hereby authorized shall be executed as in this ordinance and the Agreement provided as soon after the passage hereof as may be practicable and consistent with the terms of the Agreement, and thereupon, be deposited with the Commissioner, and be by said Commissioner delivered to the Developer.

SECTION 10. Pursuant to the Adoption Ordinance, the City has created or will create the Fund. The City Comptroller of the City is hereby directed to maintain the Fund as a segregated interest-bearing account, separate and apart from the General Fund or any other fund of the City, with a bank that is insured by the Federal Deposit Insurance Corporation or its successor. Pursuant to the Adoption Ordinance, all Incremental Taxes received by the City for the Area are to be deposited into the Fund.

There is hereby created within the Fund a special subaccount to be known as the "Finch Account" (the "Finch Account"). The City shall designate and deposit into the Finch Account an amount equal to ninety percent (90%) of the Incremental Taxes deposited into the Fund attributable to increases in the equalized assessed value of the tax parcels comprising the Property (such amount, the "Available Incremental Taxes"). Subject to the terms and conditions of the Agreement, the City shall use the Available Incremental Taxes to make payments with respect to the City Note until the City Note has been fully repaid. In the event that an event of default under the Agreement entitles the City to permanently terminate further payments of City Funds (as defined in the Agreement) with respect to the City Note, the City may in its discretion, return the amounts in the Finch Account established above that would otherwise be allocated to the payment of the City Note to the Fund of the City and the Finch Account shall be closed.

The City hereby assigns, pledges and dedicates the Finch Account, together with all amounts on deposit therein, to the payment of the principal of and interest, if any, on the City Note when due under the terms of the Agreement. Upon deposit, the monies on deposit in the Finch Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the Finch Account. All monies on deposit in the Finch Account shall be used to pay the principal of and interest on the City Note, at maturity or upon payment or redemption prior to maturity, in accordance with its terms, which payments from the Finch Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under the City Note and the Agreement in accordance with their terms (or the termination of the City's obligation to make such payments), the amounts on deposit in the Finch Account, as applicable, shall be deposited in the Fund of the City and the Finch Account shall be closed.

Notwithstanding any of the foregoing, payments on the City Note will be subject to the availability of Available Incremental Taxes in the Finch Account.

SECTION 11. The City Note is a special limited obligation of the City, and is payable solely from amounts on deposit in the Finch Account and shall be a valid claim of the registered owner thereof only against said sources. The City 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(s) of the City 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 the City Note. The City's obligation to fully repay the City Note is further limited by the terms and conditions of the Agreement.

SECTION 12. Monies on deposit in the Fund or the Finch Account, as the case maybe, may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago. Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on the City Note.

SECTION 13. Pursuant to the Agreement, the Developer shall complete the Project. The eligible redevelopment project costs of the Project constituting T.I.F.-Funded Improvements up to the principal amount of Nine Hundred Forty-eight Thousand Dollars (\$948,000) shall be deemed to be a disbursement of the proceeds of the City Note. Upon issuance, the City Note shall have an initial principal balance equal to the Developer's prior expenditures for T.I.F.-Funded Improvements up to a maximum amount of Nine Hundred Forty-eight Thousand Dollars (\$948,000), as supported by a Certificate of Expenditure in accordance with the City Note, and subject to the reductions described in the Agreement. After issuance, the principal amount outstanding under the City Note shall be the initial principal balance of the City Note, plus interest thereon, minus any principal amount and interest paid on the City Note and other reductions in principal as provided in the Agreement.

SECTION 14. The Registrar shall maintain a list of the names and address of the registered owners from time to time of the City Note and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 15. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the City Note. All covenants relating to the City Note are enforceable by the registered owners of the City Note.

SECTION 16. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 17. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 18. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

Finch Limited Partnership
Redevelopment Agreement

By And Between

The City Of Chicago

And

Finch Limited Partnership.

This Finch Limited Partnership redevelopment agreement (this "Agreement") is made as of this ____ day of _____, 2005, by and between the City of Chicago, an Illinois municipal corporation (the "City"), acting by and through its Department of Planning and Development ("D.P.D."), and Finch Limited Partnership, an Illinois limited partnership (the "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, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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FINCH LIMITED PARTNERSHIP
REDEVELOPMENT AGREEMENT

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BY AND BETWEEN

THE CITY OF CHICAGO

AND

FINCH LIMITED PARTNERSHIP

This agreement was prepared by
and after recording return to
Scott D Fehlan
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

Box 400-CTCC

[leave blank 3" x 5" space for recorder's office]

This agreement was prepared by and
after recording return to
Scott D Fehlan
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

FINCH LIMITED PARTNERSHIP REDEVELOPMENT AGREEMENT

This Finch Limited Partnership Redevelopment Agreement (this "Agreement") is made as of this 14th day of April, 2005, by and between the City of Chicago, an Illinois municipal corporation (the "City"), acting by and through its Department of Planning and Development ("DPD"), and Finch Limited Partnership, an Illinois limited partnership (the "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, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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

FINCH LIMITED PARTNERSHIP
REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

FINCH LIMITED PARTNERSHIP

This agreement was prepared by
and after recording return to
Scott D Fehlan
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

LIST OF EXHIBITS

Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	[intentionally omitted]
Exhibit F	Escrow Agreement
Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget
Exhibit H-2	*MBE/WBE Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	[intentionally omitted]
Exhibit L-1	Initial Requisition Form
Exhibit L-2	Additional Requisition Form
Exhibit M	*Form of City Note
Exhibit N	Job Readiness Program
Exhibit O	Form of Subordination Agreement
Exhibit P	Form of Payment and Performance Bond

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on November 3, 2004: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 69th and Ashland Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 69th and Ashland 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 69th and Ashland Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has purchased (the "Acquisition") certain real property located within the Redevelopment Area at 1601 West 69th Street, Chicago, Illinois 60636 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of an approximately 32,000 square foot retail and professional services shopping center, an outlot and a parking lot with approximately 112 parking spots (the "Facility") thereon. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 69th and Ashland Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

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

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to an ordinance (the "TIF Bond Ordinance") at a later date as described in Section 8.05 hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes (including any such payment made pursuant to any City Note provided to the Developer pursuant to this Agreement), to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

~~"69th and Ashland TIF Fund"~~ shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

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

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

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

"Available Incremental Taxes" shall mean an amount equal to 90% of the Incremental Taxes deposited in the 69th and Ashland TIF Fund attributable to the taxes levied on the Property as adjusted to reflect the amount of the City Fee described in Section 4.05(c) hereof.

"Business Day" shall mean any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in Chicago, Illinois are required or authorized by law or executive order to be closed, or (iv) a day on which the New York Stock Exchange is closed.

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

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

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

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

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

"City Funds" shall mean the funds paid to the Developer pursuant to the City Note.

"City Note" shall mean the City Of Chicago Tax Increment Allocation Revenue Note (69th and Ashland Redevelopment Project), Taxable Series A, to be in the form attached hereto as Exhibit M, in the maximum principal amount of the lesser of \$948,000 or 14.7% of the Final Project Cost, subject to adjustment as provided in Section 4.03, issued by the City to the Developer as provided herein. The City Note shall bear interest at an annual rate not less than 6.5% and not to exceed 9% and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

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

"Closure" shall mean the complete cessation of the occupancy and operation of the completed Project at any time during the Occupancy Period.

"Construction Contract" shall mean that certain contract to be entered into between the Developer and the General Contractor providing for construction of the Project.

"Construction Program" shall mean the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago.

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

"DPD" shall have the meaning set forth in the preamble hereof.

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

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

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

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

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

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

"Final Project Cost" shall have the meaning set forth in Section 7.01 hereof.

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

"General Contractor" shall mean Glazier Corporation and/or such other general contractor(s) hired by the Developer.

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

"IEPA" shall mean the Illinois Environmental Protection Agency.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the 69th and Ashland TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Interest Rate" shall mean the rate equal to 300 basis points above the observed mean value for the prevailing interest rates for the 12-year United States Treasury constant maturity as published in the daily Federal Reserve Statistical Release for the 15 consecutive Business Days before the City Note is issued; provided, however, that the Interest Rate shall be at least 6.5% per annum and shall not exceed 9% per annum.

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

"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.

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

"MBE/WBE Program" shall mean, collectively, the Construction Program and the Procurement Program.

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

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

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

"Occupancy Period" shall mean the time from the issuance of the Certificate through and including the 12th anniversary of the issuance of the Certificate.

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

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

"Post-Occupancy Period Closure" shall mean the complete cessation of the occupancy and operation of the completed Project at any time after the Occupancy Period.

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

"Procurement Program" shall mean the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago.

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

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

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

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

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

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

"Requisition Form" shall mean, collectively, the documents, in the forms attached hereto as Exhibits L-1 and L-2, to be delivered by the Developer to DPD pursuant to Section 4.07 of this Agreement.

"Sale Agreement" shall mean that certain Agreement for the Sale and Redevelopment of Land concerning the Property dated as of May 17, 2004, executed by the Developer and the City.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project prepared by Nadel Architects and dated November 14, 2002, as modified by Ron Vari & Associates and submitted by the Developer to the City's Department of Buildings with the Developer's application for a building permit for the Project.

"Site Remediation Program" shall mean, for purposes of this Agreement, the program for the environmental remediation of the Property undertaken by the Developer and overseen by the IEPA, upon completion of which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer.

"Subordination Agreement" shall mean that certain subordination agreement, substantially in the form attached hereto as Exhibit O, to be entered into between the City and the lender providing the Lender Financing, in favor of the City with respect to previously recorded liens against the Property related to Lender Financing.

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2028).

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

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

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

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

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

~~"Title Company" shall mean Chicago Title Insurance Company.~~

"Title Policy" shall mean a title insurance policy (or a signed commitment to issue a title insurance policy) in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording or intended recording of this Agreement as an encumbrance against the Property, issued by the Title Company.

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than April 15, 2005; and (ii) complete construction and conduct business operations therein no later than 18 months after the commencement of construction, in any event no later than October 31, 2006. Any change to the foregoing commencement or completion dates shall require the prior written consent of the City, which shall not be unreasonably withheld.

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

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget (attached hereto as Exhibit H-1) showing total estimated costs for the Project in an amount not less than (\$6,419,268). The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to any material change to the Project must be submitted by the Developer to DPD concurrently with the quarterly progress reports described in Section 3.07 hereof. As used in the preceding sentence, a "material change to the Project" means a change to the Project that requires one or more Change Orders costing more than \$50,000 in total. In addition, any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in excess of 5% in the gross or net square footage of the Facility; (b) a change in the use of the Property to a use other than a retail and professional services shopping center; or (c) an increase in excess of 10% of the Project Budget. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required pursuant to Section 6.03 hereof.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's

written approval pursuant to Section 3.04). Upon the request of DPD, the Developer shall provide three (3) copies of an updated Survey to DPD, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. The Developer shall forward to DPD copies of reports or inspections prepared by the Developer's project architect. At the request of DPD, an independent agent or architect (other than the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to submission of the Initial Requisition Form for costs related to the Project hereunder. The inspecting agent or architect may be the same one being used in such role by the lender providing Lender Financing, provided that such agent or architect acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

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

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

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be (\$6,419,268), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$1,200,000 (minimum)
Lender Financing	<u>5,219,268 (see note below)</u>

ESTIMATED TOTAL

\$6,419,268

Note: Lender Financing may increase up to a total of \$5,370,000, provided that Equity shall remain at least \$1,200,000.

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

4.03 City Funds.

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

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the City Note (in substantially the form attached hereto as Exhibit M) to the Developer upon the issuance of the Certificate. The principal amount of the City Note shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Developer and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof; provided, however, that the maximum principal amount of the City Note shall be an amount not to exceed the lesser of \$948,000 or 14.7% of the Final Project Cost, subject to adjustment as provided in the following sentence, and provided, further, that payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the 69th and Ashland TIF Fund (after and subject to payment of the City Fee) being sufficient for such payments. If the Project Budget exceeds the Final Project Cost, then, notwithstanding any other provision of this Agreement, the amount of the City Funds and the principal amount of the City Note shall be reduced by 25¢ for every \$1.00 (or portion thereof) by which the Project Budget exceeds the Final Project Cost. The City Note shall bear interest at the Interest Rate. Interest will begin to accrue upon the City Note from the date of issuance of the Certificate. If the Final Project Cost exceeds the Project Budget, then the Developer shall be responsible for increasing the amount of Equity and/or Lender Financing so that the total equals the Final Project Cost. Each year of the Term of the Agreement prior to the Maturity Date of the City Note, after and subject to payment of the annual City Fee, the City shall not make any payment out of Incremental Taxes deposited in the 69th and Ashland TIF Fund attributable to the taxes levied on the Property until the City has first made the applicable annual payment of Available Excess Incremental Taxes to the Developer under the City Note.

4.04 [Intentionally omitted.]

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) [Reserved.]

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

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

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

4.07 Initial Requisition Form and Certificate of Expenditure; Additional Requisition Forms.

(1) Upon the issuance of the Certificate, the Developer shall provide DPD with an initial Requisition Form (the "Initial Requisition Form") in the form attached hereto as Exhibit L-1, which shall be satisfactory to DPD in its sole discretion. The Initial Requisition Form shall serve as the Developer's request for the City to issue a Certificate of Expenditure (in the form attached to Exhibit M hereto).

Delivery by the Developer to DPD of the Initial Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of the Initial Requisition Form, that:

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

(b) all amounts shown as previous payments on the Initial Requisition Form have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials for the Initial Requisition Form, and such work and materials conform to the Plans and Specifications;

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

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens and any Non-Governmental Charge for which the Developer has provided a bond or other security pursuant to Section 8.15(b)(ii) below;

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Equity; and (iii) any other amounts deposited or otherwise committed by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 business days after a written request by the City, make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which cash shall first be exhausted before any further disbursement of the City Funds shall be made.

At the request of DPD and on such date as may be acceptable to the parties, the Developer shall meet with DPD to discuss the Initial Requisition Form previously delivered pursuant hereto. The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may reasonably require in order to verify that the matters certified to above are true and correct, and the execution of the Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of the Certificate of Expenditure, including but not limited to requirements set forth in the TIF Ordinances and/or this Agreement.

(2) No sooner than October 1 and no later than December 1 of each calendar year, beginning in the calendar year following the calendar year in which the City Note is issued, and continuing until the calendar year of the earlier of either the Maturity Date or the prepayment in full of the City Note, the Developer shall provide DPD with an additional Requisition Form (each an "Additional Requisition Form") in the form attached hereto as Exhibit L-2 which shall indicate both the amount previously paid (if any) and the amount currently outstanding under the City Note.

Delivery by the Developer to DPD of an Additional Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of the Additional Requisition Form, that:

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

(b) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens and any Non-Governmental Charge for which the Developer has provided a bond or other security pursuant to Section 8.15(b)(ii) below; and

(c) no Event of Default or, to the Developer's knowledge, 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.

At the request of DPD and on such date as may be acceptable to the parties, the Developer shall meet with DPD to discuss any Additional Requisition Form previously delivered pursuant hereto. The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer.

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

SECTION 5. CONDITIONS PRECEDENT

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

5.01 Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget (attached hereto as Exhibit H-1) in accordance with the provisions of Section 3.03 hereof.

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

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits (other than building permits issued by the City's Department of Buildings and related permits) required by any state, federal, or local statute, ordinance or regulation in connection with the Project and has submitted evidence thereof to DPD.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. The Developer has delivered to DPD a copy of the Escrow Agreement. Except for Permitted Liens, no liens against the Property exist at the Closing Date.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name as follows:

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

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

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

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

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

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

5.11 Financial Statements. Glazier Corporation has provided Financial Statements to DPD for its two most recent fiscal years, and unaudited interim financial statements.

5.12 Documentation. If requested by DPD, the Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters for the Developer's and the General Contractor's employees at the Project (if any).

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental assessment completed with respect to the Property and any phase II environmental assessment with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such assessment(s), authorizing the City to rely on such assessment(s), under the conditions of that letter acknowledged by the City (provided that that letter is accepted by both the environmental engineer(s) who completed such assessment(s) and the City). The Developer has also provided the City with a draft NFR Letter with respect to the Property, and shall provide the City with a final NFR letter with respect to the Property signed by the IEPA upon issuance thereof.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided an executed copy of its partnership agreement, certified by its General Partner; evidence of the authority granted by the Board of Directors of the General Partner for the General Partner to execute and deliver this Agreement and to enter into the transactions contemplated by this Agreement on behalf of the Developer; a certificate in such form and substance as the Corporation Counsel may require; and such other corporate documentation as the City has requested. The Developer has

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

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 [Reserved.]

6.02 Construction Contract. Before executing the Construction Contract, the Developer shall deliver to DPD a copy of the proposed Construction Contract, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of the Construction Contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of the Construction Contract together with any modifications, amendments or supplements thereto.

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

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the Project shall be provided to DPD on a quarterly basis, or as requested by DPD.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. After (i) the completion of the construction of the Project in accordance with the terms of this Agreement (subject to verification by the City), (ii) at least 24,000 square feet, or 75% of the square footage, of space in the Project is

built, leased and occupied by tenants, upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of the Project (the "Final Project Cost"), DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

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

Those covenants specifically described at Sections 8.02, 8.03, 8.06 and 8.19 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

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

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

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

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

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

(a) the Developer is an Illinois limited partnership duly organized, validly existing, qualified to do business and in good standing in Illinois, the Developer has not used and does not use any trade names (including, without limitation, Glazier Corporation), and neither the activities nor ownership of assets of the Developer or Glazier Corporation requires either the Developer or Glazier Corporation to be qualified or licensed to do business in any state other than Illinois;

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

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

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

(g) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary and appropriate, given the status of construction and operation of the Project, to conduct its business and to construct, complete and operate the Project (provided, however, that as of the Closing Date the Developer may not yet have a building permit for the Project from the City's Department of Buildings);

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD (which consent shall not be unreasonably withheld): (1) be a party to any merger, change its General Partner or add additional general or limited partners; (2) be a party to any liquidation or consolidation; (3) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (4) enter into any transaction outside the ordinary course of the Developer's business which would have a material adverse effect on the Developer's ability to perform its obligations under this Agreement; (5) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity if such assumption, guarantee, endorsement or liability would have a material adverse effect on the Developer's ability to perform its obligations under this Agreement; or (6) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

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

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

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

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

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

8.03 Redevelopment Plan. The Developer agrees that it shall devote the Property to a use approved by the Redevelopment Plan until the date of expiration of the Redevelopment Plan.

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

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

8.06 Occupancy; Permitted Uses; Closure. Developer shall lease and cause to be occupied not less than eighty percent (80%) of the net square footage of the Project (the "Minimum Occupancy") within 12 months of the issuance of a Certificate; and shall maintain for the 12-month period preceding Developer's delivery of an occupancy progress report to DPD an average occupancy equal to the Minimum Occupancy (the "Average Minimum Occupancy"). Developer shall deliver an occupancy progress report detailing compliance with the requirement to maintain an Average Minimum Occupancy (the "Occupancy Report") once each year through the Occupancy Period, subject to the provisions of Section 15.04(c). The first Occupancy Report shall be dated as of the

date of the Certificate of Completion of Construction and shall be delivered with the Initial Requisition Form. The subsequent nine (second through tenth) Occupancy Reports shall be delivered with each Additional Requisition Form and shall detail the Developer's compliance with the requirement to maintain an Average Minimum Occupancy for each year beginning on October 1 and ending on September 30 of the subsequent calendar year. The final (eleventh) Occupancy Report shall detail the Developer's compliance with the requirement to maintain an Average Minimum Occupancy through the last day of the Occupancy Period. If the Developer fails to deliver an Occupancy Report as and when required, then the City shall give the Developer written notice of such failure, and the Developer shall have 10 business days from the receipt of such notice to provide the Occupancy Report. The Developer agrees that it shall devote the Property to a use approved by the Redevelopment Plan until the date of expiration of the Redevelopment Plan and such covenant shall run with the land and be binding upon any transferee for the Term of the Agreement. All other covenants set forth in this Section 8.06 shall run with the land and be binding upon any transferee for the Occupancy Period, subject to the provisions of Section 15.04(c).

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 33%, 66% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

8.08 Employment Profile. The Developer shall contractually obligate and cause the General Contractor or any subcontractor to submit to DPD, from time to time prior to the issuance of the Certificate upon DPD's request, statements of their respective employment profiles including, without limitation, the number of employees at the Project and information on wage levels and types of positions at the Project. The Developer shall to submit to DPD, from time to time during the Term of the Agreement upon DPD's request, statements of its employment profile including, without limitation, the number of employees at the Project and information on wage levels and types of positions at the Project.

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

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement; provided, however, that DPD hereby acknowledges and consents to any of Glazier Corporation, Josh Glazier and/or Daniel Abdo acting as General Contractor or project manager with respect to any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

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

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended December 31, 2005 and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

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

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

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

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed

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

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by ~~appropriate legal proceedings properly and diligently instituted and prosecuted in such~~ manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same within the applicable cure period, if any, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to

obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City Financial Statements of the Developer at the Developer's own expense.

(c) Real Estate Taxes.

(i) [intentionally omitted]

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

(iii) [intentionally omitted]

(iv) [intentionally omitted]

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

8.20 [Reserved].

8.21 [Reserved] .

8.22 Public Benefits Program . The Developer agrees to contribute the sum of \$5,000 to an entity or program designated by the City, due and payable on the Closing Date.

8.23 Job Readiness Program. The Developer shall use its best efforts to cause tenants of the Project to undertake a job readiness program, as described in Exhibit N hereto, to work with the City, through the Mayor's Office of Workforce Development, to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of the tenants' business on the Property.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

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

The Developer may not request a reduction or waiver of this minimum percentage level of Chicagoans.

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

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

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

For purposes of this Section 10.02, the Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

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

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

the Developer, the General Contractor and/or the subcontractors to prosecution. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.**

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

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

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

(a) Consistent with the findings which support 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 actual amounts expended in the categories set forth in the MBE/WBE Budget (attached as Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 25 percent by MBEs.
- (2) At least five percent by WBEs.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the

Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD, which approval shall not be unreasonably withheld or delayed.

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

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

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

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the

delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

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

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

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Upon the Execution and Delivery of this Agreement and Throughout the Term of the 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 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 shall include the following: All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(b) Construction

(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 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 shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, Contractor shall 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 has 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) Builders Risk Insurance

When the Contractor undertakes any construction, including improvements, betterments, and/or repairs, the Contractor shall provide, or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall 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, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided 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 one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Term of the Agreement

(i) Upon 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 Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(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 Property. Coverage extensions shall include flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 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. 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 the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the 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.

The insurance shall provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within the Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

The required insurance shall 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.

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or the Developer or the General Contractor may provide the coverages for subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements; provided, however, that such modification, deletion, alteration or change shall not be applicable to the Developer until the Developer receives written notice thereof.

SECTION 13. INDEMNIFICATION

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

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

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any agreement with respect to the Property or the Project to which the City and the Developer are or shall be parties (including, without limitation, the Sale Agreement);

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity, if such failure has a material adverse effect on the Developer's ability to perform its obligations under this Agreement;

~~(c) the making or furnishing by the Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any agreement with respect to the Property or the Project to which the City and the Developer are or shall be parties (including, without limitation, the Sale Agreement) which is untrue or misleading in any material respect;~~

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

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

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

(g) the entry of any judgment in excess of \$50,000 or order against the Developer which remains unsatisfied, undischarged or not bonded over and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of the Developer;

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

(k) prior to the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City (which consent shall not be unreasonably withheld); or

(l) Closure of the Project during the Occupancy Period; or

(m) Post-Occupancy Closure of the Project after the Occupancy Period (subject to Section 15.06 below).

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

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any agreement with respect to the Property or the Project to which the City and the Developer are or shall be parties (not including, however, the Sale Agreement), and may suspend disbursement of City Funds. In addition, upon the occurrence of an Event of Default because of Closure of the Project during the Occupancy Period, the Developer shall be obligated to repay to the City all previously disbursed 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; provided, however, that an Occupancy Default (as such term is defined in Section 15.04(a) below) shall give rise only to the remedies set forth in Section 15.05 below.

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

prosecutes the cure of such default until the same has been cured. This Section 15.03 shall not govern the cure of an Occupancy Default, as such term is defined in Section 15.04 below; the cure of an Occupancy Default shall be governed by Section 15.04 below.

15.04 Occupancy Curative Period. (a) In the event the Developer shall fail to maintain the Average Minimum Occupancy ("Occupancy Default") under Section 8.06, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred, unless the Developer: (i) has failed to cure the Occupancy Default within one (1) year of the date the City receives an Occupancy Report specifying such default (the "Receipt Date"), such period to be defined as the "Minimum Cure Period", or (ii) has cured a previous Occupancy Default within the Maximum Cure Period (defined herein); provided, however, if an Occupancy Default described in subpart (i) of this Section 15.04(a) is not cured within the Minimum Cure Period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within the Minimum Cure Period and thereafter cures such default within two (2) years of the related Receipt Date; provided, further, that the Developer will be allowed a maximum of two Minimum Cure Periods to cure an Occupancy Default or such other longer time period as approved by the Commissioner of DPD in her/his sole discretion (the "Maximum Cure Period").

(b) If the Developer submits an Occupancy Report which describes an Occupancy Default, but has maintained the Minimum Occupancy in the thirty (30) days preceding the Receipt Date and has provided the City with evidence that it has contracted for the Minimum Occupancy for the following year, then the Developer will not be deemed to have incurred an Occupancy Default in relation to such Occupancy Report.

(c) If the Developer has cured all Occupancy Defaults, the Developer shall continue to deliver Occupancy Reports and maintain the Average Minimum Occupancy, after the Occupancy Period, for the number of years for which the Developer did not report maintaining the Average Minimum Occupancy.

15.05 Occupancy Remedies . (a) Upon the occurrence of an Occupancy Default, the City may suspend disbursement of City Funds and payments under the City Note until the Developer reports an Average Minimum Occupancy in an Occupancy Report; and no interest shall accrue on the City Note during the year described in the Occupancy Report with an Occupancy Default or during the Minimum Cure Period, unless the Developer reports an Average Minimum Occupancy for the Minimum Cure Period. If an Occupancy Default is not cured within the Minimum Cure Period, then no interest shall accrue on the City Note for the period described in the applicable Occupancy Report for which the Property failed to achieve an Average Minimum Occupancy or for the cure period applicable to such failure. No principal payments shall be made on the City Note while there exists an Occupancy Default. No other remedies shall be available to the City for an Occupancy Default.

(b) Upon the occurrence of an Event of Default pursuant to an Occupancy Default under Section 15.04, the City may terminate this Agreement and any agreement with respect to the Property or the Project to which the City and the Developer are or shall be parties (not including, however, the

Sale Agreement), and may suspend disbursement of City Funds and payments on the City Note.

(c) Notwithstanding the foregoing, upon the occurrence of an Event of Default because of Closure of the Project during the Occupancy Period, the Developer shall be obligated to repay to the City all previously disbursed City Funds. No other remedies shall be available to the City for an Event of Default because of Closure of the Project during the Occupancy Period.

15.06 Post-Occupancy Period Closure.

In the event that the City Note has not been paid in full within twelve years of the issuance thereof, upon the occurrence of an Event of Default because of Post-Occupancy Period Closure of the Project after the Occupancy Period while the City Note remains outstanding, the City may terminate this Agreement and any agreement with respect to the Property or the Project to which the City and the Developer are or shall be parties (not including, however, the Sale Agreement), and may suspend disbursement of City Funds and payments on the City Note. The Developer, however, shall have the right to cancel the City Note at any time so as to extinguish an Event of Default because of Post-Occupancy Period Closure of the Project after the Occupancy Period while the City Note remains outstanding.

SECTION 16. MORTGAGING OF THE PROJECT

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

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a

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

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 17. NOTICE

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

If to the City:

City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner
Fax: 312-744-2271

With Copies To:

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602
Fax: 312-744-8538

If to the Developer: Joshua Glazier
Finch Limited Partnership
c/o The Glazier Corporation
308 W. Erie Street, #705
Chicago, Illinois 60610
Fax: 312-944-0963

With Copies To: Bridget O'Keefe
Michael Best & Friedrich LLP
401 North Michigan Avenue, Suite 1900
Chicago, Illinois 60611
Fax: 312-222-0818

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

SECTION 18. MISCELLANEOUS

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

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

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by

the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

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

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

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

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

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

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

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

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

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

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

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

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement or the City Note in whole or in part without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. The Developer may, if it obtains the prior written consent of the City, assign its rights under the City Note to the lender providing the Lender Financing. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

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

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

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

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

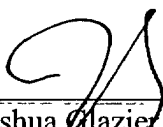
18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any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

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

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

FINCH LIMITED PARTNERSHIP

By: Glazier Corporation, General Partner

By: 

Joshua Glazier
Its: President

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

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



FINCH LIMITED PARTNERSHIP

By: Glazier Corporation, General Partner

By: _____
Joshua Glazier

Its: President

CITY OF CHICAGO

By:  _____ 
Commissioner
Department of Planning and Development

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, EULANA M. BLALOCK-JONES, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Joshua Glazier, personally known to me to be the President of Glazier Corporation, the General Partner of Finch Limited Partnership, an Illinois limited partnership (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 signed, sealed, and delivered said instrument, pursuant to the authority given by Finch Limited Partnership as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 6 day of April, 2005

Eulana M. Blalock-Jones
Notary Public

(SEAL)

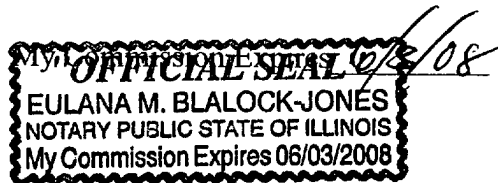


Exhibit A

Redevelopment Area

(see attached)

improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act.

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

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

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

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

[Exhibit "C" referred to in this ordinance
printed on page 34539 of this *Journal*.]

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

Exhibit "A".

69th/Ashland T.I.F. Legal Description.

All that part of the east half of the southeast quarter of Section 19, the west half of the southwest quarter of Section 20, the west half of the northwest quarter of Section 29 and the east half of the northeast quarter of Section 30, all in Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the southeast corner of Lot 24 in Block 6 of E. O. Lanphere's Addition to Englewood, a subdivision of Blocks 1 to 15 and the north half of Block 16 in George Sea's Subdivision of the east half of the southeast quarter of

Section 19, Township 38 North, Range 14 East of the Third Principal Meridian, said southeast corner of Lot 24 being also the point of intersection of the north line of West 70th Street with the west line of South Marshfield Avenue; thence north along said west line of South Marshfield Avenue to the north line of West 69th Street; thence east along said north line of West 69th Street to the northerly extension of the west line of Lot 10 in Block 3 of Marston and Auger's Subdivision of the southwest quarter of the southwest quarter of Section 20, Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 10 being also the east line of South Justine Street; thence south along said northerly extension and the east line of South Justine Street to the easterly extension of the north line of Lot 46 in Block 4 of said Marston and Auger's Subdivision, said north line of Lot 46 being also the south line of the alley south of West 69th Street; thence west along said easterly extension and the north line of Lot 46 in Block 4 of Marston and Auger's Subdivision to the west line thereof, said west line of Lot 46 being also the east line of the alley east of South Ashland Avenue; thence south along said east line of the alley east of South Ashland Avenue to the south line of West 71st Street; thence west along said south line of West 71st Street to the southerly extension of the east line of Lot "A" in Block 3 of the subdivision of Lots 42 to 48, both inclusive, of Block 13, Lots 1 to 7, both inclusive, of Blocks 14 and 15, Lots 1 to 7 and 18 to 24, all inclusive, in Block 16, Lots 18 to 31, both inclusive, in Blocks 9, 10 and 11, Lots 1 to 7 and 42 to 48, all inclusive, in Blocks 6, 7 and 8, Lots 18 and 31 in Blocks 1, 2 and 3 and Lots 25 to 31, both inclusive, in Block 4 of E. O. Lanphere's Addition to Englewood aforesaid, said east line of Lot "A" being also the west line of South Marshfield Avenue; thence north along said southerly extension and the west line of South Marshfield Avenue to the point of beginning at the southeast corner of Lot 24 in Block 6 of E. O. Lanphere's Addition to Englewood, aforesaid, all in the City of Chicago, Cook County, Illinois.

Exhibit "B".

Street Boundaries.

The Area covers approximately eighteen (18) acres and is generally bounded on the east by the alley right-of-way east of South Ashland Avenue and the east side of South Justine Street, on the north by the north side of West 69th Street, on the west by the west side of South Marshfield Avenue, and on the south by the south side of West 71st Street.

Exhibit B

Property

(see attached)

Property Index Nos. 20-19-423-001-0000

Commonly known as: 6920, 6930 and 6940 South Ashland Avenue
Chicago, Illinois 60636

Exhibit C

TIF-FUNDED IMPROVEMENTS

Item	Total Cost	Amount Eligible as TIF-Funded Improvement
Acquisition of the Property	\$862,500	\$862,500
Site Preparation – Grading, Trim, Remove Debris	\$176,000	\$85,500

Note: Notwithstanding the total dollar amount of TIF-Funded Improvements listed on the attached, the amount of financial assistance to be provided by the City hereunder is limited to \$948,000 or 14.7% of the Final Project Cost, subject to adjustment as provided in Section 4.03.

Exhibit D
Redevelopment Plan
(see attached)

*Exhibit "A".
(To Ordinance)*

69th/Ashland Redevelopment Project Area.

*Tax Increment Finance District
Eligibility Study, Redevelopment Plan And Project.*

July 1, 2004.

1.

Executive Summary.

In February of 2004, *S. B. Friedman & Company* was engaged to conduct a Tax Increment Financing Eligibility Study and prepare a Redevelopment Plan and Project (the "Eligibility Study, Redevelopment Plan and Project" or the "Plan") for the proposed 69th & Ashland Redevelopment Project Area. This report details the eligibility factors found within the proposed 69th & Ashland Redevelopment Project Area (the "RPA") Tax Increment Financing ("TIF") District in support of its designation as a "blighted area" within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), and thus in support of its designation as the 69th & Ashland Redevelopment Project Area Tax Increment Financing District (the "69th & Ashland RPA" or "RPA"). This report also contains the Redevelopment Plan and Project for the 69th & Ashland RPA.

The 69th & Ashland RPA consists of 63 tax parcels and 12 buildings located within the West Englewood Community Area ("Community Area") of the City of Chicago. The RPA covers approximately 18 acres and is generally bounded on the east by the alley right-of-way east of Ashland Avenue and the east side of Justine Avenue, on the north by the north side of 69th Street, on the west by the west side of Marshfield Avenue, and on the south by the south side of 71st Street. The RPA is located wholly within the City of Chicago. A large portion of the RPA is the site of a former CTA bus barn, which was closed and demolished in 1998. According to both Phase I and Phase II environmental assessments conducted in 2003, the site is environmentally contaminated.

Determination of Eligibility

This report concludes that the 69th & Ashland RPA is eligible for Tax Increment Financing ("TIF") designation as a "blighted area" because the following six improved eligibility factors have been found to be present to a meaningful extent and reasonably distributed throughout the RPA:

1. Obsolescence;
2. Deterioration;

3. Deleterious Land Use and Layout;
4. Structures Below Minimum Code Standards;
5. Inadequate Utilities; and
6. Lack of Growth of Equalized Assessed Value

Vacant parcels within the RPA have four eligible factors present to a meaningful extent and reasonably distributed throughout the RPA:

1. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land;
2. Diversity of Ownership;
3. Environmental Contamination; and
4. Lack of Growth of Equalized Assessed Value

Eligibility Study, Redevelopment Plan and Project Goal, Objectives, and Strategies

The overall goal of the TIF Eligibility Study, Redevelopment Plan and Project is to reduce or eliminate the conditions that qualify the 69th & Ashland RPA as a blighted area and to provide the mechanisms necessary to support public and private development and improvements in the RPA, particularly the redevelopment of the former CTA bus barn site in a way that contributes to the surrounding community. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Eight broad objectives support the overall goal of area-wide revitalization of the 69th & Ashland RPA. These include:

1. Facilitate the preparation of the former CTA bus barn site for commercial redevelopment;
2. Facilitate the assembly, preparation, rehabilitation, and marketing of vacant and underutilized sites for commercial and residential development;
3. Promote new residential development that accommodates a diverse demographic mix of residents, including the development of new affordable housing;
4. Create a physical environment that is conducive to private development through the provision of public infrastructure where needed, including underground water and sanitary systems; sidewalks, alleys, and street improvements;
5. Provide adequate on- and off-street parking within the RPA for residents and visitors of the RPA;

6. Promote the development, improvement, and/or maintenance of park/open space uses as necessary and appropriate to serve residents of the RPA and surrounding neighborhood;
7. Provide opportunities for women-owned, minority-owned, and locally owned businesses to share in the job and construction opportunities associated with the redevelopment of the 69th & Ashland RPA; and
8. Support job training/welfare to work programs and increase employment opportunities for area residents.

Strategies. These objectives will be implemented through four specific and integrated strategies. These include:

1. **Facilitate Property Assembly, Demolition, and Site Preparation.** Financial assistance may be provided to private developers seeking to acquire land and assemble and prepare sites in order to undertake projects in support of this Eligibility Study, Redevelopment Plan and Project.

To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the RPA as defined on Page 1. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs 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. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its powers to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing this Eligibility Study, Redevelopment Plan and Project, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan. Relocation assistance may be provided to facilitate redevelopment of portions of the RPA, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and/or financial assistance as determined by the City.

2. **Implement Public Improvements.** A series of public improvements throughout the 69th & Ashland RPA may be designed and implemented to help define and create an identity for

the area, prepare sites for anticipated private investment, and create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement or development of streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Eligibility Study, Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

3. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Eligibility Study, Redevelopment Plan and Project.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than 100% of the area median income, and affordable rental units should be affordable to persons earning no more than 60% of the area median income. TIF funds can also be used to pay for up to 50% of the cost of construction or up to 75% of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the 69th & Ashland RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

Required Findings

The conditions required under the Act for the adoption of the Eligibility Study and Redevelopment Plan and Project are found to be present within the 69th & Ashland RPA.

1. The RPA has not been subject to growth and development through investment by private enterprise. Subsequent to the closing of the CTA bus barn site, a significant portion of the land that comprises the RPA has remained vacant or underutilized. Lack of investment is evidenced through the absence of recent building permit activity. Of the nine building permits issued, four permits were for the demolition and removal of buildings within the RPA. Two permits issued were related to the erection of a communication tower while the remaining three permits were issued for general repairs and equipment replacement. The nature of these permits does not indicate a significant level of growth or development through investment by private enterprise.
2. Without the support of public resources, the redevelopment objectives of the 69th & Ashland RPA will most likely not be realized. Since the closure of the CTA site in 1998, redevelopment of the property has not occurred. The environmental conditions of the site make redevelopment costly. Acquisition and demolition/rehabilitation costs associated with the redevelopment of the site are unlikely to be fully absorbed by the private market. TIF assistance may be used to fund land assembly, site preparation, infrastructure improvements, and improvements and expansions to public facilities. But for creation of the 69th & Ashland RPA, these types of projects are unlikely to occur without the benefits associated with the designation of the 69th & Ashland RPA as a tax increment financing district.
3. The 69th & Ashland RPA includes only the contiguous real property that is expected to substantially benefit from the proposed Eligibility Study, Redevelopment Plan and Project improvements.
4. The proposed land uses described in this Eligibility Study, Redevelopment Plan and Project must be approved by the Chicago Plan Commission prior to its adoption by the City Council.

2.

Introduction

The Study Area

This document serves as the Eligibility Study and Redevelopment Plan and Project for the 69th & Ashland Redevelopment Project Area. The 69th & Ashland RPA is located within the West

Englewood Community Area of the City of Chicago (the "City"), in Cook County (the "County"). In February 2004, *S. B. Friedman & Company* was engaged to conduct a study of certain properties in this neighborhood to determine whether the area containing these properties would qualify for status as a "blighted area" and/or "conservation area" under the Act.

This Eligibility Study, Redevelopment Plan and Project report summarizes the analyses and findings of *S. B. Friedman & Company's* work which, unless otherwise noted, are solely the responsibility of *S. B. Friedman & Company*. The City is entitled to rely on the findings and conclusions of the Plan in designating the 69th & Ashland RPA as a redevelopment project area under the Act.

S. B. Friedman & Company has prepared this Eligibility Study, Redevelopment Plan and Project with the understanding that the City would rely: (1) on the findings and conclusions of the Plan in proceeding with the designation of the study area as the 69th & Ashland RPA and the adoption and implementation of the Eligibility Study, Redevelopment Plan and Project, and (2) on the fact that *S. B. Friedman & Company* has obtained the necessary information including, without limitation, information relating to the equalized assessed value of parcels comprising the 69th & Ashland RPA, so that the Plan will comply with the Act and that the 69th & Ashland RPA can be designated as a redevelopment project area in compliance with the Act.

The community context of the 69th & Ashland RPA is detailed on Map 1.

The 69th & Ashland RPA consists of 63 tax parcels and 12 buildings located within the West Englewood Community Area ("Community Area") of the City of Chicago. Thirty-four of the 63 parcels (54%) are vacant. The RPA covers approximately 18 acres and is generally bounded on the east by the alley right-of-way east of Ashland Avenue and the east side of Justine Avenue, on the north by the north side of 69th Street, on the west by the west side of Marshfield Avenue, and on the south by the south side of 71st Street. The RPA is located wholly within the City of Chicago. A large portion of the RPA is the site of a former CTA bus barn, which was closed and demolished in 1998. According to both Phase I and Phase II Environmental assessments conducted in 2003, the site is environmentally contaminated.

Map 2 details the boundary of the 69th & Ashland RPA, which includes only the contiguous real property that is expected to substantially benefit from the Eligibility Study, Redevelopment Plan and Project improvements discussed herein.

Appendix 1 contains a legal description of the 69th & Ashland RPA.

The Eligibility Study, Redevelopment Plan and Project covers events and conditions that exist and that were determined to support the designation of the 69th & Ashland RPA as a "blighted area" under the Act at the completion of our research on April 1, 2004 and not thereafter. Events or conditions, such as governmental actions and additional developments occurring after that date are excluded from the analysis. The improved parcels suffer from obsolescence of structures and

improvements, deterioration of buildings and infrastructure, deleterious land use and layout, and structures below minimum code standards, and inadequate utilities. The vacant parcels generally suffer from deterioration of adjacent structures and improvements, environmental contamination, and diversity of ownership. In addition to these factors affecting specific parcels, the entire RPA has experienced negligible growth in equalized assessed value (EAV) over the last five years. Without a comprehensive approach to address these issues, the RPA is not likely to benefit from future development opportunities. The Eligibility Study, Redevelopment Plan and Project addresses these issues by providing the means to facilitate private development and improvements to the area's infrastructure and public facilities. These improvements will benefit all of the property within the RPA by alleviating conditions qualifying the RPA as a blighted area.

History of Area¹

The 69th & Ashland RPA is located within the West Englewood Community Area, which is generally bounded by Garfield Boulevard on the north; 75th Street on the south; Racine Avenue on the east; and Western Avenue on the west.

In 1889, West Englewood became part of Chicago. Intensive development, particularly residential, began to occur in West Englewood after the 1893 World Columbian Exposition. The development of the West Englewood neighborhood was further fueled by the creation of infrastructure improvements and transportation networks. These improvements included water and sewer lines, streetcar lines, and the electric trolley. The extension of the elevated train (now the CTA Green Line) also spurred development in West Englewood by improving accessibility to the area.

The neighborhood continued to grow during the first part of the 20th century. During the earlier part of the 19th century, West Englewood was mostly comprised of Italian, German, and Irish immigrants. There was a small community of African-American families living on the eastern fringe of the neighborhood. During this time, numerous brick bungalows and other two-story homes were developed, particularly in areas near Garfield Boulevard and Marquette Road. After 1950, West Englewood experienced a dramatic racial shift in its population as more African-American families moved into the area.

During the 1960s and 70s, West Englewood's population began to expand again. The population became predominantly African-American with much of the increase occurring in younger age groups. This growth prompted schools, recreational facilities, and services to be expanded, but was accompanied by a decline in incomes.

¹Information on the history of the West Englewood community area was derived from the Local Community Fact Book Chicago Metropolitan Area 1990, edited by the Chicago Fact Book Consortium, (copyright 1995, Board of Trustees of the University of Illinois) at pages 191-192.

West Englewood is currently considered to be one of the most depressed areas in all of Chicago. The Community Area currently is losing residents and the median household income, adjusted for inflation, has decreased over the last 10 years. Unemployment is high and gangs and crime have become a serious problem. As of the 2000 Census, nearly 30 percent of all families and 50 percent of all West Englewood residents live below the poverty line. Lack of investment has also plagued the West Englewood community. The aging housing stock is becoming increasingly deteriorated, and little investment has taken place to repair or replace these old and deteriorated buildings.

New development has only recently occurred in and near the area. The new campus for Kennedy King College is currently under construction and new public facilities, including a library and police station are underway. There are also plans for new residential and commercial development in the area that will attempt to boost revitalization and economic development in the West Englewood community.

The former CTA bus barn site was originally purchased in 1947 from Chicago Surface Lines, a supplier of rail-operated streetcars. The site served primarily as a maintenance and repair facility for CTA buses but it also housed CTA regional offices. In 1998, all the buildings were demolished and the site has remained vacant since that time. Phase I and II environmental studies recently conducted on the site indicate that redevelopment of the site would require environmental remediation.

Existing Land Use

Based upon *S. B. Friedman & Company's* research, five major land uses have been identified within the 69th & Ashland RPA:

- Vacant Land;
- Residential;
- Commercial;
- Institutional; and
- Utility

The existing land use pattern in the 69th & Ashland RPA is shown in Map 3. The predominant land uses within the area are vacant land, (comprised primarily of parcels associated with the former CTA bus barn site), residential, and commercial, which is mostly auto related. Other uses include institutional and utility uses. Neighborhood-serving commercial businesses, including a gas station and auto repair shops, are the predominant land uses to the north and south of the RPA along 69th and 71st Streets, while residential uses are predominant to the east and west of the RPA.

Vacant: There are a total of 34 vacant parcels within the proposed RPA. Twenty of the parcels are located within the former CTA bus barn site. The other 14 parcels are concentrated east of Ashland on 69th Street and on the east side of Ashland between 69th and 70th Streets. The CTA site occupies approximately 10.25 acres of land between 69th and 71st Streets.

Residential. Five primary structures-- two single family, two multi-family rental properties, and one mixed use building (composed of commercial and residential uses) are present on the east side of Ashland Avenue and the south side of 69th Street. The mixed-use building on the southeast corner of 69th and Ashland is completely vacant. Other residential uses shown on Map 3 include ancillary structures such as garages and sheds.

Commercial. Six businesses are currently in operation along the east side of Ashland Avenue within the proposed RPA. Most of these commercial uses are auto-oriented, including auto sales and service stations. One of the six businesses within the RPA (a used auto dealership) conducts its operations in a trailer, which does not qualify as a primary structure and therefore is not displayed as a building on the Existing Land Use Map.

Other uses in the RPA include an institutional use (one church) and utility uses (two communications towers) all near the intersection of 71st and Ashland.

Historically Significant Structures

S. B. Friedman & Company obtained data from the Chicago Historic Resources Survey (the "CHRS") to identify architecturally and/or historically significant buildings located within the 69th & Ashland RPA. The CHRS identifies over 17,000 Chicago properties and contains information on buildings that may possess important architectural and/or historical significance. No structures located within the boundaries of the 69th & Ashland RPA are identified in the CHRS.

3.

Eligibility Analysis

Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Based upon the conditions found within the 69th & Ashland RPA at the completion of S. B. Friedman & Company's research, it has been determined that the 69th & Ashland RPA meets the eligibility requirements of the Act as a blighted area. The following text outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility for an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" and/or a "conservation area."

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and soon may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "conservation" and/or "blighted area" district based upon an evidentiary finding of certain eligibility factors listed in the Act. The eligibility factors for each designation are identical for improved property. A separate set of factors exists for the designation of vacant land as a "blighted area." There is no provision for designating vacant land as a conservation area.

Factors for Improved Property

For improved property to constitute a "blighted area," a combination of five or more of the following thirteen eligibility factors listed at 65 ILCS 5/11-74.4-3 (a) and (b) must meaningfully exist and be reasonably distributed throughout the RPA. "Conservation areas" must have a minimum of 50% of the total structures within the area aged 35 years or older, plus a combination of three or more of the 13 eligibility factors which are detrimental to the public safety, health, morals, or welfare and which could result in such an area becoming a blighted area.

Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration including but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

Illegal Use of Individual Structures. The use of structures in violation of the applicable Federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

Lack of Ventilation, Light or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

Deleterious Land Use or Layout. The existence of incompatible land use relationships, buildings occupied by inappropriate mixed uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

Environmental Contamination. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or Federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by

evidence of adverse or incompatible land use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Factors for Vacant Land

Under the provisions of the "blighted area" section of the Act, for vacant land to constitute a "blighted area," a combination of two or more of the following six factors must be identified as being present to a meaningful extent and reasonably distributed which act in combination to impact the sound growth in tax base for the proposed district.

Obsolete Platting of Vacant Land. Parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

Diversity of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. When diversity of ownership of parcels of vacant land is sufficient in number to retard or impede the ability to assemble the land for development, this factor applies.

Tax and Special Assessment Delinquencies. Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

Environmental Contamination. The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has

determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or Federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the "blighted area" section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five or more of the 13 "blighted area" eligibility factors for improved property listed above were present immediately prior to demolition of the area's structures.

The vacant "blighted area" section includes six other tests for establishing eligibility but none of these are relevant to the conditions within the 69th & Ashland RPA.

Methodology Overview and Determination of Eligibility

Analysis of eligibility factors was done through research involving an extensive field survey of all property within the 69th & Ashland RPA, as well as a review of building and property records. Building and property records include building code violation citations, building permit data, and assessor information. Our survey of the area established that there are 12 primary structures within the 69th & Ashland RPA. Ancillary structures including garages, sheds, and trailers are excluded from this total but were considered in our analysis of eligibility factors at the tax parcel level.

The 69th & Ashland RPA contains structures and other improvements of varying degrees of deterioration. The property was examined for qualification factors consistent with either the "blighted area" or "conservation area" requirements of the Act. Based upon these criteria, the property within the 69th & Ashland RPA qualifies for designation as a TIF Redevelopment Project Area as a "blighted area" as defined by the Act.

To arrive at this designation, *S. B. Friedman & Company* calculated the number of eligibility factors present, and analyzed the distribution of the eligibility factors on a building-by-building and/or parcel-by-parcel basis. When appropriate, we calculated the presence of eligibility factors on infrastructure and ancillary properties associated with the structures. The eligibility factors were correlated to buildings using structure-base maps, property files created from field

observations, record searches, and field surveys. This information was then graphically plotted on a parcel map of the 69th & Ashland RPA to establish the distribution of eligibility factors, and to determine which factors were present to a major extent.

Major factors are used to establish eligibility. These factors are present to a meaningful extent and evenly distributed within the RPA. Minor factors are supporting factors present to a meaningful extent on some of the blocks or on a scattered basis. Their presence suggests that the area is at risk of experiencing more extensive deterioration and disinvestment.

To arrive at this designation, *S. B. Friedman & Company* documented the existence of qualifying eligibility factors and confirmed that a sufficient number of factors were present within the RPA and evenly distributed.

Although it may be concluded under the Act that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of the RPA as a blighted area, this evaluation was made on the basis that the blighted area factors must be present to an extent that indicates that public intervention is appropriate or necessary. In addition, the blighted area factors must be reasonably distributed throughout the RPA so that non-qualifying areas are not arbitrarily included in the RPA simply because of proximity to areas that qualify as a blighted area.

Blighted Area Findings

As required by the Act, within a blighted area, at least five of the 13 improved eligibility factors and/or at least two of the six vacant land eligibility factors must be found present to a major extent within the 69th & Ashland RPA.

Our research has revealed that the following six eligibility factors are present to a major extent on the improved parcels:

1. Obsolescence;
2. Deterioration;
3. Deleterious Land Use and Layout;
4. Structures Below Minimum Code Standards;
5. Inadequate Utilities; and
6. Lack of Growth of Equalized Assessed Value

Our research also has revealed that the following four factors for vacant land are present to a major extent:

1. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land;
2. Diversity of Ownership;

3. Environmental Contamination; and
4. Lack of Growth of Equalized Assessed Value

Based on the presence of these improved and vacant land factors, the 69th and Ashland RPA meets the requirements of a "blighted area" under the Act.

Structures and improvements within the RPA are functionally and/or economically obsolete for their current use as evidenced by the lack of site improvements and inadequate design and layout of many of the uses. Buildings, infrastructure, and parking areas within the RPA exhibit physical deterioration, including cracks in building exteriors, missing or damaged curbs, and cracked paving surfaces. The presence of incompatible land uses, vacant land, and vacant buildings on multiple properties contributes to the deleterious land use and layout of the RPA. Numerous code violations exhibit the physical decline of buildings throughout the balance of the RPA. The condition of utilities within the RPA is generally inadequate in that the RPA is serviced by water and sewer facilities that have exceeded their design life. Finally, the total equalized assessed value (EAV) of the 69th & Ashland RPA has lagged behind that of the balance of the City of Chicago for the last five years for which data are available. The extent and nature of these factors have negative effects on nearby properties and the future development of the RPA.

A majority of the parcels within the 69th & Ashland RPA (34 parcels or 54% of total parcels), including the former CTA bus barn site, are vacant. All vacant parcels (100%) suffer from adjacent deterioration of structures and site improvements. This includes the deterioration of improved properties within and outside of the RPA. Ownership of the vacant parcels (outside of the CTA site) is scattered among a large number of owners, which hinders land assembly for future development. Much of the RPA suffers from environmental contamination.

Maps 4A through 4G illustrate the presence and distribution of these eligibility factors on a parcel-by-parcel basis within the RPA. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the 69th & Ashland RPA.

IMPROVED LAND FACTORS

1. Obsolescence

An appreciable amount of functional and/or economic obsolescence exists within the 69th & Ashland RPA. One or both of these forms of obsolescence affects a combined total of 14 of the 29 improved tax parcels (48%) within the RPA. At the building level, six of the 12 primary buildings (50%) suffer from either functional or economic obsolescence. One of the major obsolete structures within the RPA is a mixed-use building at the southeast corner of 69th and Ashland. The building contains 11 vacant apartments and vacant ground floor retail space. The high vacancy and the shallow depths of the retail space exhibit both economic and functional obsolescence. Other catalogued obsolescence of improved parcels includes a lack of site improvements, inadequate system of service and delivery, and poor design and layout of existing structures.

2. Deterioration

Of the 12 primary buildings within the 69th & Ashland RPA, 10 (83%) exhibited physical deterioration, including cracked or broken windows and damaged facades. Building deterioration, when combined with deterioration of infrastructure and/or parking areas, including broken or missing curbs, cracked alleys, and parking area paving affects 26 of 29 improved tax parcels (90%) within the RPA.

3. Deleterious Land Use and Layout

Deleterious land use and layout applies to 8 of the 29 (28%) improved parcels in the RPA. Key conditions contributing to the presence of this factor include 1) the presence of communications towers adjacent to residential uses, 2) the use of unpaved yards as parking facilities and 3) the insufficient securing of dilapidated structures. These factors negatively impact the overall health and safety of residents in the RPA.

4. Structures Below Minimum Code Standards

Based upon data provided by the City's Department of Buildings, code violation citations were issued for four different property addresses within the 69th & Ashland RPA over the past five complete years (1997 through 2003) and up to May of 2004. Code violation citations implicated 4 of the 12 buildings (33%) within the 69th & Ashland RPA from 1998 through May of 2004. Furthermore, seven parcels that are currently vacant have past records of code violation citations before the structures were demolished. This demonstrates the progressive deterioration that the RPA has experienced in recent years.

5. Inadequate Utilities

The parcels within the RPA are serviced by antiquated sewer and water mains that are either scheduled for or overdue for replacement. The Department of Water Management for the City of Chicago indicated that 3,900 linear feet of water mains that serve the RPA are in need of replacement. Some replacements are needed because the water lines have reached the end of their 100-year useful service lives. Other lines will exceed their design life during the 23-year life of the TIF district. In addition, some of the water mains may be of insufficient size to meet modern capacity standards, according to the Department of Water Management.

Most of the sewer lines serving the RPA have not been modernized or upgraded to current standards. Their age and outdated method of construction increase the risk of maintenance problems and structural deficiencies.

6. Lack of Growth in Equalized Assessed Value

The total equalized assessed value (EAV) of the RPA has either declined or has grown at a rate less than that of the balance of the City of Chicago during the last five years for which information is available (1997-2002). This lack of growth has occurred both for all parcels in the RPA and also for the improved parcels alone. Considering improved parcels only, the RPA has a compound annual EAV growth rate of -0.02% between 1997 and 2002. The biggest decline occurred between 2001 and 2002, when the RPA's improved parcels declined 9% in EAV.

Table 1. Percent Change in Annual Equalized Valuation (EAV)- Improved Parcels

	Compound Annual Growth Rate (CAGR) '97-'02	Percent Change in EAV '97-'98	Percent Change in EAV '98-'99	Percent Change in EAV '99-'00	Percent Change in EAV '00-'01*	Percent Change in EAV '01-'02
69th and Ashland TIF (ALL PARCELS)	-0.03%	1.44%	-3.49%	7.94%	2.19%	-7.53%
69th and Ashland TIF (IMPROVED PARCELS)	-0.02%	1.44%	-4.31%	10.87%	2.01%	-9.01%
City of Chicago (Balance EAV)	6.33%	1.77%	4.17%	14.50%	3.71%	7.98%

Source: Cook County Assessor & S.B. Friedman & Company

VACANT LAND FACTORS

There are 34 vacant parcels within the 69th & Ashland RPA, representing 54% or more than half of total parcels. Four vacant eligibility factors were found to be present to a meaningful extent.

1. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land

All parcels (100%) were found to be adjacent to improved parcels that exhibit deterioration. Deterioration is found on properties within and outside the RPA. Within the RPA, there are damaged and crumbling facades, cracked sidewalks, and unfinished parking lots. Outside of the RPA, there are more extreme cases of deterioration including dilapidated buildings, improper land use relationships, and damaged infrastructure. The closest improved parcels on each side of a vacant parcel were considered adjacent for the purposes of this analysis.

2. Diversity of Ownership

Analysis of assessor data regarding the taxpayer of record for the vacant parcels reveals that 41% of all vacant parcels (14 parcels) have different taxpayers for vacant parcels where the name of the owner was listed. This situation would impede efforts to assemble land for new development.

This eligibility factor was considered to be present in all vacant parcels except the CTA site.

3. Environmental Contamination

Malcolm Pirnie, Inc., an environmental engineering consulting firm, conducted the most recent environmental site assessments on the former CTA site. Although leaking underground storage tanks were removed from the site, the firm suggested that further site remediation is necessary. Soil borings taken in various locations during a Phase II environmental site assessment of the property found harmful gases and materials in excess of allowable levels. Suggestions for remediation include soil removal or the placement of engineered barriers over impacted soils. The environmental condition of the site is not currently suitable for development without incurring additional remediation costs.

4. Lack of Growth in Equalized Assessed Value

The total equalized assessed value (EAV) of vacant parcels in the RPA has either declined or has grown at a rate less than that of the balance of the City of Chicago during four of the last five years for which information is available (1997-2002). This lack of growth has occurred both for all parcels in the RPA and also for the vacant parcels alone. Considering vacant parcels only, the RPA has a negative compounded annual EAV growth rate of -0.1% between 1997 and 2002. The biggest decline occurred between 1999 and 2000, when the RPA's vacant parcels declined 14% in EAV.

Table 2. Percent Change in Annual Equalized Valuation (EAV)- Vacant Parcels

	Compound Annual Growth Rate (CAGR) '97-'02	Percent Change in EAV '97-'98	Percent Change in EAV '98-'99	Percent Change in EAV '99-'00	Percent Change in EAV '00-'01	Percent Change in EAV '01-'02
69th and Ashland TIF (ALL PARCELS)	-0.03%	1.44%	-3.49%	7.94%	-14.43%	-7.53%
69th and Ashland TIF (VACANT PARCELS)	-0.10%	1.44%	3.24%	-14.43%	-14.43%	6.89%
City of Chicago (Balance EAV)	6.33%	1.77%	4.17%	14.50%	14.50%	7.98%

*The 2000-2001 period is shaded to indicate that it is a non-qualifying year for the vacant portion of the RPA.

Source: Cook County Assessor Office and S.B. Friedman & Company.

4.

Redevelopment Project & Plan***Redevelopment Needs of the 69th & Ashland RPA***

The existing land use pattern and physical conditions in the 69th & Ashland RPA suggest three redevelopment needs for the area:

1. Property assembly and site preparation;
2. New commercial and residential development; and
3. Public infrastructure improvements

The Eligibility Study, Redevelopment Plan and Project identifies the tools that the City will use to guide redevelopment in the 69th & Ashland RPA, to stimulate economic development and to promote and sustain a strong residential community fabric. Currently, the 69th & Ashland RPA is characterized by numerous vacant parcels, vacant and underutilized buildings, deteriorated buildings and infrastructure, and stagnant property values.

The goals, objectives, and strategies discussed below have been developed to address these needs and to facilitate the sustainable redevelopment of the 69th & Ashland RPA. The proposed public improvements outlined in the Eligibility Study, Redevelopment Plan and Project will help to create an environment conducive to private investment and redevelopment within the 69th & Ashland RPA. To support specific projects and encourage future investment in the RPA, public resources, including tax increment financing, may be used to: facilitate property assembly; demolition; site preparation; and/or rehabilitation and improve or repair RPA public facilities and/or infrastructure. In addition, tax increment financing may be used to subsidize developer interest costs related to redevelopment projects.

Goals, Objectives, and Strategies

Goals, objectives, and strategies are designed to address the need for redevelopment within the overall framework of the Eligibility Study, Redevelopment Plan and Project for the use of anticipated tax increment funds generated within the 69th & Ashland RPA.

Goal. The overall goal of the TIF Eligibility Study, Redevelopment Plan and Project is to reduce or eliminate the conditions that qualify the 69th & Ashland RPA as a blighted area and to provide the mechanisms necessary to support public and private development and improvements in the RPA, particularly to facilitate site remediation and clean-up of the former CTA bus barn site. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Eight broad objectives support the overall goal of area-wide revitalization of the 69th & Ashland RPA. These include:

1. Facilitate the preparation of the former CTA bus barn site for commercial redevelopment;
2. Facilitate the assembly, preparation, rehabilitation, and marketing of vacant and underutilized sites for commercial and residential redevelopment;
3. Promote new residential development that accommodates a diverse demographic mix of residents, including the development of new affordable housing;
4. Create a physical environment that is conducive to private development through the provision of public infrastructure where needed, including underground water and sanitary systems, sidewalks, alleys, and street improvements;
5. Provide adequate on- and off-street parking within the RPA for residents and visitors of the RPA;
6. Promote the development, improvement, and/or maintenance of park/open space uses as necessary and appropriate to serve residents of the RPA and surrounding neighborhood;
7. Provide opportunities for women-owned, minority-owned, and locally owned businesses to share in the job and construction opportunities associated with the redevelopment of the 69th & Ashland RPA; and
8. Support job training/welfare to work programs and increase employment opportunities for area residents.

Strategies. These objectives will be implemented through four specific and integrated strategies. These include:

1. **Facilitate Property Assembly, Demolition, and Site Preparation.** Financial assistance may be provided to private developers seeking to acquire land and assemble and prepare sites in order to undertake projects in support of this Eligibility Study, Redevelopment Plan and Project.

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

Map 5, *Land Acquisition Overview Map*, indicates the parcels currently proposed to be acquired for redevelopment in the RPA. Appendix 3 contains a list of the acquisition parcels by Permanent Index Number (PIN) which portrays the acquisition properties in more detail.

In connection with the City exercising its powers to acquire real property not currently identified in Appendix 3, including the exercise of the power of eminent domain, under the Act in implementing this Eligibility Study, Redevelopment Plan and Project, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan. Relocation assistance may be provided to facilitate redevelopment of portions of the RPA, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

For properties displayed on Map 5, the acquisition of occupied properties by the City shall commence within four years from the date of the publication of the ordinance approving the Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four-year period, the City may acquire such property pursuant to this Plan under the Act according to its customary procedures as described in the preceding paragraph.

2. **Implement Public Improvements.** A series of public improvements throughout the 69th & Ashland RPA may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement or development of streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Eligibility Study, Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

3. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Eligibility Study, Redevelopment Plan and Project.
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The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than 100% of the area median income, and affordable rental units should be affordable to persons earning no more than 60% of the area median income. TIF funds can also be used to pay for up to 50% of the cost of construction or up to 75% of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the 69th & Ashland RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

These activities are representative of the types of projects contemplated to be undertaken during the life of the 69th & Ashland RPA. Market forces are critical to the completion of these projects. Phasing of projects will depend on the interests and resources of both public and private sector parties. Not all projects will necessarily be undertaken. Further, additional projects may be identified throughout the life of the 69th & Ashland RPA. To the extent that these projects meet the goals, objectives, and strategies of this Eligibility Study, Redevelopment Plan and Project and the requirements of the Act and budget outlined in the next section, these projects may be considered for tax-increment funding.

Proposed Future Land Use

The proposed future land use of the 69th & Ashland RPA reflects the objectives of the Eligibility

Study, Redevelopment Plan and Project, which are to support redevelopment of the portion of the RPA located west of Ashland Avenue with retail commercial uses, and the remainder of the RPA as a mixed-use area to include commercial and/or residential uses. It also supports other improvements that serve the redevelopment interests of the local community and the City. The proposed objectives are compatible with historic land use patterns in the surrounding community and support current development trends in the area.

These proposed future land uses are detailed on Map 6. As noted on Map 6, the uses listed are to be predominant uses for the area indicated, and are not exclusive of any other uses.

Assessment of Housing Impact

As set forth in the Act, if the redevelopment plan for the 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 approximately six occupied residential units in both multifamily and single-family buildings. The City hereby certifies that the Eligibility Study, Redevelopment Plan and Project will not result in the displacement of residents from 10 or more inhabited residential units.

5.

Financial Plan

Eligible 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 Eligibility Study, Redevelopment Plan and Project (the "Redevelopment Project Costs.")

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Eligibility Study, Redevelopment Plan and Project 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;
2. The costs of marketing sites within the RPA to prospective businesses, developers and investors;

3. 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;

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs 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;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the RPA and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the West Englewood 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;
7. 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 thereunder 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;
8. 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 Eligibility Study, Redevelopment Plan and Project;
9. Relocation costs to the extent that the City 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;
10. Payment in lieu of taxes as defined in the Act;

11. 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 the RPA; 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;
12. Interest costs incurred by a 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;
 - b. such payments in any one year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;
 - c. 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;
 - d. the total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the redeveloper for the redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act;
 - e. for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of seventy-five percent (75%) shall be substituted for thirty percent (30%) in subparagraphs 12b and 12d above;

13. Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
14. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
15. ~~Instead of the eligible costs provided for in 12b, 12d, and 12e above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all 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~~
16. The costs of daycare services for children of employees from low-income families working for businesses located within the RPA and all or a portion of the cost of operation of day care centers established by RPA businesses to serve employees from low-income families working in businesses located in the RPA. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent (80%) of the City, county or regional median income as determined from 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.

Estimated Redevelopment Project Costs

The estimated eligible costs that are deemed to be necessary to implement this Eligibility Study, Redevelopment Plan and Project are shown in Table 3. The total eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Plan, to the extent permitted by the Act. Additional funding in the form of State, Federal, County, or local grants, private developer contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

TABLE 3: Estimated Redevelopment Project Costs

Eligible Expenses	Estimated Project Costs
Professional Services (including analysis, administration, studies, surveys, legal, marketing, etc.)	\$250,000
Property Assembly: including acquisition, site preparation, demolition and environmental remediation	\$4,500,000
Rehabilitation of Existing Buildings (including fixtures and leasehold improvements, affordable housing construction and rehabilitation cost)	\$100,000
Eligible Construction Costs (Affordable Housing)	\$1,500,000
Relocation Costs	\$250,000
Public Works or Improvements (including streets and utilities, parks and open space, public facilities (schools & other public facilities) (1)	\$1,000,000
Job Training, Retraining, Welfare-to-Work	\$250,000
Interest Subsidy	\$1,500,000
Day Care Services	\$250,000
TOTAL REDEVELOPMENT COSTS (2), (3), (4)	\$9,600,000

(1) This category also may include paying for or reimbursing (i) an 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 RPA. 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.

(2) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

(3) The amount of the Total Redevelopment Project Costs that can be incurred in the RPA will be reduced by the amount of redevelopment project costs incurred in contiguous RPAs, or those separated from the RPA 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 RPA, but will not be reduced by the amount of redevelopment project costs incurred in the RPA which are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

(4) Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act. All costs are in 2004 dollars and may be increased by the rate of inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Keosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs

Adjustments to the estimated line item costs in Table 3 are anticipated, and may be made by the City without amendment to the Eligibility Study, Redevelopment Plan and Project to the extent permitted by the Act. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. ~~Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.~~

In the event the Act is amended after the date of the approval of this Eligibility Study, Redevelopment Plan and Project 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 5/11-74.4-3(q)(11)), this Eligibility Study, Redevelopment Plan and Project shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Eligibility Study, Redevelopment Plan and Project, to the extent permitted by the Act. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Table 3, or otherwise adjust the line items in Table 3 without amendment to this Eligibility Study, Redevelopment Plan and Project, 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 Eligibility Study, Redevelopment Plan and Project.

Phasing and Scheduling of the Redevelopment

Each private project within the 69th & Ashland RPA shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City and approved by the City Council. Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Eligibility Study, Redevelopment Plan and Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st 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 year calendar year following the year in which the ordinance approving this Eligibility Study, Redevelopment Plan and Project is adopted (by December 31, 2028, if the ordinances establishing the RPA are adopted during 2004).

Sources of Funds to Pay Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily 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 taxes, and the City may then be reimbursed for such costs from incremental 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 69th & Ashland RPA 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 RPA to pay eligible redevelopment project 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 RPA, 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 RPA, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The 69th & Ashland RPA 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 RPA, the City may determine that it is in the best interests of the City and the furtherance of the purposes of the Plan that net revenues from the RPA 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 RPA 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 RPA and such areas. The amount of revenue from the RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the RPA or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 3 of this Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

Issuance of Obligations

To finance project costs, the City may issue bonds or obligations secured by Incremental Property

Taxes generated within the 69th & Ashland RPA 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 obligations bonds. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Eligibility Study and Redevelopment Plan and the Act shall be retired within the time frame described under "Phasing and Scheduling of the Redevelopment" above. 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 of a series of obligations may be sold at one or more times in order to implement this Eligibility Study and 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 RPA in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the 69th & Ashland RPA is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the 69th & Ashland RPA. The 63 tax parcels comprising the RPA have a total estimated EAV of \$636,571 in the 2002 tax year. This total EAV amount by PIN is summarized in Appendix 2. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County.

Anticipated Equalized Assessed Valuation

By 2027, the EAV for the 69th & Ashland RPA will be approximately \$13,161,878. This estimate is based on several key assumptions, including: 1) an inflation factor of 2.5% per year on the EAV of all properties within the 69th & Ashland RPA, with its cumulative impact occurring in each triennial reassessment year; 2) an equalization factor of 2.4689; and 3) projected tax rates based upon tax limitation legislation.

6.

Required Findings and Tests***Lack of Growth and Private Investment***

The City is required under the Act to evaluate whether or not the RPA has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a tax increment financing district.

To investigate a lack of growth and private investment within the 69th & Ashland RPA, S. B. Friedman & Company examined building permit data provided by the City of Chicago Department of Buildings from January 1997 to May 2004. This data indicated that nine building permits had been issued for properties within the 69th & Ashland RPA within that period. However, four of these permits were related to the demolition and removal of buildings within the RPA. Two permits were related to the installation of a communication tower while the remaining three permits were issued for general repairs and equipment replacement. The building permit activity within the RPA does not indicate a significant level of growth or development through private investment.

Lack of EAV growth is also a strong indicator that the area as a whole has not been subject to growth and development. The RPA's rate of compound annual growth in EAV over the last five years has lagged behind that of the City of Chicago, Lake Township, and the Consumer Price Index (CPI) for the Chicago Metropolitan Statistical Area (MSA) between 1997 and 2002. This further shows the lack of investment in the RPA over time.

Finding: The Redevelopment Project Area (69th & Ashland RPA) on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Eligibility Study, Redevelopment Plan and Project.

But for....

The City is required to find that, but for the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the 69th & Ashland RPA.

Without the support of public resources, the redevelopment objectives of the 69th & Ashland RPA will most likely not be realized. Since the closure of the CTA site in 1998, redevelopment of the property has not occurred. The environmental conditions of the site make redevelopment risky and costly. Adjacent deterioration and dilapidation in the surrounding neighborhood within and outside the RPA causes the area to be less attractive for new development. In addition, acquisition and demolition/rehabilitation costs associated with the redevelopment of the site are unlikely to be fully absorbed by the private market. TIF assistance may be used to facilitate public and private redevelopment through funding land assembly, site preparation, infrastructure improvements, and

improvements and expansions to public facilities. But for creation of the 69th & Ashland RPA, these types of projects are unlikely to occur without the benefits associated with the designation of the 69th & Ashland RPA as a tax-increment financing district.

Finding: But for the adoption of this Eligibility Study, Redevelopment Plan and Project, critical resources will be lacking that would otherwise support the redevelopment of the 69th & Ashland RPA and the development of the 69th & Ashland RPA would not be reasonably anticipated.

Conformance to the Plans of the City

The 69th & Ashland RPA and Eligibility Study, Redevelopment Plan and Project must conform to the comprehensive plan for the City, conform to the strategic economic development plans, or include land uses that have been approved by the Chicago Plan Commission.

The proposed land uses described in this Eligibility Study, Redevelopment Plan and Project must be approved by the Chicago Plan Commission prior to its adoption by the City Council.

Dates of Completion

The dates of completion of the project and retirement of obligations are described under "Phasing and Scheduling of the Redevelopment" in Section 5, above.

Financial Impact of the Redevelopment Project

As explained above, without the adoption of this Eligibility Study, Redevelopment Plan and Project and tax increment financing, the 69th & Ashland RPA is not expected to be redeveloped by private enterprise. Additionally, there is a genuine threat that blighting conditions will continue to exist and spread, and that the entire area will become a less attractive site for development. The continued decline of the RPA could have a detrimental effect on the growth of property values in surrounding areas and could lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. If a redevelopment project is successful, various new projects may be undertaken that will assist in alleviating blighting conditions, creating new jobs, and promoting both public and private development in the 69th & Ashland RPA.

This Eligibility Study, Redevelopment Plan and Project is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in EAV over and above the

certified initial EAV (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the 69th & Ashland RPA. At the time when the 69th & Ashland RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the 69th & Ashland RPA will be distributed to all taxing districts levying taxes against property located in the 69th & Ashland RPA. These revenues will then be available for use by the affected taxing districts.

Demand on Taxing District Services and Program to Address Financial and Service Impact

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service from, any taxing district affected by the redevelopment plan, and a description of any program to address such financial impacts or increased demand.

The City intends to monitor development in the 69th & Ashland RPA and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development. The following major taxing districts presently levy taxes on properties located within the 69th & Ashland RPA and maintain the listed facilities within the boundaries of the RPA, or within close proximity to the RPA boundaries:

1. City of Chicago

2. Chicago Board of Education

- Altgeld School (1340 W. 71st Street)
- Barton Elementary School (7650 S. Wolcott)
- Bass Public School (1140 W. 66th Street)
- Bond Public School (7050 S. May)
- Bunche Public School (6515 S. Ashland)
- Davis Academy (6723 S. Wood Street)
- Johns Community Academy (6936 S. Hermitage Avenue)
- Harper High School (6520 S. Wood Street)

3. Chicago School Finance Authority

4. Chicago Park District

- Drexel Playlot Park (6931 S. Damen)
- Hawthorne Park (76th and Racine)
- Murray Park (1743 W. 73rd Street)
- Ogden Park (6500 S. Racine)
- Wolcott Playlot Park (6551 S. Wolcott)

5. City of Chicago Library Fund

- West Englewood Branch (63rd and Wood)
- Thurgood Marshall Branch (7506 S. Racine Ave)

6. Chicago Community College District 508**7. Metropolitan Water Reclamation District of Greater Chicago**

8. County of Cook**9. Cook County Forest Preserve District**

Map 7 illustrates the locations of community facilities operated by the above listed taxing districts within or in close proximity to the 69th & Ashland RPA.

Redevelopment activity may cause increased demand for services from one or more of the above listed taxing districts. The anticipated nature of increased demands for services on these taxing districts, and the proposed activities to address increased demand are described below.

City of Chicago. The City is responsible for a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; and building, housing and zoning codes. Replacement of vacant and under-utilized sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. Additional costs to the City for police, fire, and recycling and sanitation services arising from residential and non-residential development may occur. However, it is expected that any increase in demand for the City services and programs associated with the 69th & Ashland RPA can be handled adequately by City police, fire protection, sanitary collection and recycling services, and programs maintained and operated by the City. The impact of the 69th & Ashland RPA will not require expansion of services in this area.

City of Chicago Library Fund. The Library Fund, supported primarily by property taxes, provides for the operation and maintenance of City of Chicago public libraries. Additional costs to the City for library services arising from residential development may occur. However, it is expected that any increase in demand for City library services and programs associated with the 69th & Ashland RPA can be handled adequately by City library services. The impact of the 69th & Ashland RPA will not require expansion of services in this area.

Chicago Board of Education and Associated Agencies. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of education services for kindergarten through twelfth grade.

It is possible that some families who purchase housing or rent new apartments in the 69th & Ashland RPA will send their children to public schools, putting increased demand on area school

districts. However, it is unlikely that the scope of new residential construction would exhaust existing capacity. Existing capacity was verified through data provided from the Department of Operations at the Chicago Public Schools (CPS). According to information provided by CPS, elementary schools reach full capacity at 80% of their design capacity, middle schools reach full capacity at 80% of their design capacity, and high schools reach full capacity at 100% of their design capacity. These data reveal that Altgeld School and Johns Community Academy, which serve the area immediately surrounding and including the 69th & Ashland RPA, currently operate at approximately 60% and 61% of capacity, respectively. Davis Academy, which serves the area immediately surrounding and including the 69th & Ashland RPA, operates at approximately 72% of capacity. Harper High School, which serves the area immediately surrounding and including the 69th & Ashland RPA, operates at approximately 96% of capacity. Given the small size and the predominantly commercial character of the proposed development for the 69th & Ashland RPA, it is unlikely that existing capacity will be exceeded as a result of TIF-supported activities. Additionally, increased costs to the local schools resulting from children residing in TIF-assisted housing units will trigger those provisions within the Act that provide for reimbursement to the affected school district(s) where eligible. The City intends to monitor development in the 69th & Ashland RPA and, with the cooperation of the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with each new residential project.

Chicago Park District. The Chicago 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.

It is expected that the households that may be added to the 69th & Ashland RPA may generate additional demand for recreational services and programs and may create the need for additional open spaces and recreational facilities operated by the Chicago Park District. The City intends to monitor development in the 69th & Ashland RPA and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements that may be provided by the Chicago Park District are addressed in connection with any particular residential development.

Community College District 508. This 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.

It is expected that any increase in demand for services from Community College District 508 indirectly or directly caused by development within the 69th & Ashland RPA can be handled adequately by the district's existing service capacity, programs and facilities. Therefore, at this time no special programs are proposed for this taxing district. Should demand increase, the City will work with the affected district to determine what, if any, program is necessary to provide adequate services.

Metropolitan Water Reclamation District. This district provides the main trunk lines for the collection of wastewater from Cities, Villages and Towns, and for the treatment and disposal thereof.

It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the 69th & Ashland RPA can be handled adequately by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District of Greater Chicago. Therefore, no special program is proposed for the Metropolitan Water Reclamation District of Greater Chicago.

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

It is expected that any increase in demand for Cook County services can be handled adequately by existing services and programs maintained and operated by the County. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase, the City will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

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. It is expected that any increase in demand for Forest Preserve services can be handled adequately by existing facilities and programs maintained and operated by the District. No special programs are proposed for the Forest Preserve.

Given the nature of the Eligibility Study, Redevelopment Plan and Project, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot be wholly predicted within the scope of this plan.

7.

*Provisions for Amending Redevelopment
Plan and Project*

This Eligibility Study, Redevelopment Plan and Project and Project document may be amended pursuant to the provisions of the Act.

8.

*Commitment to Fair Employment
Practices and Affirmative Action Plan*

The City is committed to and will require developers to follow and affirmatively implement the

following principles with respect to this Eligibility Study, Redevelopment Plan and Project. However, the City may implement programs aimed at assisting small businesses, residential property owners, and developers which may not be subject to these requirements.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to this Eligibility Study, Redevelopment Plan and Project, including, but not limited to, hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, terminations, etc. without regard to race, color, religion, sex, age, disability, national origin, sexual orientation, ancestry, marital status, parental status, military discharge status, source of income or housing status.
- B. Meeting the City's standards for participation of 25 percent (25%) Minority Business Enterprises and 5 percent (5%) Women Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C. The commitment to affirmative action and non-discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D. Meeting City standards for the hiring of City residents to work on redevelopment project construction projects.
- E. Meeting City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

[Appendix 1 referred to in this 69th/Ashland Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan and Project constitutes Exhibit "C" to the ordinance and printed on pages 34531 through 34532 of this *Journal*.]

[Appendices 2 and 3 referred to in this 69th/Ashland Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan And Project printed on pages 34509 through 34513 of this *Journal*.]

[Map 2 referred to in this 69th/Ashland Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan and Project constitutes Exhibit "E" to the ordinance and printed on page 34533 of this *Journal*.]

[Maps 1, 3, 4A, 4B, 4C, 4D, 4E, 4F, 4G, 5, 6 and 7 referred to in this 69th/Ashland Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan and Project printed on pages 34514 through 34525 of this *Journal*.]

Appendix 2.
 (To 69th/Ashland Redevelopment Project Area
 Tax Increment Finance District Eligibility
 Study, Redevelopment Plan And Project)
 (Page 1 of 3)

Summary of 2002 Equalized Assessed Value By Permanent Index Number (PIN)

No.	PIN	Assessed Value 2002 (AV)	Equalized Assessed Value 2002 (EAV)
1	20-19-423-001-0000	EX	EX
2	20-19-431-018-0000	EX	EX
3	20-19-431-026-0000	EX	EX
4	20-19-431-027-0000	EX	EX
5	20-19-431-028-0000	EX	EX
6	20-19-431-029-0000	EX	EX
7	20-19-431-030-0000	EX	EX
8	20-19-431-031-0000	EX	EX
9	20-19-431-032-0000	EX	EX
10	20-19-431-033-0000	EX	EX
11	20-19-431-034-0000	EX	EX
12	20-19-431-035-0000	EX	EX
13	20-19-431-036-0000	EX	EX
14	20-19-431-037-0000	EX	EX
15	20-19-431-050-0000	EX	EX
16	20-19-431-051-0000	EX	EX
17	20-19-431-052-0000	EX	EX
18	20-19-431-056-0000	EX	EX
19	20-19-431-057-0000	EX	EX
20	20-19-431-058-0000	EX	EX
21	20-20-316-001-0000	\$ 13,403	\$ 33,091
22	20-20-316-002-0000	\$ 1,375	\$ 3,395
23	20-20-316-003-0000	\$ 5,792	\$ 14,300
24	20-20-316-004-0000	\$ 2,409	\$ 5,948
25	20-20-316-005-0000	\$ 7,565	\$ 18,677

Appendix 2.
 (To 69th/Ashland Redevelopment Project Area
 Tax Increment Finance District Eligibility
 Study, Redevelopment Plan And Project)
 (Page 2 of 3)

Summary of 2002 Equalized Assessed Value By Permanent Index Number (PIN)

No.	PIN	Assessed Value 2002 (AV)	Equalized Assessed Value 2002 (EAV)
26	20-20-316-006-0000	\$ 6,792	\$ 16,769
27	20-20-316-007-0000	\$ 1,375	\$ 3,395
28	20-20-316-008-0000	EX	EX
29	20-20-316-009-0000	\$ 43,539	\$ 107,493
30	20-20-316-010-0000	\$ 2,347	\$ 5,795
31	20-20-316-011-0000	\$ 867	\$ 2,141
32	20-20-316-012-0000	\$ 5,018	\$ 12,389
33	20-20-316-013-0000	\$ 867	\$ 2,141
34	20-20-316-014-0000	\$ 867	\$ 2,141
35	20-20-316-015-0000	\$ 867	\$ 2,141
36	20-20-316-016-0000	\$ 867	\$ 2,141
37	20-20-316-017-0000	\$ 867	\$ 2,141
38	20-20-316-018-0000	\$ 867	\$ 2,141
39	20-20-316-019-0000	\$ 867	\$ 2,141
40	20-20-316-020-0000	\$ 867	\$ 2,141
41	20-20-316-021-0000	\$ 867	\$ 2,141
42	20-20-316-022-0000	\$ 867	\$ 2,141
43	20-20-316-023-0000	\$ 867	\$ 2,141
44	20-20-316-044-0000	\$ 12,725	\$ 31,417
45	20-20-324-001-0000	\$ 832	\$ 2,054
46	20-20-324-002-0000	\$ 832	\$ 2,054
47	20-20-324-003-0000	\$ 867	\$ 2,141
48	20-20-324-004-0000	EX	EX
49	20-20-324-005-0000	\$ 867	\$ 2,141
50	20-20-324-006-0000	\$ 4,592	\$ 11,337

Appendix 2.
 (To 69th/Ashland Redevelopment Project Area
 Tax Increment Finance District Eligibility
 Study, Redevelopment Plan And Project)
 (Page 3 of 3)

Summary of 2002 Equalized Assessed Value By Permanent Index Number (PIN)

No.	PIN	Assessed Value 2002 (AV)	Equalized Assessed Value 2002 (EAV)
51	20-20-324-007-0000	\$ 12,493	\$ 30,844
52	20-20-324-008-0000	\$ 3,841	\$ 9,483
53	20-20-324-009-0000	\$ 1,941	\$ 4,792
54	20-20-324-010-0000	\$ 1,940	\$ 4,790
55	20-20-324-011-0000	\$ 867	\$ 2,141
56	20-20-324-012-0000	\$ 2,368	\$ 5,846
57	20-20-324-013-0000	\$ 2,766	\$ 6,829
58	20-20-324-014-0000	\$ 4,524	\$ 11,169
59	20-20-324-015-0000	\$ 5,160	\$ 12,740
60	20-20-324-016-0000	\$ 5,804	\$ 14,329
61	20-20-324-017-0000	\$ 1,341	\$ 3,311
62	20-20-324-018-0000	\$ 15,569	\$ 38,438
63	20-20-324-044-0000	\$ 78,488	\$ 193,779
	Total:	\$ 257,836	\$ 636,571

EX = Tax Exempt Parcels
2002 Equalization Factor

2.4689

Note: Numbers may not add perfectly due to rounding
 Source: Cook County Assessor and *S. B. Friedman & Company*

Appendix 3.
 (To 69th/Ashland Redevelopment Project Area
 Tax Increment Finance District Eligibility
 Study, Redevelopment Plan And Project)
 (Page 1 of 2)

Parcels Recommended for Acquisition by Permanent Index Number (PIN)

No.	PIN	Property Address	Use
1	20-20-316-001-0000	1557 W 69TH ST	Mixed-Use Building
2	20-20-316-002-0000	1553 W 69TH ST	Mixed-Use Building and Parking Lot
3	20-20-316-003-0000	1549-51 W 69TH ST	Parking Lot
4	20-20-316-004-0000	1545 W 69TH ST	Parking Lot
5	20-20-316-005-0000	1543 W 69TH ST	Vacant
6	20-20-316-006-0000	1541 W 69TH ST	Vacant
7	20-20-316-007-0000	1537 W 69TH ST	Vacant
8	20-20-316-008-0000	1531 W 69TH ST	Vacant
9	20-20-316-009-0000	6915 S ASHLAND AVE	Auto Repair
10	20-20-316-010-0000	6919 S ASHLAND AVE	Auto Repair
11	20-20-316-011-0000	6923 S ASHLAND AVE	Auto Repair
12	20-20-316-012-0000	6925 S ASHLAND AVE	Residential
13	20-20-316-013-0000	6927 S ASHLAND AVE	Residential
14	20-20-316-014-0000	6931 S ASHLAND AVE	Vacant
15	20-20-316-015-0000	6933 S ASHLAND AVE	Auto Sales
16	20-20-316-016-0000	6935 S ASHLAND AVE	Auto Sales
17	20-20-316-017-0000	6937 S ASHLAND AVE	Auto Sales
18	20-20-316-018-0000	6941 S ASHLAND AVE	Auto Sales
19	20-20-316-019-0000	6943 S ASHLAND AVE	Auto Sales
20	20-20-316-020-0000	6945 S ASHLAND AVE	Vacant
21	20-20-316-021-0000	6947 S ASHLAND AVE	Vacant
22	20-20-316-022-0000	6951 S ASHLAND AVE	Vacant

Appendix 3.

(To 69th/Ashland Redevelopment Project Area
Tax Increment Finance District Eligibility
Study, Redevelopment Plan And Project)
(Page 2 of 2)

Parcels Recommended for Acquisition by Permanent Index Number (PIN)

No.	PIN	Property Address	Use
23	20-20-316-023-0000	6953 S ASHLAND AVE	Vacant
24	20-20-316-044-0000	6955 S ASHLAND AVE	Auto Repair/Garage
25	20-20-324-001-0000	7001 S ASHLAND AVE	Vacant
26	20-20-324-002-0000	7003 S ASHLAND AVE	Vacant
27	20-20-324-003-0000	7005 S ASHLAND AVE	Vacant
28	20-20-324-004-0000	7007-09 S ASHLAND AVE	Vacant
29	20-20-324-005-0000	7011 S ASHLAND AVE	Vacant
30	20-20-324-006-0000	7013 S ASHLAND AVE	Residential
31	20-20-324-007-0000	7017 S ASHLAND AVE	Auto Repair/Garage
32	20-20-324-008-0000	7019 S ASHLAND AVE	Auto Repair/Garage
33	20-20-324-009-0000	7021 S ASHLAND AVE	Auto Repair/Garage
34	20-20-324-010-0000	7023 S ASHLAND AVE	Auto Repair/Garage
35	20-20-324-011-0000	7025 S ASHLAND AVE	Auto Repair/Garage
36	20-20-324-012-0000	7029 S ASHLAND AVE	Auto Repair/Garage
37	20-20-324-013-0000	7031 S ASHLAND AVE	Auto Repair/Garage
38	20-20-324-014-0000	7033 S ASHLAND AVE	Communications Tower
39	20-20-324-015-0000	7035 S ASHLAND AVE	Residential
40	20-20-324-016-0000	7037 S ASHLAND AVE	Residential
41	20-20-324-017-0000	7041 S ASHLAND AVE	Residential
42	20-20-324-018-0000	7043 S ASHLAND AVE	Church
43	20-20-324-044-0000	7051-7059 S ASHLAND	Gas Station

Exhibit "B".
 (To Ordinance)

Certificate.

State of Illinois)
)SS.
 County of Cook)

I, Jennifer Rampke, the duly authorized, qualified and executive secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a resolution adopted by the Community Development Commission of the City of Chicago at a regular meeting held on the fourteenth (14th) day of September, 2004, with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said resolution.

Dated this fourteenth (14th) day of September, 2004.

(Signed) Jennifer Rampke
 Executive Secretary

Resolution 04-CDC-73 referred to in this Certificate reads as follows:

*Community Development Commission
 Of The City Of Chicago.*

Resolution 04-CDC-73

Recommending To

The City Council Of The City Of Chicago

For The Proposed

69th/Ashland Redevelopment Project Area.

*Approval Of A Redevelopment Plan,
Designation Of A Redevelopment Project Area
And
Adoption Of Tax Increment Allocation Financing.*

Whereas, The Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

Whereas, The Commission is empowered by the Corporate Authorities to exercise certain powers set forth in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the 69th/Ashland area, the street boundaries of which are described on (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented the following documents to the Commission for its review:

69th/Ashland Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan and Project (the "Plan"); and

Whereas, Prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

Whereas, The report and Plan were made available for public inspection and review since July 2, 2004, being a date not less than ten (10) days before the Commission meeting at which the Commission adopted Resolution 04-CDC-47 on July 13, 2004 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

Whereas, Notice of the availability of the report and Plan, including how to obtain this information, were sent by mail on July 16, 2004, which is within a reasonable time after the adoption by the Commission of Resolution 04-CDC-47 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located outside the proposed Area and within seven hundred fifty (750) feet of the boundaries of the Area (or, if applicable, were determined to be the seven hundred fifty (750) residential addresses that were outside the proposed Area and closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

Whereas, Notice of the Hearing by publication was given at least twice, the first publication being on August 17, 2004 a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing, and the second publication being on August 24, 2004, both in the *Chicago Sun-Times* or the *Chicago Tribune*, being newspapers of general circulation within the taxing districts having property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on July 16, 2004, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three (3) years; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Community Affairs ("D.C.C.A.") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to D.C.C.A. and all Board members, on July 16, 2004, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the report and Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on July 16, 2004, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Hearing was held on September 14, 2004 at 1:00 P.M. at City Hall, 2nd Floor, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Board meeting was convened on August 6, 2004 at 1:00 P.M. (being a date at least fourteen (14) days but not more than twenty-eight (28) days after the date of the mailing of the notice to the taxing districts on July, 2004) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to review the matters properly coming before the Board to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area, adoption of Tax Increment Allocation Financing within the Area and other matters, if any, properly before it, all in accordance with Section 5/11-74.4-5(b) of the Act; and

Whereas, The Commission has reviewed the report and Plan, considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

Be It Resolved by the Community Development Commission of the City of Chicago:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

- a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;
- b. the Plan:
 - (i) conforms to the comprehensive plan for the development of the City as a whole; or

- (ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;
- c. the Plan meets all of the requirements of a redevelopment plan as defined ~~in the Act and, as set forth in the Plan, the estimated date of completion~~ of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year following the year of the adoption of the ordinance approving the designation of the Area as a redevelopment project area and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;
- d. to the extent required by Section 5/11-74.4-3(n)(6) of the Act, the Plan incorporates the housing impact study, if such study is required by Section 5/11-74.4-3(n)(5) of the Act;
- e. the Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;
- f. as required pursuant to Section 5/11-74.4-3(p) of the Act:
 - (i) the Area is not less, in the aggregate, than one and one-half (1½) acres in size; and
 - (ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a "blighted area" as defined in the Act;
- g. if the Area is qualified as a "blighted area", whether improved or vacant, each of the factors necessary to qualify the Area as a Redevelopment Project Area on that basis is (i) present, with that presence documented to a meaningful extent so that it may be reasonably found that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act. [and]

Section 3. The Commission recommends that the City Council approve the Plan, including the acquisition map attached thereto, pursuant to Section 5/11-74.4-4 of the Act; provided however, that acquisition of any occupied parcel must be commenced within four (4) years from the date of the publication of the ordinance approving the Plan. Acquisition shall be deemed to have commenced with the City's sending of an offer letter to an owner.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: September 14, 2004.

[(Sub)Exhibit "A" referred to in this Resolution
04-CDC-73 unavailable at time of printing.]

Exhibit "C".
(To Ordinance)

69th/Ashland T.I.F. Legal Description.

All that part of the east half of the southeast quarter of Section 19, the west half of the southwest quarter of Section 20, the west half of the northwest quarter of Section 29 and the east half of the northeast quarter of Section 30, all in Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the southeast corner of Lot 24 in Block 6 of E. O. Lanphere's

Addition to Englewood, a subdivision of Blocks 1 to 15 and the north half of Block 16 in George Sea's Subdivision of the east half of the southeast quarter of Section 19, Township 38 North, Range 14 East of the Third Principal Meridian, said southeast corner of Lot 24 being also the point of intersection of the north line of West 70th Street with the west line of South Marshfield Avenue; thence north along said west line of South Marshfield Avenue to the north line of West 69th Street; thence east along said north line of West 69th Street to the northerly extension of the west line of Lot 10 in Block 3 of Marston and Auger's Subdivision of the southwest quarter of the southwest quarter of Section 20, Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 10 being also the east line of South Justine Street; thence south along said northerly extension and the east line of South Justine Street to the easterly extension of the north line of Lot 46 in Block 4 of said Marston and Auger's Subdivision, said north line of Lot 46 being also the south line of the alley south of West 69th Street; thence west along said easterly extension and the north line of Lot 46 in Block 4 of Marston and Auger's Subdivision to the west line thereof, said west line of Lot 46 being also the east line of the alley east of South Ashland Avenue; thence south along said east line of the alley east of South Ashland Avenue to the south line of West 71st Street; thence west along said south line of West 71st Street to the southerly extension of the east line of Lot "A" in Block 3 of the subdivision of Lots 42 to 48, both inclusive, of Block 13, Lots 1 to 7, both inclusive, of Blocks 14 and 15, Lots 1 to 7 and 18 to 24, all inclusive, in Block 16, Lots 18 to 31, both inclusive, in Blocks 9, 10 and 11, Lots 1 to 7 and 42 to 48, all inclusive, in Blocks 6, 7 and 8, Lots 18 and 31 in Blocks 1, 2 and 3, and Lots 25 to 31, both inclusive, in Block 4 of E. O. Lanphere's Addition to Englewood aforesaid, said east line of Lot "A" being also the west line of South Marshfield Avenue; thence north along said southerly extension and the west line of South Marshfield Avenue to the point of beginning at the southeast corner of Lot 24 in Block 6 of E. O. Lanphere's Addition to Englewood aforesaid, all in the City of Chicago, Cook County, Illinois.

Exhibit "D".
(To Ordinance)

Street Boundaries.

The Area covers approximately eighteen (18) acres and is generally bounded on the east by the alley right-of-way east of South Ashland Avenue and the east side of South Justine Street, on the north by the north side of West 69th Street, on the west by the west side of South Marshfield Avenue, and on the south by the south side of West 71st Street.

Exhibit F

Escrow Agreement

(see attached)

Chicago Title and Trust Company

Refer to: LANA JONES
Phone no.: (312) 223-2746
Fax no.: (312) 223-3580

ESCROW TRUST INSTRUCTIONS (SALE)
(GAP COVERAGE)

ESCROW TRUST NO.: 25018567 COMMITMENT NO.: 008101922 DATE: _____

To: Chicago Title and Trust Company, Escrow Trustee

Reference Information:

Property to be insured: CTI Commitment No. 008101922, Dated _____
Type of property: Vacant
Property address: 6920, 6930 & 6940 South Ashland Avenue, Chicago, IL
Purchase Price: \$862,500.00

DEPOSITS:

SELLER'S DEPOSITS:

_____ for the seller(s).
hereby will deposit the following: (applicable only if checked)

- 1. quitclaim deed, in recordable form,
from City of Chicago
to: Finch Limited Partnership
conveying the property to be insured property described in Exhibit A.
- 2. Plat act affidavit (2 - CTA, City)
- 3. ALTA statement (2 - CTA, City)
- 4. Payoff letter(s) or release(s) for all liens and encumbrances(s).
- 5. Copy of survey
- 6. An affidavit of title.
- 7. Judgment affidavit, if necessary.
- 8. Bill of Sale.
- 9. FIRPTA affidavit.
- 10. Gap undertaking, if applicable.
- 11. 1099 solicitation/exemption.
- 12. Pay proceeds letter, if applicable
- 13. (Tax) (special assessment) bills for _____
- 14. Existing leases and assignments thereof.
- 15. Letters to tenants.
- 16. \$86,250.00, by (certified) (cashier's) check(s) (wire transfer), representing earnest money deposit. HELD BY CTT.
- 17. City of Chicago building registration receipt, if applicable.
- 18. Release of property management lien.
- 19. Municipal Transfer Stamps for the city/village/town of Exemptions - both transfers
- 20. Deed from CTA to city
- 21. Easement for benefit of CTA from city
- 22. Exemption for State and County Transfer Taxes - CTA Deed
- 23. ~~Fully executed Intergovernmental Agreement between City and CTA~~
- 24. ~~Draft Comprehensive NFR letter from IL EPA~~
- 25. GAP Undertaking from CTA

PURCHASER'S DEPOSITS:

_____ for the purchaser(s).
hereby will deposit the following. (applicable only if checked)

- 1. \$ _____, by (certified) (cashier's) check(s) (wire transfer), representing earnest money deposit.
- 2. \$ _____, by (certified) (cashier's) check(s) (wire transfer)
- 3. \$ _____, by (certified) (cashier's) check(s) (wire transfer) as the balance of the purchase price (as shown on closing statement), part or all of which may be deposited pursuant to the terms of a separate moneylender's escrow to be attached hereto and made part hereof
- 4. Gap undertaking, if applicable

- 5. ALTA statement.
- 6. Judgment affidavit, if applicable.
- 7. \$ _____, municipal stamps for the city/village/town of _____.
- 8. Sum sufficient to pay purchaser's charges.
- 9. Reciprocal Easement Agreement with Ralph's Grocery
- 10. MBF Opinion Letter to Lender
- 11. Survey
- 12. Letter from surveyor re: legal descriptions

Escrow Trust No. _____

JOINT DEPOSITS:

The parties jointly on behalf of seller(s) and on behalf of purchaser(s) hereby will deposit the following. (applicable only if checked)

- 1. A closing statement approved by seller(s)'s and purchaser(s)'s attorneys.
 - 2. Executed state, county, (city of Chicago with water certification and building registration exemption statement, if applicable), (municipal) transfer declarations.
 - 3. Agreement for the Sale and Redevelopment of Land
 - 4. Finch Limited Partnership Redevelopment Agreement
 - 5. Subordination Agreement
- Note: If the property is located outside the city of Chicago and in an area requiring a municipal transfer tax, transfer stamps must accompany the deposit of the deed.

TITLE REQUIREMENTS:

When all deposits are received and provided Chicago Title Insurance Company is prepared to issue its regular form of Owner's Title Insurance Policy, subject to the usual terms, exclusions, conditions and stipulations contained therein, (WITH) extended coverage over general exceptions nos. 1, 2, 3, 4, and 5, in the amount of the purchase price as shown on closing statement deposited, insuring the title of the grantee(s) in the deed aforesaid, containing the endorsement(s) listed below, if any, and subject to the following. (applicable only if checked)

- 1. General taxes for the year(s) 2005 and subsequent years, _____
- 2. Mortgage(s)/trust deed(s) and other security documents(s) recorded hereunder.
- 3. Acts done or suffered by or judgments against said grantee(s).
- 4. Permitted exceptions shown below. Seller Deposit 21, joint deposits 3 & 4, Purchaser Deposit 9 & 12
- 5. Permitted exceptions shown on commitment # 008101922 dated _____ as follows. AD7, AG8, BC10, AI6, BB9, AJ7
- 6. Liens and other matters over which CTI is willing to issue its encroachment and/or policy modification endorsements.

Required endorsement(s): Contiguity, Location (survey), Plat Act, Creditors Rights, Owner's Comprehensive, Utility Facility, Location - Contiguity to Street; Location Endorsement 1; Zoning 3.1, Tax Deed Extinguishing; Pro Forma Endorsement 4; PIN Endorsement 2

DISBURSEMENT/DELIVERY INSTRUCTIONS:

WHEN YOU HAVE RECEIVED EMAIL NOTIFICATION FROM THE CITY OF CHICAGO TO DISBURSE,

And when you are able to comply with the terms and provisions of the moneylender's instructions, if any, you are then authorized and directed to proceed as follows: (applicable only if checked)

- 1. Purchase and affix to the deed the state, country, municipal (if any) transfer stamps in the amount shown on the declarations.
- 2. Record the CTA Deed, Seller Deposit 21, City Deed, Purchaser Deposit 9, complete your legal description of the Reciprocal Easement and attach the complete legal description for the property to Joint Deposit 4, and the record Joint Deposits 3, 4 & 5
- 3. Refund overdeposit, if any to the purchaser(s) in accordance with the closing statement. From this sum you are to deduct and pay purchaser(s)'s charges (including municipal transfer stamps, if any) as provided herein. Make any additional disbursements as advised in writing by the purchaser(s)'s attorney. If additional funds are necessary for payment of such charges, purchaser(s) will deposit such additional funds. Purchaser Deposit 12
- 4. Pay seller(s)'s charges from funds due seller(s).
- 5. Pay an amount sufficient to procure the satisfaction and release of liens and encumbrances as shown on pay off letter(s) deposited herein. When received, record release document(s) and deliver cancelled documents to seller(s)'s attorney.
- 6. Pay (taxes) (and) (special assessments) for the year(s) _____.
- 7. Pay \$ _____ as brokers commission as follows: _____
- 8. Pay \$ _____ as attorney's fees to _____
 Pay \$ 2545.00 to McBride Engineering for survey costs
- 9. Make additional disbursements in accordance with the closing statement (including but not limited to broker's commission, survey costs, legal fees) unless advised in writing to the contrary by the parties hereto.

\$862,500.00

CTA.

- 10. Make any additional disbursements as advised in writing by seller(s)'s attorney
- 11. Pay the balance to the grantor(s) shown in the deed deposited by seller(s)'s or as directed by card grantor(s)
- 12. Deliver seller(s)'s deposit(s) no(s) 9.11.2005 recorded deed(s) and owner's policy to purchaser(s)'s attorney.

Pay the balance to the Purchaser

Escrow Trust No. _____

BILLING INSTRUCTIONS:

Bill: Purchaser
for \$ _____ owner's policy; recording release deeds; release fees as to existing trust deed(s); for 100% escrow trust fee; 100% New York closing fee; 0 transfer stamps and for all endorsements

Bill: _____
for increased insurance in the amount of \$ _____; recording deed(s) to purchaser; recording mortgage/trust deed, assignment of rents and other documents give as additional security to the mortgage recorded hereunder; mortgage policy(ies), if any; for _____ escrow trust fee; _____ New York closing fee; _____ transfer stamps and for _____

In the event the escrow trustee is directed to pay all title and escrow charges, and for any reason is unable to pay all or any part of those charges at closing, then those unpaid charges shall be the responsibility of the party designated to make the payment and said payment shall be made within 30 days of closing.

An annual maintenance fee, as determined by the then current rate schedule, will commence _____, and is to be billed to Purchaser.

NON COMPLIANCE PROVISIONS: (applicable only if checked)

_____ In the event all escrow trust deposits ("deposits") have not been received herein on or before _____, you are hereby directed to continue to comply with the escrow trust instructions until you have received a written demand from any party hereto for return of deposits made by said party. Upon receipt of such demand, and without notice to any other party(ies), you are hereby directed to return all deposits to the respective depositors thereof.

In the event all escrow trust deposits ("deposits") have not been received herein on or before April 18, 2005, you are directed to continue to comply with the escrow trust instructions until you are in receipt of a written demand from any complying party hereto for the return of its deposits. Upon receipt of such demand you are to notify the non-complying party(ies) hereto, by certified mail, return receipt requested, at the address(es) shown herein, of said demand. If said demands are not received herein on or before 7 days after the date of your notice, then upon the receipt herein of a further written demand of the complying party, and without further notice to any other party(ies), you are to return all deposits to the respective depositors thereof.

INABILITY TO EXECUTE INSTRUCTIONS:

In the event all deposits are received and Chicago Title Insurance Company ("CTI") is not prepared to issue its Owner's and/or Mortgage Title Insurance Policy(ies) as provided herein or you are not prepared to execute the disbursement and other instructions contained herein on _____, you are directed to continue to comply with the escrow trust instructions until you are in receipt of a written demand from any party ("demand party") for the return of escrow trust deposits made by said "demand party". Upon receipt of such demand you are to return to the "demand party" all deposits made by said party without notice to any other party. All other deposits are to be retained and delivered only upon the sole order of the respective depositors. Pay interest earned on the investment, if any, less your investment fee, to Purchaser.

STANDARD PROVISIONS

INVESTMENT:

Deposits made pursuant to these instructions may be invested on behalf of any party or parties hereto: provided, that any direction to escrow trustee for such investment shall be expressed in *WRITING* and contain the consent of all other parties to this escrow, and also provided that you are in receipt of the taxpayer's identification number and investment forms as required. Escrow trustee will, upon request, furnish information concerning its procedures and fee schedules for investment.

In the event the escrow trustee is requested to invest deposits hereunder, Chicago Title and Trust Company is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investment or redeeming said investment for the purposes of these escrow trust instructions.

COMMINGLE:

Except as to deposits of funds for which escrow trustee has received express written direction concerning investment or other handling, the parties hereto agree that the escrow trustee shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and, further, that escrow trustee may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of such funds under Section 2-8 of the Corporate Fiduciary Act (205 ILCS 620/2-8) and may use any part or all such funds for its own benefit without obligation of any party for interest or earnings derived thereby, if any. Provided, however, nothing herein shall diminish escrow trustee's obligation to apply the full amount of the deposits in accordance with the terms of these escrow trust instructions.

Escrow Trust No : _____

BUSINESS DAY:

Whenever under the terms and provisions of these escrow trust instructions the time for performance of a condition falls upon a Saturday, Sunday, or holiday, such time for performance shall be extended to the next business day

DEPOSITS AFTER TIME:

The escrow trustee shall continue to comply with the instructions contained herein following the expiration of a time limit for making a deposit required pursuant hereto (or for complying with any other condition hereof) until such time as a demand, or further demand as the case may be, is received for the return of deposits. The deposit may be made and accepted (or such other condition may be satisfied) at any time prior to the receipt of such demand, or further demand, and the non-compliance will be cured by the receipt of such deposit (or the satisfaction of such other condition as the case may be).

NON-PERFORMANCE:

Unless these escrow instructions contain provisions to the contrary, the escrow trustee will not accept a demand from a party if said party has not fully performed as required under these instructions.

REAL ESTATE SALE CONTRACT:

The parties have heretofore entered into a Real Estate Sale Contract ("contract") pertaining to the transaction to be consummated by these escrow trust instructions ("instructions"). These instructions shall not supersede the terms and provisions contained in the contract and in the event of a conflict, the terms and provisions contained in the contract shall prevail. It is agreed by the parties hereto that Chicago Title is not be considered a party to said contract; the contract is not to be construed as a part of these instructions. It is agreed, however by the parties hereto that the escrow trustee shall be governed solely by the terms and provisions contained in these instructions.

WRITTEN NOTICE:

All notices and demands required or permitted to be made hereto shall be made to the escrow trustee in writing. All notices required to be served by the escrow trustee pursuant to instructions hereto shall be in writing and mailed to the attorneys for the respective parties hereto at the addresses shown herein.

AMENDMENTS OR SUPPLEMENTAL INSTRUCTIONS:

The escrow trust instructions ("instructions") may be amended from time to time by less than all parties hereto by written amended deposited with you, provided that such amendment shall apply to and affect only the parties signing the amendment and the escrow trustee shall proceed to comply with the terms of these instructions as unamended with respect to all other parties. All amendments or supplemental instructions, properly executed, shall be considered the same as the instructions.

EXECUTION:

These escrow trust instructions are governed by and are to be construed under the laws of the State of Illinois. The escrow trust instructions, amendments or supplemental instructions hereto, may be executed in counterparts, each of which shall be deemed an original and all such counterparts together shall constitute one and the same instrument.

JOINT DEPOSITS:

Any of the joint deposits which require the signature of the other party shall be deemed to have been properly deposited by said party notwithstanding that the document does not contain the other party's signature.

DISCLAIMER RE: DEPOSITS:

Escrow trustee shall make no representations as to the condition of either the real or personal property described in any document deposited in this escrow

For Seller:

Firm/Name City of Chicago
Attn Maria E. Hoffman - Senior Counsel
City/State Chicago, IL 60602
Phone No.: (312) 744-6927
Fax No.: (312) 742-0277
Signature Maria E. Hoffman

Address: _____

For Purchaser:

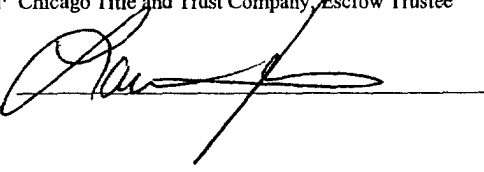
Firm/Name Michael Best & Friedrich

Attn: Bridget OKeefe
Address: 401 N Michigan Ave Ste 1900
City/State Chicago IL 60611
Phone No.: 312 222 0800
Signature: Bridget OKeefe

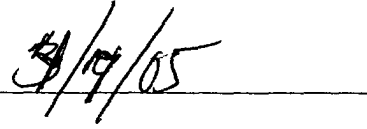
Fax No.: 312 222 0818

Accepted: Chicago Title and Trust Company, Escrow Trustee

By:

A handwritten signature in black ink, appearing to be "Paul", written over a horizontal line.

Date:

A handwritten date "3/17/05" in black ink, written over a horizontal line.

S:\client\078352\0001\C0537159 1

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

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

Exhibit H-1

Project Budget

LAND ACQUISITION COSTS	Purchase Property from City	\$862,500
HARD COSTS	Site Preparation (Grading; Trim, Remove Debris, Etc.)	\$176,000
	Site Preparation (Underground Utilities, Infrastructure, Etc.)	\$226,000
	Concrete - Site Work	\$121,600
	Site Preparation (Excavation)	\$208,000
	Concrete - Building Work	\$150,000
	Masonry/Brickwork	\$394,000
	Metals/Steel Work	\$312,000
	Carpentry	\$282,000
	Electric	\$190,000
	Insulation/Roofing/Flashing	\$108,000
	Doors/Storefront Etc.	\$207,000
	Building Finishes	
	- Tenant Allowances	\$128,000
	- Exterior Signage	\$45,000
	Ornamental Iron Fencing	\$76,400
	Landscaping	\$100,000
	Site Details (Striping, Stops, Ballards, Etc.)	\$41,000
	Mechanical Systems	
	- Tenant Allowances	\$136,000
	- Landlord's Work	\$196,084
	Plumbing	\$90,000
	Security Shutters	\$120,000
	Exterior Lighting	\$58,000
SOFT COSTS	Engineered Barrier (Asphalt Site Work)	\$92,000
	Arch. & Engin. Fees	\$112,384
	Surveying	\$7,800
	Soil Testing/Environmental Impact Study/Remediation	\$209,000
	Attorney's Fees	\$75,000
	Insurance	\$74,000
	Closing Costs	\$24,000
	Permit Fees, Expediting, Etc.	\$48,000
	Bank Fees, Appraisal, Etc.	\$40,000
	Construction Period Interest	\$205,000
	General Conditions	\$130,000
	Project Management	\$102,500
	Contingency	\$100,000
	White Roof	\$80,000
	Construction Management and Security	\$132,000
	Contracting Overhead	\$128,000
	Real Estate Taxes During Construction	\$45,000
	Year 1 Cash Deficit	\$384,000
	Site Marketing	\$203,000
TOTALS		\$6,419,268

Exhibit H-2

MBE/WBE Budget

Concrete - Building Work	\$150,000
Masonry/Brickwork	\$394,000
Metals/Steel Work	\$312,000
Carpentry	\$282,000
Electric	\$190,000
Insulation/Roofing/Flashing	\$108,000
Doors/Storefront Etc.	\$207,000
Building Finishes	
- Exterior Signage	\$45,000
Ornamental Iron Fencing	\$76,400
Landscaping	\$100,000
Site Details (Striping, Stops, Ballards, Etc.)	\$41,000
Mechanical Systems	
- Landlord's Work	\$196,084
Plumbing	\$90,000
Security Shutters	\$120,000
Exterior Lighting	\$58,000
Engineered Barrier (Asphalt Site Work)	\$92,000

TOTAL	\$2,461,484
MBE Requirement - 24%	\$590,756
WBE Requirement - 4%	\$98,459

*Subject to possible adjustment by way of reduction in an amount not to exceed 10% of the above items with the consent and approval of the Commissioner of DPD.

Exhibit I

Approved Prior Expenditures

None.

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

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

[Closing Date]

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as special counsel to Finch Limited Partnership, an Illinois limited partnership (the "Developer") and to Glazier Corporation, an Illinois corporation and its sole general partner (the "General Partner"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the 69th and Ashland Redevelopment Project Area (the "Project"). In that capacity, we have examined the following agreements, instruments and documents, hereinafter referred to as the "Documents":

- (a) Finch Limited Partnership Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");
- (b) The Escrow Agreement of even date herewith executed by the Developer and _____;
- (c) Agreement for the Sale and Redevelopment of Land dated as of May 17, 2004, executed by the Developer and the City;
- (d) [insert documents related to Lender Financing] (the "Financing Documents"); and
- (e) [list any 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 (i) [INSERT NAME OF PARTNERSHIP AGREEMENT] dated _____, in respect of the Developer (the "Partnership Agreement"), (ii) the Certificate of Limited Partnership in respect of the Developer filed with the Secretary of State of the State of Illinois, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, (iii) the Articles of Incorporation, including all amendments thereto, of the General Partner, as furnished and certified by the Secretary of State of the State of Illinois; (iv) the By-Laws of the General Partner, as certified by the Secretary of the General Partner as of the date hereof; (v) certificates of good standing in the State of Illinois

of the Developer and the General Partner (the "Good Standing Certificates"), and (vi) records of all corporate and partnership proceedings relating to the Documents; 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 rendering the opinions set forth herein, we have examined the Documents and originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, instruments, and public records, and we have made such inquiries of the officers of the Developer and General Partner and have considered such matters of law, as we have deemed relevant or necessary as the basis for such opinions. We have relied upon the certificates delivered to us by ~~the officers of the Developer, attached hereto as Exhibit 1 (the "Developer's Certificate") and the~~ General Partner, attached hereto as Exhibit 2 (the "General Partner's Certificate"), and the representations and warranties contained in the Documents as to certain factual matters as indicated below. In addition, we have relied upon and assumed (i) the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered; (ii) the authenticity of all documents submitted to us as originals; and (iii) the conformity to authenticated original documents of all documents submitted to us as certified, conformed, photostatic, or telefaxed copies. When we have indicated that our opinion herein with respect to the existence or absence of facts is based on "our knowledge" or matters "known by us," we have relied, with the express consent of the City, solely upon (a) the actual knowledge of those attorneys of this firm who have represented Developer and the General Partner, as the case may be, in connection with the Project and the transactions contemplated by the Documents and of any other attorneys of this firm whom we have determined are likely, in the course of representing any of said parties, to have knowledge of the matters covered by this opinion; (b) the representations and warranties of said parties contained in the Documents; and (c) the Developer's Certificate and the General Partner's Certificate and the factual matters contained therein. We have made no other independent investigation in connection with the factual matters described in this opinion. However, we know of no facts which lead us to believe such factual matters are untrue or inaccurate.

Based on the foregoing, it is our opinion that:

1. The Developer is a limited partnership duly registered, validly existing and, based solely on the Good Standing Certificates, in good standing under the laws of the state of Illinois, has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence and has full power and authority to own and lease its properties and to carry on its business as presently conducted. The General Partner is a corporation duly incorporated, validly existing and, based solely on the Good Standing Certificates, in good standing under the laws of the State of Illinois and has full power and authority to own and lease its properties and to carry on its business as presently conducted.

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Partnership Agreement.

3. The execution, delivery and performance of the Documents will not conflict with, 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 to our knowledge applicable to Developer, General Partner, or the Project, or, to the best of our knowledge, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

4. Under the Partnership Agreement, the General Partner has requisite power and authority to execute and deliver each of the Documents on behalf of the Developer and all other documents required to be executed by the Developer in connection with the Agreement and to perform its obligations thereunder. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

5. Each of the Documents to which the Developer is a party has been duly executed and delivered on behalf of the Developer by the General Partner, and each such Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

6. To the best of our knowledge, no judgments are outstanding against the General Partner, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the General Partner or its property or affecting the General Partner which could adversely affect the ability of the General Partner to perform as the general partner of the Developer.

7. To the best of our knowledge, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or its property or affecting the Developer, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge, the Developer is not in default with respect to any order, writ, injunction, or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, which default would have a material adverse effect on the Developer or its business.

8. To the best of our knowledge, there is no default by the Developer under any material contract, lease, agreement, instrument or commitment regarding the Project to which the Developer is a party or by which the Developer or the Property (as such term is defined in the Agreement) is bound.

9. To the best of our knowledge, the Property is free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

10. The execution, delivery, and performance of the Documents by the Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority. We expressly do not opine as to the requirement of any consent, notice, exemption, registration, declaration, or filing to be made by the City.

11. ~~To the best of our knowledge, the Developer owns or possesses or is licensed~~ or otherwise has the right to use all licenses, permits, and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations, and other rights that are necessary for the Project and required as of the date of Closing.

12. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

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

In rendering the foregoing opinions we call to your attention the following:

- (a) This letter and the opinions herein are furnished solely for your information, and they may not be furnished to or relied upon in any manner by any other persons or entity.
- (b) The enforceability of the Documents is limited by (i) applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditors' rights generally; (ii) by the application of general equitable principles (whether enforced at law or in equity); and (iii) applicable rules of law limiting the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves negligence, recklessness, willful misconduct or unlawful conduct.
- (c) The opinions expressed herein are based upon existing law and are given as of the date hereof. We assume no obligation to update or supplement such opinions to reflect any facts or circumstances that come to our attention after the date hereof or any changes in law that may occur after the date hereof.

- (d) The opinions expressed herein are based upon and limited to matters governed by the laws of the United States and the laws of the State of Illinois and political subdivisions thereof; provided, however, that our opinion excludes those specific legal issues listed in Section 19(a) through (f), (h) through (j) and (l) through (r) of the Legal Opinion Accord of the ABA Section of Business Law (1991).
 - (e) We offer no opinion as to the enforceability of any prepayment penalty or premium contained in any Financing Document.
 - (f) The opinions furnished herein relate only to issues specified in this letter. No opinions are issued by implication.
-

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP

EXHIBIT 1

DEVELOPER'S CERTIFICATE

I, Joshua Glazier, as the _____ of Finch Limited Partnership, an Illinois limited partnership (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the 69th and Ashland Redevelopment Project Area (the "Project") and pursuant to the provisions of that certain Finch Limited Partnership Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City"), and in connection with the issuance of an opinion letter (the "Opinion") by Michael Best & Friedrich LLP to the City as required under the Agreement hereby certify as follows:

1. I am familiar with the Documents defined in the Opinion and have made inquiry of those personnel of the Developer who are familiar with matters relating to the Documents and this Certificate.
2. In the course of my duties for the Developer, I am in a position to be familiar with, or I have made inquiry of those personnel of the Developer who are in a position to be familiar with, the following: (a) any order, writ, injunction or decree of any court, government or regulatory authority applicable to the Developer or the Project or its execution and delivery of the Documents ("Court Order"); (b) any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound ("Instruments"); (c) any agreement, indenture, undertaking or other instrument which could cause the creation of any lien, charge or encumbrance on, or security interest in, any of the Developer's property ("Encumbrance Agreements"); and (d) any judgments, legal or administrative proceedings pending or threatened before any court or governmental agency against the Developer or its property or affecting the Developer ("Litigation").
3. The execution, delivery and performance of the Documents will not conflict with, or result in a breach or other violation of any of the terms, conditions or provisions of any Court Order or, to the best of our knowledge, any of the terms, conditions or provisions of any Instrument. Such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any Encumbrance Agreement, 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 Encumbrance Agreement, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).
4. No judgments are outstanding against the Developer, nor is there now pending or threatened, any Litigation. The Developer is not in default with respect to any Court Order.
5. There is no default by the Developer under any Instrument.

6. The Property is free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.
7. The execution, delivery, and performance of the Documents by the Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.
8. The Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits, and other governmental approvals and authorizations, operating ~~authorities, certificates of public convenience, goods carriers permits, authorizations, and~~ other rights that are necessary for the Project and required as of the date of Closing.

IN WITNESS WHEREOF, this Developer's Certificate is executed as of the ____ day of _____, 2005.

FINCH LIMITED PARTNERSHIP

By: Joshua Glazier

Its: _____

EXHIBIT 2

GENERAL PARTNER'S CERTIFICATE

I, Joshua Glazier, the _____ of Glazier Corporation, an Illinois corporation (the "General Partner"), the general partner of Finch Limited Partnership, an Illinois limited partnership (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the 69th and Ashland Redevelopment Project Area (the "Project") and pursuant to the provisions of that certain Finch Limited Partnership Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City"), and in connection with the issuance of an ~~opinion letter (the "Opinion") by Michael Best & Friedrich LLP to the City as required under the Agreement~~ hereby certify as follows:

1. I am familiar with the Documents defined in the Opinion and have made inquiry of those personnel of the General Partner who are familiar with matters relating to the Documents and this Certificate.
2. In the course of my duties for the General Partner, I am in a position to be familiar with, or I have made inquiry of those personnel of the General Partner who are in a position to be familiar with, the following: (a) any order, writ, injunction or decree of any court, government or regulatory authority applicable to the General Partner or the Project or its execution and delivery of the Documents ("Court Order"); and (b) any judgments, legal or administrative proceedings pending or threatened before any court or governmental agency against the General Partner or its property or affecting the General Partner ("Litigation").
3. No judgments are outstanding against the General Partner, nor is there now pending or threatened, any Litigation. The General Partner is not in default with respect to any Court Order.

IN WITNESS WHEREOF, this General Partner's Certificate is executed as of the ____ day of _____, 2005.

GLAZIER CORPORATION

By: Joshua Glazier

Its: _____

Exhibit K

[intentionally omitted]

Finch Limited Partnership
By: Glazier Corporation, General Partner

By: _____
Joshua Glazier
Its: President

Subscribed and sworn before me this ____ day of _____, ____.

My commission expires: _____

Agreed and accepted:

Name: _____
Title: _____

City of Chicago
Department of Planning and Development

F. Attached hereto are (1) the applicable Occupancy Report, and (2) the most recent second installment ad valorem tax bill(s) for the Property and evidence of payment of such bill(s).

All capitalized terms that are not defined herein have the meanings given such terms in the Agreement.

Finch Limited Partnership
By: Glazier Corporation, General Partner

By: _____
Joshua Glazier
Its: President

Subscribed and sworn before me this ____ day of _____, ____.

My commission expires: _____

Agreed and accepted:

Name: _____
Title: _____
City of Chicago
Department of Planning and Development

Exhibit M

Form of Note

REGISTERED

MAXIMUM

NO. R-1

AMOUNT

[\$948,000]

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

CITY OF CHICAGO

TAX INCREMENT ALLOCATION REVENUE NOTE
(69TH AND ASHLAND REDEVELOPMENT PROJECT)
TAXABLE SERIES B

Registered Owner: Finch Limited Partnership

Interest Rate: ___% per annum

Maturity Date: The later of: (1) payment in full; or (2) _____, _____ [not to exceed 12 years after date of issuance]; in either event not later than December 31, 2028

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$948,000 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the

interest rate per year specified above until paid. Principal of and interest on this Note from the Available Excess Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due February 1 of each year until the earlier of the Maturity Date or until this Note is paid in full. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the City Comptroller of the City,

as registrar and paying agent (the "Registrar"), in any event not later than the close of business on the fifteenth day of the month immediately after the applicable payment, maturity or redemption date, and shall be paid by check, draft or wire transfer of the Registrar, payable in lawful money of the United States of America, mailed to the address, or wired pursuant to the instructions, of such Registered Owner as recorded in such registration books or at such other address, or pursuant to such other instructions, furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registrar shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made by the Registered Owner up to \$948,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Finch Limited Partnership (the "Project"), which were acquired, constructed and installed in connection with the development of an approximately 32,000 square foot building, outlot and adjacent parking lot in the 69th and Ashland Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the

"TIF Act") , the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on _____, 2005 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Property which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE EXCESS INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE. The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained

by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

~~This Note is transferable by the Registered Owner hereof in person or by its attorney duly~~
authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount, less previous retirements, will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Finch Limited Partnership Redevelopment Agreement dated as of _____, 2005 between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to acquire and construct the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and

construction in the amount of \$948,000 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend payments of principal and of interest on this Note upon the occurrence of certain conditions.

The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or

both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, ____.

Mayor

(SEAL)

Attest:

City Clerk

CERTIFICATE
OF
AUTHENTICATION

Registrar
and Paying Agent
City Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (69th and Ashland Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

City Comptroller

Date: _____, ____

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

CERTIFICATE OF EXPENDITURE

Date: _____, _____

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
Not to Exceed \$948,000 Tax Increment Allocation Revenue Note
(69th and Ashland Redevelopment Project, Taxable Series A)
(the "Redevelopment Note")

This Certificate is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on _____, 2005 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ _____ is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$ _____, including the amount of this Certificate and less payment made on the Note.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of _____, _____.

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

AUTHENTICATED BY:

REGISTRAR

Exhibit N

Job Readiness Program

Prior to the commencement of operations of the completed Project, the Developer shall use the City's Mayor's Office of Workforce Development ("MOWD") as a source for identifying new employees for the Project. MOWD shall participate in the planning and coordination of any recruiting or hiring fairs for the Project held by the Developer. The Developer agrees to provide MOWD with notice of such fairs in ample time to ensure that local community residents are informed of and have access to newly created positions. The Developer agrees to give hiring consideration to all qualified candidates referred by MOWD for which there are open positions.

EXHIBIT O

FORM OF SUBORDINATION AGREEMENT

This document prepared by and after recording return to
Scott D Fehlan

Senior Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the _
_ day of _____, _____ between the City of Chicago by and through its Department of Planning and
Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

WITNESSETH:

WHEREAS, Finch Limited Partnership, an Illinois limited partnership (the
"Developer"), has purchased certain real property located within the 69th and Ashland
Redevelopment Project Area at 1601 West 69th Street, Chicago, Illinois 60636 and legally described
on Exhibit A hereto (the "Property"), and shall commence and complete construction of an
approximately 32,000 square foot retail and professional services shopping center, an outlot and a
parking lot with approximately 171 parking spots (the "Facility") thereon (the Facility and related
improvements are collectively referred to herein as the "Project."); and

WHEREAS, as part of obtaining financing for the Project, the Developer (the
"Borrower"), has entered into a certain Construction Loan Agreement dated as of _____
with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an
amount not to exceed \$ _____ (the "Loan"), which Loan is evidenced by a Mortgage Note
and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan
is secured by, among other things, certain liens and encumbrances on the Property and other property
of the Borrower pursuant to the following: (i) Mortgage dated _____ and recorded
_____ as document number _____ made by the Borrower to the Lender; and
(ii) Assignment of Leases and Rents recorded _____ as document number _____

made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, the Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02, 8.03, 8.06 and 8.19 of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

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

 Attention: Commissioner

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

If to the Lender: _____

 Attention: _____

With a copy to: _____

 Attention: _____

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By: _____

Its: _____

CITY OF CHICAGO

By: _____

Its: _____ Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, ____

[Developer], a _____

By: _____

Its: _____

STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, ____.

Notary Public

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

(See attached)

Exhibit P

Form of Payment and Performance Bond

(see attached)

DRAFT AIA[®] Document A312[™] - 1984

Performance Bond

CONTRACTOR (Name and Address):

[REDACTED]

SURETY (Name and Principal Place of Business):

[REDACTED]

OWNER (Name and Address):

[REDACTED]

CONSTRUCTION CONTRACT

Date:

Amount:

Description (Name and Location):

[REDACTED]

BOND

Date (Not earlier than Construction Contract Date):

Amount:

Modifications to this Bond: None See Last Page

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)

SURETY

Company: (Corporate Seal)

Signature:

Name and

Title:

(Any additional signatures appear on the last page)

[REDACTED]

Signature:

Name and

Title:

[REDACTED]

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

[REDACTED]

OWNER'S REPRESENTATIVE

(Architect, Engineer or other party):

[REDACTED]

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form: An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

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

Any singular reference to Contract, Surety, Owner or other party shall be considered plural where applicable.

ELECTRONIC COPYING of any portion of this AIA[®] Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

§ 1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Section 3.1.

§ 3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

§ 3.1 The Owner has notified the Contractor and the Surety at its address described in Section 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

§ 3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Section 3.1; and

§ 3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

§ 4 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

§ 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

§ 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

§ 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- 1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or
- 2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

§ 5 If the Surety does not proceed as provided in Section 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Section 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for

§ 6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

§ 6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 4; and

§ 6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

§ 8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

§ 11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here from and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 12 DEFINITIONS

§ 12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

§ 12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

§ 12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

§ 13 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

~~The City of Chicago shall be an additional owner for any work performed on the public way.~~

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corporate Seal)

Company: (Corporate Seal)

Signature: _____

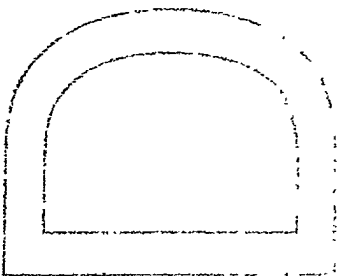
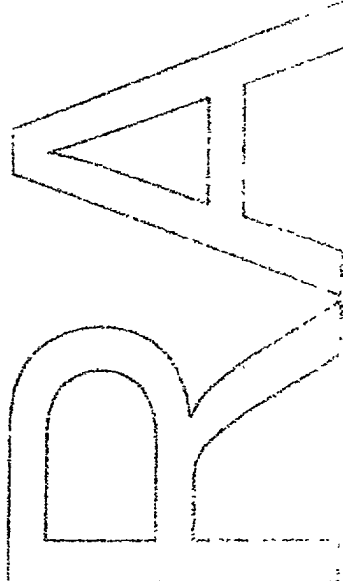
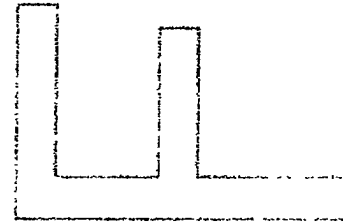
Signature: _____

Name and Title: _____

Name and Title: _____

Address: _____

Address: _____



Payment Bond

CONTRACTOR (Name and Address):

SURETY (Name and Principal Place of Business):

[Redacted Contractor Name and Address]

[Redacted Surety Name and Principal Place of Business]

OWNER (Name and Address):

[Redacted Owner Name and Address]

CONSTRUCTION CONTRACT

Date:

Amount:

Description (Name and Location):

[Redacted Construction Contract Description]

BOND

Date (Not earlier than Construction Contract Date):

Amount:

Modifications to this Bond:

None

See Last Page

CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

SURETY

Company:

(Corporate Seal)

Signature:

Name and Title:

[Redacted Contractor Signature and Title]

Signature:

Name and Title:

[Redacted Surety Signature and Title]

(Any additional signatures appear on the last page)

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

[Redacted Agent or Broker Information]

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

[Redacted Owner's Representative Information]

§ 1 The Contractor and the Surety, jointly and severally bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 With respect to the Owner, this obligation shall be null and void if the Contractor:

§ 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

§ 2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Section 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

§ 3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

§ 4 The Surety shall have no obligation to Claimants under this Bond until:

§ 4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

§ 4.2 Claimants who do not have a direct contract with the Contractor:

- .1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and
- .2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and
- .3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Section 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

§ 5 If a notice required by Section 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

§ 6 When the Claimant has satisfied the conditions of Section 4, the Surety shall promptly and at the Surety's expense take the following actions:

§ 6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

§ 6.2 Pay or arrange for payment of any undisputed amounts.

§ 7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Section 4.1 or Section 4.2.3 or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 15 DEFINITIONS

§ 15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

§ 15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

§ 16 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

~~The City of Chicago shall be an additional owner for any work performed on the public way.~~

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)

Signature:
Name and Title:
Address:

SURETY

Company: (Corporate Seal)

Signature:
Name and Title:
Address:

CERTIFICATE

I, Joshua M. Glazier, hereby certify that I am the duly elected and acting secretary of Glazier Corporation, a Delaware corporation (the "Corporation"); that attached hereto is a true, complete and correct copy of the Certificate of Good Standing of Glazier Corporation.

Executed in Chicago, Illinois on March 22, 2005.

Joshua M. Glazier