

## Contract Summary Sheet

**Contract (PO) Number:** 6628

**Specification Number:** 28243

**Name of Contractor:** PAUL G STEWART APART ASSOC

**City Department:** DEPARTMENT OF HOUSING

**Title of Contract:** MULTI-FAMILY TIF FINANCING

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

\$1,750,000 00

**PO Start Date:** 10-1-94

**PO End Date:** 10-1-25

**Brief Description of Work:** MULTI-FAMILY TIF FINANCING

**Procurement Services Contact Person:** THOMAS DZIEDZIC

**Vendor Number:** 50073355

**Submission Date:**

AUG 2 5 2004

This agreement was prepared by  
and after recording return to

City of Chicago Law Department  
121 North LaSalle Street, Room 511  
Chicago, IL 60602

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**REDEVELOPMENT AGREEMENT**

CITY OF CHICAGO

AND

PAUL G. STEWART APARTMENTS ASSOCIATES  
PHASE V LIMITED PARTNERSHIP

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This agreement was prepared by and  
after recording return to

City of Chicago Law Department  
121 North LaSalle Street, Room 511  
Chicago, IL 60602

## REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (the "Agreement") is made as of this \_\_\_\_ day of October, 1994, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing ("DOH"), and Paul G. Stewart Apartments Associates Phase V 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"), City has the authority to promote the health, safety, and welfare of City and its inhabitants, 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: City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1992 State Bar Edition) (the "Act") to finance the redevelopment of blighted areas.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on July 13, 1994: (1) "An Ordinance of the City of Chicago, Illinois, Concerning the Approval of Tax Increment Redevelopment Plan for the Martin Luther King, Jr. Drive and Forty-First Street Redevelopment Area Tax Increment Financing Project"; (2) "An Ordinance of the City of Chicago, Illinois, Concerning the Designation of the Martin Luther King, Jr. Drive and Forty-First Street Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois, Concerning the Adoption of Tax Increment Allocation Financing for the Martin Luther King, Jr. Drive and Forty-First Street Redevelopment Tax Increment Financing Project" (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has purchased certain property located within the Redevelopment Area at the southeast corner of East 41st Street and South Dr. Martin Luther King, Jr. Drive in Chicago, Illinois 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 a

13-story highrise building of reinforced concrete with a brick exterior finish, with approximately 96 dwelling units and a community room to be available for the use of all tenants in the building (the "Project"). The Project shall include those related activities eligible for payment or reimbursement from Incremental Taxes, as defined below, described in Exhibit C-2 hereto and referred to herein as the "TIF-Funded Project Costs."

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Martin Luther King, Jr. Drive and Forty-First Street Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit D. Among the objectives of the Redevelopment Plan are the elimination of blight in the Redevelopment Area and the construction of affordable housing for low-income and moderate-income tenants.

F. Lender Financing: The City acknowledges that a portion of the financing for the Project is to be provided by Prairie Mortgage Company (the "First Mortgagee") in the form of a loan in the amount of up to \$\_\_\_\_\_ to be insured by the United States Department of Housing and Urban Development ("HUD") and to be secured by a first mortgage on the Project (the "HUD-Insured Loan") and a loan in the amount of up to \$\_\_\_\_\_ from the Illinois Housing Development Authority ("IHDA") to be secured by a second mortgage on the Project (the "IHDA Loan"). The HUD-Insured Loan and the IHDA Loan shall be referred to herein collectively as the "Lender Financing." The terms of the Lender Financing include requiring the Developer to enter into various occupancy and use agreements which currently provide that 40 percent of the units in the Property be occupied by households whose incomes do not exceed 50 percent of Chicago-area median income and that an additional 40 percent of the units in the Property be occupied by households whose incomes do not exceed 60 percent of the Chicago-area median income, with the remaining 20 percent of the units not subject to occupancy restrictions.

G. City Financing: Pursuant to the terms and conditions of this Agreement, the City will pay or reimburse the Developer from Incremental Taxes (as defined below to the extent available) for the following TIF-Funded Costs in the order of priority as set forth herein: 1) the TIF-Funded Interest Costs and 2) the TIF-Funded Project Costs (both as defined below).

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

#### **SECTION 1. RECITALS**

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

## SECTION 2. DEFINITIONS

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

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

"Construction Costs" shall mean all costs of construction of the Project, including demolition, remediation, street and utility improvements.

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

"Employer(s)" shall have the meaning set forth in Section 11 hereof.

"Environmental Laws" shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereafter in force regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect.

"Event of Default" shall have the meaning set forth in Section 16 hereof.

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

"First Mortgagee" shall mean Prairie Mortgage Company or the then holder of the HUD-Insured Loan if Prairie Mortgage Company is not then such holder.

"General Contractor" shall mean Linn-Mathis, Inc.

"Grand Boulevard Community" shall mean Community Area 38 which is generally bounded by Pershing Road on the north, 51st Street on the south, Cottage Grove Avenue on the east and the Rock Island Railroad tracks on the west.

"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.

"HUD" shall have the meaning set forth in paragraph F of the Recitals.

"HUD-Insured Loan" shall have the meaning set forth in paragraph F of the Recitals.

"IHDA" shall mean the Illinois Housing Development Authority.

"IHDA Loan" shall have the meaning set forth in paragraph F of the Recitals.

"Incremental Taxes" shall mean such ad valorem taxes, which, pursuant to the City's Ordinance Concerning the Adoption of Tax Increment Allocation Financing for the Martin Luther King, Jr. Drive and Forty-First Street Redevelopment Tax Increment Financing Project 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 to be deposited into a special tax allocation fund for the purpose of paying for redevelopment project costs and obligations in the payment thereof.

"Lender Financing" shall have the meaning set forth in paragraph F of the Recitals.

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

"Other Funds" shall mean the amount of \$669,471 to be provided through the use of low income housing tax credits, pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project dated \_\_\_\_\_ and prepared by O'Donnell, Wicklund, Pigozzi and Peterson Architects Incorporated.

"Project" shall have the meaning set forth in paragraph D of the Recitals.

"Project Budget" shall mean the budget attached hereto as Exhibit C-1.

"Project Costs" shall mean all of the costs incurred in connection with the Project.

"Property" shall have the meaning set forth in paragraph D of the Recitals.

"Surplus Cash" shall have the meaning ascribed to it in that certain Regulatory Agreement for Multifamily Housing Projects dated October 1, 1994, and amendments thereto, if any, entered into between the Developer and HUD with respect to the Property.

"Survey" shall mean a plat of an ALTA survey of the Property acceptable in form and content to the City and the Title Company.

"Term of the Agreement" shall mean the term commencing on the date of execution of this Agreement and ending December 31, 2018.

"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.

"TIF-Funded Costs" shall mean the TIF-Funded Interest Costs and the TIF-Funded Project Costs.

"TIF-Funded Interest Costs" shall have the meaning set forth in Section 4.02 hereof.

"TIF-Funded Project Costs" shall have the meaning set forth in Section 4.03 hereof.

"Title Company" shall mean Title Services, Inc., as agent for First American Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, issued by the Title Company.

"WBE(s)" or women's business enterprise shall mean a business enterprise identified in the Directory of Certified Women's Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women's business enterprise

### SECTION 3. THE PROJECT

3.01 The Project. (a) The Developer shall: (i) commence construction of the Project no later than December 31, 1994; and (ii) complete construction of the Project no later than December 31, 1996, subject to the provisions of Section 18.16 of this Agreement. In the event that HUD grants an extension of time for commencement or completion of construction of the Project, the Developer shall notify the City within three days after receipt of notice of such extension and the foregoing dates shall be automatically extended accordingly.

3.02 Plans and Specifications. The Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and shall comply with all applicable state and local laws, ordinances and regulations. As of the date hereof, the Developer has delivered to DOH, and DOH has approved, the Plans and Specifications. The Developer has submitted also all such documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DOH, and DOH has approved, the Project Budget. The Developer hereby certifies to the City that (a) Lender Financing and Other Funds shall be sufficient to pay all Project Costs and (b) to the best of the Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. The Developer hereby represents to the City that the Lender Financing is (a) along with Other Funds, necessary to pay for all Project Costs and (b) available to be drawn upon to pay for certain Project Costs in accordance with the terms of the documents securing the Lender Financing

3.04 Other Approvals. Construction of the Project and purchase of materials shall not commence until the Developer has obtained all permits and approvals required by state, federal or local statute, ordinance or regulation and the General Contractor has delivered to the Developer performance and payment bonds in the full amount of the construction contract.

3.05 Survey Updates. Upon DOH's request, the Developer shall provide three as-built Surveys to DOH reflecting improvements made to the Property.

3.06 Architect's Certificates and Periodic Reports. The Developer has contracted with O'Donnell, Wicklund, Pigozzi and Peterson Architects Incorporated (the "Developer's Architect") to act as its architect on the Project. The Developer's Architect shall provide the following documents to DOH:

(a) at the time of execution of this Agreement, an original executed Architect's Opening Certificate in the form attached hereto as Exhibit E-1,

(b) during construction of the Project on a monthly basis, a copy of AIA Form G-703, or a comparable form containing the same information as AIA Form G-703, and inspection reports; and

(c) upon completion of the Project, an original executed Architect's Completion Certificate in the form attached hereto as Exhibit E-2.


**SECTION 4. FINANCING FOR THE PROJECT COSTS**

4.01 Initial Financing for the Project. The Developer shall pay for all of the Project Costs using the proceeds of the Lender Financing and Other Funds.

4.02 Reimbursement for TIF-Funded Interest Costs.

(a) The City hereby agrees to pay or reimburse the Developer from Incremental Taxes, if any, on deposit from time to time in the TIF Fund, for a portion of the interest costs incurred by the Developer that will accrue on the HUD-Insured Loan (the "TIF-Funded Interest Costs") in an amount not to exceed the lesser of:

(i) 30 percent of the annual interest costs on the Lender Financing incurred by the Developer with regard to the Project during that year, provided that, if there are not sufficient Incremental Taxes in the TIF Fund to make the payment pursuant to this subparagraph, then the amounts so due shall accrue and be payable when Incremental Taxes are available in the TIF Fund; or

(ii) \$1,750,000 or 

(iii) in any event, the total amount of TIF-Funded Interest Costs shall not exceed 30 percent of the total Project Costs paid or incurred by the Developer.

(b) The amounts payable pursuant to Section 4.02(a) shall be paid by the City to the First Mortgagee annually, as long as the Lender Financing remains outstanding and as long as the TIF-Funded Interest Costs continue to be payable out of Incremental Taxes under the Act. The City will pay the First Mortgagee for the TIF-Funded Interest Costs for the Project upon submission by the First Mortgagee to the City Comptroller of an executed Requisition Form for TIF-Funded Interest Costs in the form attached hereto as Exhibit F-1. The Requisition Form for TIF-Funded Interest Costs shall be sent to the City Comptroller on or after November 1 of each year that payment is requested, and shall set forth the date for payment which shall be not less than 45 days from the date of its receipt by the City Comptroller. The City Comptroller shall pay, to the extent of any Incremental Taxes then available in the TIF Fund, the amount requested in the Requisition Form for TIF-Funded Interest Costs within 45 days of its receipt; provided, that the amount so requested shall not exceed the maximum amount payable for such year as shown on Exhibit G attached hereto, plus any portion of such maximum amount for prior years that has not been paid. The First Mortgagee shall submit copies of monthly invoices sent to the Developer by the First Mortgagee and a statement of interest accrued and payable on the IHDA Loan based on the Developer's most recent Financial Statements to evidence the accrual of such amounts for TIF-Funded Interest Costs. Upon the City's request, the First Mortgagee will provide any additional

documentation. Attached as Exhibit G is a schedule of maximum amounts which may be reimbursed as interest cost incurred by the Developer in accordance with the Redevelopment Plan and the limitations provided in Section 11-74.4-3(q) (11) of the Act.

**4.03 Reimbursement for TIF-Funded Project Costs.**

(a) After making all required payments to the First Mortgagee pursuant to Section 4.02 hereof, the City will reimburse the Developer from Incremental Taxes, if any, on deposit from time to time in the TIF Fund, for the following professional service costs incurred in connection with the implementation of the Redevelopment Plan in an amount not to exceed \$58,000 (the "TIF-Funded Project Costs"): a maximum of \$48,000 for consulting fees and a maximum of \$10,000 for legal fees.

(b) The City will reimburse the Developer for the TIF-Funded Project Costs on an annual basis in an amount not to exceed \$15,000 per year upon submission by the Developer to DOH of an executed Requisition Form for TIF-Funded Project Costs in the form attached hereto as Exhibit F-2. DOH shall respond within 60 days from the date of its receipt of the Requisition Form for TIF-Funded Project Costs either with payment of the TIF-Funded Project Costs or with a written rejection stating the reasons for such rejection. The Developer shall submit itemized invoices to evidence the expenditure of such amounts for TIF-Funded Project Costs and, upon the City's request, will provide any additional documentation necessary for its approval of the Requisition Form.

**4.04 Sufficiency of Incremental Taxes for TIF-Funded Costs.**

It is hereby understood and agreed to by the Developer that the City does not make any representations that the amount of the Incremental Taxes deposited in the TIF Fund will be sufficient to pay for or reimburse the Developer for any or all of the TIF-Funded Costs

**SECTION 5. GENERAL PROVISIONS**

5.01 DOH Approval. Any approval granted by DOH pursuant to this Agreement is for the purposes of this Agreement only and does not affect or constitute any approval required by any other department of the City or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DOH pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project

5.02 Other Approvals. Any DOH 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 3.04 hereof.

5.03 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the construction of the Project indicating that partial financing is being provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

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

5.05 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 and are of general applicability to other property within the City.

#### **SECTION 6. CONDITIONS**

The following conditions shall be complied with to the City's satisfaction within the time periods set forth below:

6 01 Title Policy. Within \_\_\_ days after the execution of this Agreement, the Developer shall provide the City with a copy of the Title Policy showing the Developer in the title.

6.02 Survey. The Developer has furnished the City with a Survey prior to the execution of this Agreement.

6.03 Insurance. The Developer, at its own expense, shall insure the Property in accordance with Section 13 hereof.

6 04 Opinion of Developer's Counsel. The Developer shall furnish the City with an opinion of counsel upon the execution of this Agreement in the form as may be reasonably required by or acceptable to Corporation Counsel.

#### **SECTION 7. AGREEMENTS WITH CONTRACTORS**

7.01 Local Contractors and Vendors. The Developer shall ensure that all contracts entered into by the Developer in connection with the construction of the Project shall comply with the minimum percentage of total worker hours (i.e., 50 percent) performed by actual residents of the City, as set forth in Section 2-92-330 of the Municipal Code of Chicago (the "Chicago Residency Ordinance"). In the event that the City determines that the Developer has failed to comply with this requirement, the City's remedy shall be to collect from the Developer an amount to be

determined by DOH, but not to exceed 1/20th of one percent (0.0005) of the aggregate value of all construction contracts entered into by the Developer for the construction of the Project, in payment for each percentage of shortfall toward the residency requirement. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only. In addition, the Developer shall make good faith efforts that all other contracts entered into in connection with the Project for work done, services provided or materials supplied shall be let to persons or entities whose main office and place of business are located within the City, subject to applicable HUD regulations.

7.02 Maintaining Records. On a monthly basis until completion of construction of the Project, the Developer shall provide to DOH reports in a form satisfactory to DOH evidencing its compliance with Section 7.01.

7.03 Other Provisions. Photocopies of all contracts or subcontracts entered into by the Developer in connection with the Project shall be made available to DOH upon request. The Developer has the right to delete proprietary information from such contracts or subcontracts, provided, however, that upon DOH's request, the Developer shall make available such proprietary information for review by any authorized City representative.

#### **SECTION 8. [INTENTIONALLY OMITTED]**

#### **SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER**

The Developer represents, warrants and covenants to the City as follows:

9.01 General. The Developer represents, warrants and covenants that:

(a) the Developer is an Illinois limited partnership duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every other state where, due to the nature of its activities or properties, such qualification or license is required;

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary partnership action and will not violate its partnership agreement as amended and supplemented, any applicable provision of law, or constitute a material 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 pursuant to the terms of this Agreement, including Section 18.14 hereof, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property, subject to those matters shown in the Title Policy. The Developer may request HUD's approval to transfer the Property, or any part thereof, provided that such request has been approved in writing by the City;

(e) 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 materially impair its ability to perform under this Agreement;

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

(g) 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 which would materially affect its ability to perform hereunder;

(h) the Financial Statements when submitted will be, complete and correct in all material respects and will accurately present the assets, liabilities, results of operations and financial condition of the Developer; and

(i) the Developer is satisfied that it has taken any measures required to be taken to bring the Property and the Project into compliance with Environmental Laws and that the Property is suitable for its intended use.

9.02 Covenant to Redevelop. The Developer shall redevelop the Property substantially in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Plans and Specifications, the Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer.

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

9.04 Use of Incremental Taxes. Incremental Taxes disbursed to the Developer shall be used by the Developer solely to pay for the TIF-Funded Costs as provided in this Agreement.



9.05 Arms-Length Transactions. Unless DOH shall have given its prior written consent with respect thereto, no Affiliate of the Developer may receive any part of the Incremental Taxes, directly or indirectly, through reimbursement of the Developer pursuant to Section 4 or otherwise, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Costs. The Developer shall provide information with respect to any entity to receive the Incremental Taxes (by reimbursement or otherwise), upon DOH's request, prior to any such disbursement.

9.06 Conflict of Interest. The Developer represents and warrants that no member, official or employee of the City, or member of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by the City in connection with the Project, owns or controls (or has owned or controlled) any interest, direct or indirect, in the Developer's business or the Property.

9.07 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.

9.08 Financial Statements. The Developer shall maintain and provide to DOH its Financial Statements at the earliest practicable date but no later than 120 days following the end of the Developer's fiscal year, each year for the Term of the Agreement.

9.09 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder. The Developer shall immediately notify DOH of any and all events or actions which may materially affect the Developer's ability to perform its obligations under this Agreement.

9.10 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. Upon the City's request, the Developer shall provide copies of any documentary evidence of compliance of such laws which may exist, such as, by way of illustration and not limitation, permits and licenses.

9.11 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 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 any Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

## 9.12 Real Estate Provisions.

(a) 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, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project, including but not limited to real estate taxes. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 9.12(b) 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 DOH of the Developer's intent to contest or object to a Governmental Charge and, unless, at DOH's sole option, (i) the Developer shall demonstrate to DOH's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DOH in such form and amounts as DOH 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. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DOH thereof in writing, at which time DOH may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DOH's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DOH deems advisable. All sums so paid by DOH, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be

promptly paid to DOH by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, City, in its sole discretion, may require the Developer to submit to City audited Financial Statements at the Developer's own expense.

(b) Real Estate Taxes.

(1) Acknowledgement of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum equalized assessed value of the Property ("Minimum Equalized Assessed Value") anticipated to be necessary to generate Incremental Taxes sufficient to pay the TIF-Funded Costs is shown on Exhibit H attached hereto for the years noted on Exhibit H and (B) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit H.

(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 this Agreement is in effect.

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

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

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 9.12 are covenants running with the land and this Agreement shall be recorded by 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 transferee 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, 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 subject to such covenants and restrictions.

9.13 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 9 or 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 be in effect throughout the Term of the Agreement.

9.14 Tenant Selection. Subject to compliance with applicable law and the terms of the Lender Financing (including but not limited to the Tenant Selection Plan and Regulatory Agreement and all applicable HUD regulations), the Developer covenants to consult with or to cause its management agent to consult with an advisory committee composed of two homeowners (to be selected by the Grand Boulevard Homeowners Association), two tenants (to be selected by Peoples Co-Op for Housing Phase V) and one employee of Peoples Co-Op Management Service concerning the Developer's selection of tenants to occupy the Property.

## **SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY**

10.01 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, and covenants that: (a) the TIF Fund will be established, (b) the Incremental Taxes will be deposited therein and (c) such TIF Fund shall remain available to pay the City's obligations under Sections 4.02 and 4.03 as the same become due, as long as the TIF-Funded Interest Costs and the TIF-Funded Project Costs continue to be payable from Incremental Taxes under the Act. The City agrees not to amend the Redevelopment Plan so as to materially impair its ability to pay in full any amounts due from the City under this Agreement without the written consent of the Developer and the First Mortgagee.

10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this

Section 10 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 11. EMPLOYMENT OPPORTUNITY**

The Developer and its successors and assigns hereby agree, and shall contractually obligate its or their contractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of this Agreement with respect to the Developer and during the period of any other such party's provision of services hereunder or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: 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.

(b) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(c) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto.

(d) The Developer shall expend at least the following percentages of the total amount of Construction Costs incurred in connection with the Project for contract participation by MBEs or WBEs in the Project:

MBE Percentage  
25%

WBE Percentage  
5%

This commitment may be met by the Developer's use of an MBE or WBE as General Contractor, by subcontracting a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs. In addition, all amounts expended by the Developer in connection with the Project to an MBE or WBE shall be credited against the Developer's MBE or WBE commitment even if the item for which such sum was expended is not a Construction Cost. Those businesses that constitute both an MBE and WBE shall not be credited more than once against the Developer's MBE or WBE commitment. The City may require the Developer to demonstrate the specific efforts undertaken to involve MBEs and WBEs directly in the Project. An annual report shall be made by the Developer to the City on all efforts made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each MBE and WBE solicited by the Developer to be involved in the Project and the responses received to such solicitation, the name and business address of each MBE and WBE actually involved in the Project, a description of the work performed and or products or services supplied, the date and amount of each expenditure and such other information as may assist the City in determining the Developer's compliance with the foregoing provisions, and the status of any MBE or WBE performing any contract in connection with the Project. The City shall have access to the Developer's books and records concerning the disbursement of Construction Costs, including without limitation payroll records, tax returns and records and books of account, in accordance with the provisions of Section 15, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation.

(e) The Developer will include the foregoing provisions in every contract entered into in connection with the Project and every agreement with any Affiliate operating on the Property so that such provision will be binding upon each contractor or Affiliate, as the case may be.

## **SECTION 12. 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, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold 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 City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous 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 Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of City or Developer or any of its subsidiaries under any Environmental Laws relating to the Property. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

### SECTION 13. INSURANCE

The Developer shall procure and maintain, or cause to be maintained, at its sole cost and expense, at all times throughout the Term of this Agreement, and until each and every obligation of the Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developer, any contractor or subcontractor:

(a) Prior to Execution and Delivery of this Agreement: At least 10 business days prior to the execution of this Agreement, the Developer shall procure and maintain the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, independent contractors, broad form property damage and contractual liability coverages are to be included.

(b) Construction: Prior to the construction of any portion of the Project, the Developer shall procure and maintain, or cause to be maintained, the following kinds and amounts of insurance:

(1) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included.

(iii) Automobile Liability Insurance

When any motor vehicles are used in connection with work to be performed in connection with this Agreement, the Developer shall provide Automobile Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit, for bodily injury and property damage.

(iv) All Risk Builders Risk Insurance

When the Developer, any contractor or subcontractor undertakes any construction, including improvements, betterments, and/or repairs, Developer, such contractor or subcontractor shall provide All Risk Blanket Builder's Risk Insurance



to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, and flood.

(v) Professional Liability

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability insurance shall be maintained with limits of \$1,000,000.00. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(c) Other Provisions

Upon DOH's request, the Developer shall provide DOH with copies of insurance policies or certificates evidencing the coverage specified above. If the Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, the City may (without waiving or releasing any obligation or Event of Default by the Developer hereunder) obtain and maintain such insurance policies and take any other action which the City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by the City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by the Developer upon demand by the City. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

The Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits furnished by the Developer and such contractors or subcontractors shall in no way limit the Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law, or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. The Developer shall require all contractors and subcontractors to carry the insurance required herein, or the Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

The Developer agrees, and shall cause its insurers and the insurers of each contractor and subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

The Developer shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's Regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transport of Hazardous Materials.

The City maintains the right to modify, delete, alter or change the provisions of this Section 13 upon receipt of HUD's prior written consent and so long as such action does not, without the Developer's prior written consent, increase the requirements set forth in this Section 13 beyond that which is reasonably customary at such time.

#### **SECTION 14. INDEMNIFICATION**

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses including, without limitation, reasonable attorneys' fees and court costs, suffered or incurred by the City arising from or in connection with (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 contractors or materialmen in connection with the Project Costs or any other Project improvement, or (iii) the existence of any material misrepresentation or omission in the Redevelopment Plan or any other document related to this Agreement and executed by the Developer that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer or (iv) the Developer's failure to cure its misrepresentation in this Agreement or any other agreement relating thereto within the cure period provided. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

#### **SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT**

15.01 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, 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.

15.02 Inspection Rights. Any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

## SECTION 16. DEFAULT AND REMEDIES

16.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Sections 16.03 and 18.16, shall constitute an "Event of Default" by the Developer hereunder:

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

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

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

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

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

(g) the entry of any judgment or order against the Developer which remains unsatisfied or undischarged and in effect for 30 days after such entry without a stay of enforcement or execution;

(h) a change in the Developer's general partner, addition of a general partner or sale or other transfer of all or a controlling interest in the ownership of the general partner without DOH's prior written consent; or

(i) a change in the ownership of the Project without DOH's prior written consent.

16.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the Incremental Taxes. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein, or may be awarded damages for failure of performance, or both, provided, however, that the City shall not obtain a lien against the Property. Any monetary remedies, including but not limited to judgments, are payable from distributable Surplus Cash only.

16.03 Curative Period. In the event the Developer shall fail to perform a covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer shall have failed to perform such covenant within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not reasonably capable of being cured within such 30-day period, if the Developer has commenced to cure the alleged default within such 30-day period and thereafter continues diligently to effect such cure, then said 30-day period shall be extended to 60 days upon written request from the Developer to the City delivered during such 30-day period, and upon further written request from the Developer to the City delivered during such 60-day period, said 60-day period shall be extended to 90 days; provided, further, that such default is cured in any event within \_\_\_ days of the date of the Developer's receipt of a written default notice.

16.04 First Mortgagee's Right to Cure. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available

to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the First Mortgagee and IHDA and the First Mortgagee or IHDA (subject to the rights of the First Mortgagee) shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, the First Mortgagee or IHDA may cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the First Mortgagee or IHDA, as the case may be, of such notice from the City; and

(b) if the Event of Default is of a non-monetary nature, the First Mortgagee or IHDA (subject to the rights of the First Mortgagee) shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the First Mortgagee or IHDA, as the case may be, of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by the First Mortgagee or IHDA within such 30-day period, such period shall be extended for such reasonable period of time as may be necessary to cure such default, provided that the First Mortgagee or IHDA continues diligently to pursue the cure of such default and, if possession of the Project is necessary to effect such cure, the First Mortgagee or IHDA has instituted appropriate legal proceedings to obtain possession.

#### SECTION 17. NOTICE

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

If to City: City of Chicago  
Department of Housing  
318 South Michigan Avenue  
Chicago, IL 60604  
Attention: Commissioner

cc: Manager of Special Finance

With Copies To: City of Chicago  
Department of Law  
Finance and Economic Development  
Division  
121 North LaSalle Street, Room 511  
Chicago, IL 60602

If to the City  
Comptroller:

City Comptroller  
City of Chicago  
121 North LaSalle Street, Room 501  
Chicago, Illinois 60602  
Attn: James Welker

cc: Michael Finn  
Tariq Malhance  
John McCormick

If to Developer:

Paul G. Stewart Apartments Associates  
Phase V Limited Partnership  
400 East 41st Street  
Chicago, Illinois 60653

With Copies To:

Kai A. Nebel  
Keck, Mahin & Cate  
77 West Wacker Drive, 49th Floor  
Chicago, Illinois 60601-1693

and

Prairie Mortgage Company  
819 South Wabash, Suite 508  
Chicago, Illinois 60605  
Attn: Kenneth Marshall

and:

U.S. Department of Housing and Urban  
Development  
Chicago Regional Office, Region V  
77 West Jackson Boulevard  
Chicago, Illinois 60604  
Attn Chief of Multifamily Loan Management  
HUD Project No: 07132130

and.

Illinois Housing Development Authority  
401 North Michigan Avenue  
Suite 900  
Chicago, Illinois 60611

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 business days following deposit in the mail

## SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the City and the Developer.

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.

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

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

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

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

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

18.11 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.

18.12 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.

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City or DOH, or any matter is to be to the City's or DOH's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DOH in writing and in its sole discretion.

18.14 Assignment. At any time during the term of this Agreement, the Developer may assign this Agreement, with the City's prior written consent, to an entity which purchases the Property or to the First Mortgagee or IHDA (subject to the rights of the First Mortgagee), provided that such assignee continues to operate the Property and the Project for the same purpose for which it is currently used and operated. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all terms of this Agreement for the Term of the Agreement, and shall execute an affidavit to the effect that it is in compliance with all applicable City ordinances and is otherwise qualified to do business with the City. The Developer shall not request HUD's approval to assign this Agreement unless such request has been approved in writing by the City.

18.15 Binding Effect. This Agreement shall be binding upon the Developer and its successors and permitted assigns and shall inure to the benefit of the City, its successors and assigns. The provisions of this Agreement pertaining to the obligations of the City shall be binding upon the City.

18.16 Force Majeure. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of



abnormal degree or quantity 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 respective obligations hereunder.

18.17 HUD Rider. The document entitled "HUD-Required Provisions Rider" attached hereto is hereby incorporated into this Agreement as if fully set forth herein.

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.

**PAUL G. STEWART APARTMENTS ASSOCIATES  
PHASE V LIMITED PARTNERSHIP**

By: PEOPLES CO-OP FOR HOUSING, PHASE V,  
an Illinois not-for-profit  
corporation  
Its: General Partner

ATTEST:

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**CITY OF CHICAGO**

By. \_\_\_\_\_  
Commissioner  
Department of Housing

## HUD-REQUIRED PROVISIONS RIDER

**THIS RIDER** is attached to and made a part of that certain Redevelopment Agreement (the "Document"), dated as of October \_\_\_\_, 1994, entered into between the City of Chicago, Illinois (the "Municipality") and Paul G. Stewart Apartments Associates Phase V Limited Partnership (the "Owner") relating to the property commonly known as Paul G. Stewart Apartments Phase V (the "Property"). In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Document. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development; and the term "FHA" shall mean the Federal Housing Administration, an administrative agency within HUD; and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured mortgage loan for the Property (Project No. 071-32130):

- A. Commitment for Insurance of Advances, dated August 2, 1994, as amended, issued by the Secretary of HUD to Prairie Mortgage Company ("Prairie");
  - B. Building Loan Agreement, dated October 1, 1994, between the Owner and Prairie;
  - C. Mortgage Note, dated October 1, 1994, made by the Owner payable to the order of Prairie in the principal amount of \$2,909,900;
  - D. Mortgage Note, dated October 1, 1994, made by the Owner payable to the order of Prairie in the principal amount of \$823,400,
  - E. Mortgage, dated October 1, 1994 made by the Owner in favor of Prairie and encumbering the Property as security for the said mortgage loan (the "Mortgage");
  - F. Security Agreement (Chattel Mortgage), dated October 1, 1994, between the Owner, as debtor, and Prairie and/or the Secretary of HUD as their interests may appear, as secured party;
  - G. UCC-1 and UCC-2 Financing Statements made by the Owner, as debtor, in favor of Prairie and/or the Secretary of HUD as their interests may appear, as secured party; and
  - H. Regulatory Agreement for Multifamily Housing Projects, dated October 1, 1994, between the Owner and HUD (the "HUD Regulatory Agreement").
- R-1 Notwithstanding anything to the Document to the contrary, the provisions of the Document are subordinate to all applicable HUD mortgage insurance regulations and related administrative requirements. In the event of any conflict between the provisions of the Document and the provisions of any applicable HUD regulations, related HUD administrative requirements, or HUD/FHA Loan Documents, the HUD regulations, related administrative requirements or HUD/FHA Loan Documents shall control.

- R-2 The covenants contained in the Document shall automatically terminate in the event of a foreclosure, or a deed in lieu of foreclosure, of any mortgage insured or held by HUD with respect to the Property, or any portion thereof.
- R-3 Failure on the part of the Owner to comply with the covenants contained in the Document shall not serve as the basis for default on any HUD-insured or HUD-held mortgage on the Property.
- R-4 Enforcement of the covenants contained in the Document will not result in any claim or lien against the Property, the proceeds of the Mortgage, any reserve or deposit required by HUD in connection with the Mortgage transaction, or the rents or other income from the Property, other than distributable "surplus cash" (as that term is defined in the HUD Regulatory Agreement).
- R-5 No amendment to the Document shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment to any HUD/FHA Loan Document shall be binding upon the City unless the City has consented thereto in writing.
- R-6 Any action prohibited or required by HUD pursuant to applicable federal law and regulations, or the HUD/FHA Loan Documents, shall supersede any conflicting provision of the Document, and the performance or failure to perform of the Owner in accordance with such laws, regulations or HUD/FHA Loan Documents shall not constitute an event of default under the Document.

**MUNICIPALITY:**

**CITY OF CHICAGO, ILLINOIS**

By: Marina Carrott  
 Name: Marina Carrott  
 Its: Commissioner  
Department of Housing

**OWNER:**

**PAUL G. STEWART APARTMENTS  
 ASSOCIATES PHASE V LIMITED  
 PARTNERSHIP, an Illinois  
 limited partnership**

By: PEOPLES CO-OP FOR HOUSING  
 PHASE V, an Illinois not-for-  
 profit corporation, General  
 Partner

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

**ATTEST:**

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

- R-2 The covenants contained in the Document shall automatically terminate in the event of a foreclosure, or a deed in lieu of foreclosure, of any mortgage insured or held by HUD with respect to the Property, or any portion thereof.
- R-3 Failure on the part of the Owner to comply with the covenants contained in the Document shall not serve as the basis for default on any HUD-insured or HUD-held mortgage on the Property.
- R-4 Enforcement of the covenants contained in the Document will not result in any claim or lien against the Property, the proceeds of the Mortgage, any reserve or deposit required by HUD in connection with the Mortgage transaction, or the rents or other income from the Property, other than distributable "surplus cash" (as that term is defined in the HUD Regulatory Agreement).
- R-5 No amendment to the Document shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment to any HUD/FHA Loan Document shall be binding upon the City unless the City has consented thereto in writing.
- R-6 Any action prohibited or required by HUD pursuant to applicable federal law and regulations, or the HUD/FHA Loan Documents, shall supersede any conflicting provision of the Document, and the performance or failure to perform of the Owner in accordance with such laws, regulations or HUD/FHA Loan Documents shall not constitute an event of default under the Document.

**MUNICIPALITY:**

**CITY OF CHICAGO, ILLINOIS**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Its: Commissioner  
 Department of Housing

**OWNER:**

**PAUL G. STEWART APARTMENTS  
 ASSOCIATES PHASE V LIMITED  
 PARTNERSHIP, an Illinois  
 limited partnership**

By: PEOPLES CO-OP FOR HOUSING  
 PHASE V, an Illinois not-for-  
 profit corporation, General  
 Partner

By: *James J. Haggan*  
 Its: Treasurer

**ATTEST:**

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

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Myriam Benhamou Kaplan, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Jeanne Y. Fogg and Treasurer and \_\_\_\_\_ of Peoples Co-op for Housing, Phase V, an Illinois not for-profit corporation (the "Corporation") and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this 14th day of October, 1994 in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the Board of Directors of the Corporation as their free and voluntary act and as the free and voluntary act of the Corporation, as general partner of Paul G Stewart Apartments Associates Phase V Limited Partnership, for the uses and purposes therein set forth.

Myriam Benhamou Kaplan  
Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)



STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Gloria D. Bell, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Marian Carruth, personally known to me to be the Commissioner of the Department of Housing of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 18<sup>th</sup> day of October, 1994 in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth

Gloria D. Bell  
Notary Public

OFFICIAL SEAL  
GLORIA D BELL  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXP JUNE 15, 1998

My Commission Expires 6-15-98

(SEAL)

PRAIRIE MORTGAGE COMPANY  
819 S WABASH AVE., SUITE 508  
CHICAGO, IL 60605

FACSIMILE TRANSMITTAL SHEET

TO *ED ELLIS* FROM *KEN MARSHALL*

COMPANY: DATE *8-18-04*

FAX NUMBER TOTAL NO. OF PAGES INCLUDING COVER *5*

PHONE NUMBER: SENDER'S PHONE NUMBER.  
*312-922-3696*

RE *PAUL G. STEWART V* SENDER'S FAX NUMBER.  
*312-922-3738*

URGENT  FOR REVIEW  PLEASE COMMENT  PLEASE REPLY

NOTES/COMMENTS:

*Pages 31, 32 OF TITLE RDA*

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## EXHIBIT A

### Legal Description

#### TAX INCREMENT FINANCING DISTRICT

THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE WESTERLY EXTENSION OF THE CENTER LINE OF E. BOWEN AVENUE, BEING A LINE 40.00 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF BLOCK 2 IN GEORGE S. BOWEN'S SUBDIVISION OF THE NORTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 3, ACCORDING TO THE PLAT THEREOF RECORDED JULY 26, 1873 AS DOCUMENT NO. 118015, WITH THE SOUTHERLY EXTENSION OF A LINE 28.00 FEET, AS MEASURED AT RIGHT ANGLES, WEST OF AND PARALLEL WITH THE WEST LINE OF BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE NORTHERLY ALONG SAID LAST DESCRIBED PARALLEL LINE AND SAID PARALLEL LINE EXTENDED TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE CENTER LINE OF E. 41ST STREET, BEING A LINE 33.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTH OF AND PARALLEL WITH THE NORTH LINE OF BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE EASTERLY ALONG SAID CENTER LINE OF E. 41ST STREET TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE CENTER LINE OF THE NORTH-SOUTH PUBLIC ALLEY LYING EAST OF AND ADJOINING LOTS 1 TO 10, INCLUSIVE, IN BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID LAST DESCRIBED CENTER LINE TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE CENTER LINE OF THE EAST-WEST PUBLIC ALLEY LYING SOUTH OF AND ADJOINING LOTS 11 TO 14, INCLUSIVE, IN BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE EASTERLY ALONG SAID LAST DESCRIBED CENTER LINE TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 14 IN BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 14 AND ALONG SAID EAST LINE EXTENDED TO AN INTERSECTION WITH THE CENTER LINE OF E. 41ST STREET, AFORESAID; THENCE EASTERLY ALONG SAID CENTER LINE OF E. 41ST STREET TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 31 IN BLOCK 1 IN MCKEY'S ADDITION TO HYDE PARK, BEING A SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 3, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 6, 1882 AS DOCUMENT NO. 424229; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 31 AND ALONG SAID WEST LINE EXTENDED TO AN INTERSECTION WITH THE CENTER LINE OF THE EAST-WEST PUBLIC ALLEY LYING NORTH OF AND ADJOINING SAID LOT 31; THENCE EASTERLY ALONG SAID LAST DESCRIBED CENTER LINE TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WESTERLY LINE OF LOT 2 IN THE SUBDIVISION OF LOTS 42 AND 43 IN BLOCK 1 IN MCKEY'S ADDITION TO HYDE PARK, AFORESAID, ACCORDING TO THE PLAT OF SAID SUBDIVISION OF LOTS 42 AND 43 RECORDED SEPTEMBER 10, 1886 AS DOCUMENT NO. 652605; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 2 AND ALONG SAID WESTERLY LINE EXTENDED TO AN ANGLE POINT IN SAID LINE; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 2 AND ALONG SAID WESTERLY LINE EXTENDED TO AN INTERSECTION WITH THE CENTER LINE OF E. 40TH STREET, BEING A LINE 33.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTH OF AND PARALLEL WITH THE NORTH LINE OF BLOCK 1 IN MCKEY'S ADDITION TO HYDE PARK, AFORESAID, THENCE EASTERLY ALONG SAID CENTER LINE OF E. 40TH STREET AND ALONG SAID CENTER LINE EXTENDED EASTERLY TO AN INTERSECTION WITH THE CENTER LINE OF S. VINCENNES AVENUE; THENCE SOUTHERLY ALONG SAID CENTER LINE OF S. VINCENNES AVENUE TO AN INTERSECTION WITH THE EASTERLY EXTENSION OF THE CENTER LINE OF E. BOWEN AVENUE, AFORESAID; THENCE WESTERLY ALONG SAID CENTER LINE OF E. BOWEN AVENUE AND ALONG SAID CENTER LINE EXTENDED TO THE POINT OF BEGINNING, IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

**EXHIBIT B**

***Legal Description***

Lots 1 to 10, inclusive, Lots 51, 52, 53 and 54, and the vacated alley being 16.00 feet wide and lying East of the East line of said Lots 6 to 10, inclusive, lying West of the West line of said Lot 54, lying South of the Westerly extension of the North line of said Lot 54, and lying North of the Westerly extension of the South line of said Lot 54, all in Block 2 in George S. Bowen's Subdivision of the North 1/2 of the North 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 3, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

P I N                      20-03-212-031, 20-03-212-030, 20-03-212-027, 20-03-212-008, 20-03-212-002,  
20-03-212-001, 20-03-212-003, 20-03-212-004, 20-03-212-006, 20-03-212-007,  
20-03-212-009, 20-03-212-028, 20-03-212-029, 20-03-212-005.

Common address        Southeast Corner of East 41st Street and South Dr. Martin Luther King Jr. Drive,  
Chicago, Illinois

EXHIBIT C-1

**PAUL G. STEWART APARTMENTS: Phase V**

10-Jun-94 20%Mkt, 40%VL	Mortg. Amt.:	\$3,630,869
Number of Units In Project: Highrise	95	Per Unit: \$37,822
Townhouses	0	HUD CONVENTIONAL LOAN:
TOTAL	95	With 7 IF, HOME, 9% LIHTC

**PROJECT COSTS**

	Actual Cost	Sub-Total	Per Unit Cost
Purchase of Land*	225,855	225,855	2,351
*Land Area: 68,460, HUD Value: \$3.66/s.f.			

**Site Work**

<b>Rehabilitation &amp; Construction</b>			
New Building: Highrise	7,345,583		76,518
Highrise: General Requirement	558,971		5,823
Highrise: General Overhead	158,001		1,647
Highrise: Profit	0		0
Total Highrise Cost	8,062,555		83,988
Townhouses: General Requirement	0		0
Townhouses: General Overhead	0		0
Construction Contingency: 2.5%	201,566		2,100
Other: Bond Premium	59,173		721
<b>Sub-Total</b>		<b>8,333,384</b>	<b>86,809</b>

<b>Architectural and Other Fees</b>			
Architect Fee-Design	225,879		
Architect Fee-Supervision	58,765		
Legal	30,000		
Soil Borings	15,000		
Other Fees: Cost Certification Audit	5,000		
<b>Sub-Total</b>		<b>344,644</b>	<b>3,590</b>

<b>For Interest Cost</b>			
Construction Insurance	40,000		
Construction Interest: 7.0%	190,622	18 mos. + 3 mos. for cost certification	
HUD/FHA Examination Fee: 0.3%	10,803		
HUD/FHA Inspection Fee: .5%	18,154		
Real Estate Taxes	30,000		
<b>Sub-Total</b>		<b>219,679</b>	<b>2,217</b>

<b>For Financing Fees and Expenses</b>			
Bond Council	0		
HUD/FHA Financing Fees: 3.5%	127,081		
HUD/FHA MIP: 1.0%	38,309		
Bond Underwriter Discount: 1 1/2% (Mtg.)	0		
Mortgage Discount: 5%*	217,853	*Mortgage Discount increased to reflect change in market. To the extent not needed, 2nd mortgage will be reduced.	
Title and Recording	20,000		
Underwriter Council	0		
Misc. Bond Cost: 1/2% (Mtg.)	0		
Bond Rating Agency App. Fee	0		
<b>Sub-Total</b>		<b>401,243</b>	<b>4,180</b>

<b>Soft Costs</b>			
Appraisal	10,000		
Market Research	8,500		
Environmental Report	7,500		
Tax Credit Fees: 3%	20,000		
Marketing Expense	90,000		
TIF Expenses	75,000		
Survey	7,500		
<b>Sub-Total</b>		<b>213,500</b>	<b>2,224</b>
<b>For Syndication Costs</b>			
Organizational (Partnership)	20,000		
Bridge Loan Fees and Expenses @7.0%			
Tax Opinion	10,000		
Accounting	7,500		
<b>Sub-Total</b>		<b>37,500</b>	<b>391</b>
<b>Developer's Fees and Overhead</b>	<b>838,876</b>	<b>838,876</b>	<b>8,717</b>
<b>Project Reserves</b>			
HUD/FHA Working Capital: 2%	72,618		
Negative Arbitrage	0		
TIF Deficit	165,000		
Rentup Expense			
<b>Sub-Total</b>		<b>237,618</b>	<b>2,475</b>
<b>Total</b>		<b>10,820,096</b>	<b>113,751</b>

**EXHIBIT C-2**

**TIF-FUNDED COSTS**

TIF-Funded Interest Costs (see Section 4.02)

TIF-Funded Project Costs (see Section 4.03)

EXHIBIT D

MARTIN LUTHER KING, JR. DRIVE AND FORTY-FIRST STREET  
REDEVELOPMENT PLAN AND PROJECT

**REDEVELOPMENT PLAN AND ELIGIBILITY STUDY**

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**LISTS OF EXHIBITS AND SCHEDULES  
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**Exhibits**

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I. INTRODUCTION AND BACKGROUND:

A. The Grand Boulevard Community

The proposed Redevelopment Project Area and the proposed Project are located in the City of Chicago in Community Area 38 commonly called Grand Boulevard.<sup>1</sup> Grand Boulevard is bounded by Pershing Road on the north, 51st Street on the South, Cottage Grove on the east, and Rock Island Railroad tracks on the west. The Grand Boulevard area is one of the poorest communities in Chicago. In 1989, in accordance with the Census data compiled by the City of Chicago, the Grand Boulevard area had a family median income of \$7,671 (down from \$11,640 in 1979) compared to the family median income for the City of \$30,707 (400% lower). Of the City's seventy-seven community areas, the Grand Boulevard community had the fourth highest rate of tax delinquent properties (25.51%) in 1987. The rate for the City was 3.81%. The Grand Boulevard community experienced a 33%

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<sup>1</sup> The City of Chicago has seventy-seven official Community Area designations. Each Community Area has a name, e.g., Lincoln Park, Grand Boulevard, etc., and each Community Area is divided into census tracts.

decline in population from 1980 to 1990. The population went from 53,741 to 35,897.

During the last decade (from 1980 to 1989), the area lost 3.3% of its 20,852 dwelling units. Of its 2,853 buildings, approximately 61.0% were in need of major repair by 1988, compared to the whole City at 7.08%, and of the total buildings, 4.2% were abandoned compared to the rest of the City at 0.8%. Another staggering statistic is the percentage of vacant lots in the area: 35.64% compared to 10.06% for the City. These characteristics of the Community Area (Grand Boulevard) are even more prevalent in the proposed Redevelopment Project Area and will be presented and documented throughout this Redevelopment Plan and Project (the "Plan") and the Eligibility Report.

There were 1,007 new dwelling units built in Grand Boulevard from 1980 to 1989. Of the total during this period, approximately 37.4% (377 units) were developed by Peoples Consumer Co-Operative, the Sponsor of the proposed Project, utilizing government assisted financing. These units were

developed as the third and fourth phases of the Paul G. Stewart Apartments. (The first four phases of the Paul G. Stewart Apartments are shown on Map 1, which is attached to and made a part of this Redevelopment Plan and Project. The first two phases were developed during the period 1971 to 1979 and consisted of 420 units. These units were also developed and built through the use of government assisted programs. Together the four phases comprise 707 units of housing for the elderly and 90 family units.

The City played a major role in the fourth phase development by assisting in acquiring the land through the former Department of Urban Renewal ("DUR"). One of the parcels within the Redevelopment Project Area is currently under the same Redevelopment Agreement with DUR which governed Phase Four. The success of the earlier phases of the Paul G. Stewart Apartments was based on the availability of government assisted financing. The government programs which were used to develop the first four phases are no longer available to assist in developing affordable housing. Therefore, the

use of tax increment revenue is an important resource in helping to meet the goals of developing affordable housing for very low, low, and moderate income persons.

**B. The Redevelopment Project Area ("RPA")**

The proposed RPA is approximately 4.71 acres excluding street areas. Including street areas, the RPA is approximately 7 acres. The proposed tax increment RPA boundaries:

run from the center of the intersection of East 40th Street and South Vincennes Avenue southward to the center of the intersection of South Vincennes Avenue and East Bowen Avenue, west to the center of East Bowen Avenue and South Martin Luther King Drive, north to the center of the intersection of South Martin Luther King Drive and East 41st Street, east to the center of the alley located approximately 175' from Martin Luther King Drive, south approximately 120' to the center of the alley mid-block between East 41st Street and East Bowen Avenue, east approximately 100' to the boundary of 429 and 431 East 41st Street, north between the parcels to the center of East 41st Street, east to the boundary of 460 and 462 East 41st Street, north to the center of the alley mid-block between East 40th Street and East 41st Street, east approximately 25' to the eastern boundary of 65 East 40th Street, north along the eastern boundary of 465 East 40th Street to the center of East 40th Street, and then east to the center of the intersection of East 40th Street and South Vincennes Avenue.

Map 1 shows the boundaries of the RPA and also shows the location of the RPA in respect to Phases I-IV of the Paul G. Stewart apartments. The legal description of the RPA is also attached and made a part hereof as Exhibit A.

All of the land use in the RPA is residential, as shown in the Existing Land Use Map, Map 2, which is attached to and made a part of this Plan and would permit multi-family and single family housing units. Approximately 90% of the land in the RPA is vacant. The buildings which remain are either dilapidated and abandoned or in need of substantial rehabilitation. The 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 redevelopment plan.

The City will encourage redevelopment projects in the RPA in order to increase the number of affordable housing units. The modest number of newly constructed multi-family housing units which has occurred near the RPA has been accomplished

utilizing federal deep subsidy programs. In the absence of these dollars, or other subsidies in their stead, it is not possible to develop housing to meet affordable housing needs of the neighborhood market. Investment solely through private enterprise can only create housing at a price too high to meet the need for affordable housing in the RPA. If a redevelopment plan is not adopted which addresses the characteristic market needs of the RPA, and which provides a practical, sound method for financing the proposed redevelopment project, as well as other redevelopment projects, it is probable the land which is vacant will remain vacant into the unforeseeable future and the remaining structures will probably continue to deteriorate and eventually will need to be razed. Thus, more vacant land will be created and the tax base will continue to erode. This Plan has been prepared to address the needs of the City in meeting its redevelopment goals and objectives of the Comprehensive Plan of Chicago, dated December, 1966 and also the goals and objectives of its Comprehensive Housing Affordability Strategy ("CHAS") prepared by the City of Chicago Department of Housing as they relate to

the RPA using tax increment financing ("TIF") to meet these goals and objectives.<sup>2</sup> It should be noted that paragraph 1266, Sec. 16 of the "Illinois Affordable Housing Act" provides for "... the use of tax increment financing to increase the availability of affordable housing." Tax increment financing is provided for by the Tax Increment Allocation Redevelopment Act, as amended (the "Act").

The development of additional housing in the RPA, through the use of tax increment financing will act as a stimulus and a catalyst to attract and encourage other development. As the Project and other development activity take place, in time, blighted conditions will be eliminated. In the final analysis the implementation of the Redevelopment Plan and Project will have positive, long term benefits to the City of Chicago and all of the taxing districts which are included in the RPA.

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<sup>2</sup> The City of Chicago is required to submit to the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 105 of the Cranston-Gonzalez National Affordable Housing Act of 1991, a Comprehensive Housing Affordability Strategy. Initially, the City was required to prepare a five year plan. Thereafter, the City must submit annual updates of its housing strategy.

The real estate tax base will be expanded; excess revenue will be generated; and jobs from construction and ongoing property management will be available.

II. REDEVELOPMENT PLAN AND PROJECT AREA GOALS AND OBJECTIVES

The goals and objectives which follow for the RPA are in accordance with the objectives of the Tax Increment Redevelopment Allocation Act (the "Act") and the City's CHAS.

A. **Redevelopment Plan and Project Objectives**

The City seeks to achieve the following objectives by encouraging the development and redevelopment of RPA through various public financing techniques including, but not limited to, Tax Increment Financing:

1. Eliminating slum and blighted conditions.



2. Providing affordable housing units for very low income, low income, and moderate income families.
3. Providing for stability of the RPA by entertaining development proposals for residential redevelopments,
4. Preserving the architectural and historical characteristics of the surrounding neighborhood,
5. Enhancing the tax base of the affected taxing districts,
6. Attracting both public and private investment in the RPA.
7. Providing opportunities for women and minority businesses to share in the redevelopment of the area.
8. Encouraging development and redevelopment in an Enterprise Zone area.

9. Contributing to the health, welfare, and safety of the City.

10. Improving the infrastructure of the RPA.

**B. General Land Use**

The existing land consists of approximately 4.7 acres of land zoned for residential use, including the land which fronts on Dr. King Drive. (Map 2.) Map 3 attached hereto and made part of the Plan designates the intended land use in the RPA as residential, single and multi-family. The RPA conforms to the strategic economic development plans or redevelopment plans issued by the designated planning authority of the City and includes land uses that have been approved by the plan commission of the City. All the parcels in the RPA will be benefited by the Plan and Project.

### **C. Redevelopment Program**

In order to achieve the foregoing objectives in the RPA, the City will pursue a coordinated program of action to assist and facilitate residential development. The City will seek and encourage the rehabilitation of existing structures, if feasible, and new construction for both single family dwellings and multi-family dwellings by all qualified developers.

### **III. THE REDEVELOPMENT PROJECT (the "Project")**

The Project will be the development of housing in the RPA and infrastructure related thereto. The housing will include multifamily developments and may include single family townhouses. It is contemplated that the first structure to be built is to be a 13 story highrise building of reinforced concrete with an exterior brick finish. It will contain approximately 96 dwelling units.

This Project in the RPA will aid in revitalizing an important area of the City. Located in the Grand

Boulevard community, the RPA is very convenient to downtown Chicago, approximately 4 miles north, and to the lakefront, approximately 1.5 miles east. The site has excellent access to public transportation. Buses on King Drive and the elevated train at 43rd Street and Prairie run on a 24 hour schedule.

All of the property in the RPA is expected to be developed or redeveloped in the next ten years. Since there is so much vacant property in the RPA, it is likely that a variety of styles and types of occupancy will take place, including owner-occupied single-family housing as well as renter-occupied townhouses and garden apartments. The few existing non owner occupied buildings which remain in the RPA will probably be razed and redeveloped, because they have deteriorated past the point of being feasible to rehabilitate. Those buildings which are owner occupied are more likely to be remodeled.

The City will encourage the development and redevelopment of the land provided that each proposal conforms to the current zoning ordinance

(as amended and revised from time to time) and is consistent with other City ordinances and plans.

Each phase of the Project will generate construction jobs and material suppliers. Although construction jobs generated within the RPA are not permanent, the ripple effects of construction jobs are well documented. Permanent jobs that will be generated include such jobs as service jobs in property management, property maintenance, and marketing. Development activity in the proposed RPA could stimulate private development activity outside of the RPA.

IV. QUALIFICATION OF THE RPA UNDER THE ACT AS A BLIGHTED AREA:

**Findings as to Conditions Existing in the Redevelopment Project Area**

The Act provides that an area may be designated as a redevelopment project area, if it qualifies as a "blighted area."

After studying the conditions which exist within the RPA, it is determined that the RPA meets the criteria to qualify both the vacant and improved parcels as blighted area as defined in the Act. The whole RPA therefore qualifies as a blighted area.

A. Blighted vacant area.

The vacant parcels meet the criteria for "blighted" as defined in the Act based on the following factors specified by the Act which are present which impair the growth of property values: obsolete platting of the vacant land; diversity of ownership of the land, deterioration of structure and site improvements in neighboring areas adjacent to the vacant land. Only two of these factors are required to be present to qualify the vacant parcels as being blighted under the Act. Three factors are present. Map 2 of the eligibility report, which is also Map 2 of this Plan, shows the location of vacant land and improvements in the RPA. As described in detail in the Eligibility Report, there are at least eight different owners of vacant land in the RPA. As illustrated on Map

2, the parcels are not of such a size as to accommodate proposed projects.

B. Blighted improved area.

The improved properties meet the criteria of the Act as blighted improved area. The improved properties meet the blighted area criteria as defined in the Act based on the following factors: age; depreciation of physical maintenance; deterioration; dilapidation; obsolescence; presence of structure below minimum code standards; excessive vacancies; lack of community planning, all of which are detrimental to the public safety, health, morals or welfare. Five of these factors need be present to qualify the area as a blighted area, but at least eight eligibility factors are present. A description of the criteria for blighting factors pertaining to improvements is set forth in Exhibit B which is attached to and made a part of this Plan.

A detailed analysis of the blighted conditions causing qualification is set forth in the

Eligibility Report which is attached as Exhibit C. Table 1 of the Eligibility Report which indicates the comprehensive nature of the existence of these factors is also attached to this Plan.

V. **ESTIMATED REDEVELOPMENT PROJECT COST**

Pursuant to the Act, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Project. Eligible costs may include:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;
2. 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, and the clearing and grading of land;



3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law;
9. Payment in lieu of taxes;
10. Costs of job training, 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 (1) are related to the establishment and maintenance of additional job training, advanced vocational education or career

education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality 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 and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

11. Interest cost 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 this Act; and
  - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph 11 then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

- (d) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

Estimated eligible Redeveloped Project Costs for the area are shown on Exhibit D which is attached to and made a part of the Plan. To the extent that Project Costs have been incurred prior to, but in anticipation of the adoption of tax increment financing, and thereafter after tax increment financing has been adopted, those eligible costs may be reimbursed. Reasonable adjustments in the cost items listed from time to time may be made in the projections without amendment to the Redevelopment Plan. Funds may be moved from one line item to another or to an eligible cost category described in this Plan and may be adjusted upward by the annual rate of inflation.

VI. SOURCE OF FUNDS TO PAY REDEVELOPMENT COSTS

The source of Funds to pay redevelopment costs is the real estate tax increment generated by the

increase in assessed value of properties included in the RPA. It is contemplated that most of the Tax Increment Revenue will be applied to the interest subsidy. The interest subsidy will be applied toward the annual debt service on the mortgage of the first multifamily structure to be built. Tax Increment Revenue may be available to cover other eligible costs in the RPA and/or distributed to the taxing districts. Except as the City's commitment to pay the interest subsidy from Tax Increment Revenue to the extent that it is available may be termed an obligation of the City, it is not anticipated that the City will issue obligations to fund the development of the first multifamily structure. The City may, however, determine it is desirable to issue revenue or general obligations secured by the tax increment special tax allocation fund established for the RPA pursuant to Section 11-74.4-7 of the Act or such other funds or security as are available to the City by virtue of its powers under the Act and as provided by the Constitution of the State of Illinois.

All obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the RPA. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from its respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. All obligations are to be covered after issuance by projected and actual tax increment, other tax revenue and by such debt service revenues and sinking funds as may be provided by ordinance. The total principal and interest payable in any year on all obligations shall not exceed the amounts available in that year, or projected to be available in that year, from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, required reserves, bond sinking

RPA have been vacant for more than ten years. "But for" the TIF no projects would be feasible in the RPA. The creation of the TIF district will enable redevelopment to occur in an economically depressed area where otherwise the development of affordable, new construction housing would be infeasible.

VIII. ASSESSMENT OF ANY FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT AREA ON OTHER TAXING DISTRICTS:

Based on the established "but for" of the RPA and the projects which will follow, the redeveloped area will be positively impacted. There will be little, if any, short term, financial impact on most of the taxing districts. The districts could benefit from the distribution of excess revenue granted by the district after eligible costs are covered. All of the taxing districts will benefit from the long-term financial impact of the TIF. At the end of the TIF term of 23 years, all of the projects in the TIF district are to pay full real estate taxes. The following is an assessment of the financial impact on the various taxing districts:

funds, redevelopment project costs and reserves required to fund such costs, early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the redevelopment plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed interest rates or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits, and with or without redemption provisions.

VII. "BUT FOR" TEST

The continued existence of vacant properties which characterizes most of the RPA, as well as the lack of rehabilitation of existing structures is evidence indicating that the RPA as a whole has not been subject to growth and development through investment by private enterprise. Most of the parcels in the

6. City of Chicago. There will be no negative financial impact and no expected increase in demand for City Services. Vacant and abandoned properties provide opportunities for criminal activity such as drug sales and arson. Redevelopment in the RPA will help reduce the demand for City Police and Fire Services in the RPA. As projects are developed in the RPA, the requirement for City Services should be typical of other normal developed neighborhoods. The RPA will have a positive impact on the City's economic development and availability of affordable housing.

8. Board of Education: There will be some financial impact. There will be an increase in demand for school services as a result of children of tenants who reside in the projects in the RPA. Because of a dramatic drop in population in the Grand Boulevard Community, schools which serve the RPA have excess capacity,



1. Cook County and Cook County Health Facilities:  
There will be no or little financial impact. Health services to the projected population of the RPA will not result in a net increase in health services provided by County facilities.
2. Chicago Park District: There will be no or little financial impact.
3. Forest Preserve District of Cook County: There will be no financial impact.
4. Metropolitan Water Reclamation District of Greater Chicago: There will be no or little financial impact. Sewer lines are available to service the RPA.
5. Community College District 508: There will be no or little financial impact. The projected population of the RPA will not result in a net increase in the Chicago City Colleges. To the extent that there are students from the RPA the impact would be the same if they lived outside of the RPA.

so new building facilities will not be required.<sup>3</sup>

Since there will be no financial impact on the taxing districts, it would be premature to establish programs to address such financial impact or increased demand for services at this time.

IX. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA

It is estimated that the most recent equalized assessed valuation for the RPA is approximately \$111,634. See Table 2 attached.

X. ANTICIPATED EQUALIZED ASSESSED VALUATION

It is estimated that the Projected equalized assessed valuation of real property within the RPA will be approximately \$2,100,000 for land and improvements as a result of the development of the first multifamily structure. After full development of the

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<sup>3</sup> The schools which serve the RPA are King High School and Fuller Elementary School. According to officials at said schools, both schools are currently operating below maximum capacity.

RPA it is anticipated that the projected equalized assessed valuation of real property in the RPA will be \$5,000,000.

XI. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

As part of any Redevelopment Agreement entered into by the City and any private developers, both will agree to establish and implement a goal-oriented affirmative action program that serves appropriate sectors of the City.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race, creed, age, national origin, marital status or the presence of physical handicaps. Neither party will countenance discrimination against any employee or applicant because of sex, color, race, creed, age, national origin, marital status, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment,

including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance with this policy and compliance with the requirements of applicable state and federal regulations.

The City and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

XII. SCHEDULING OF THE REDEVELOPMENT PROJECT

**Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs**

This Redevelopment Plan and Project will be completed on or before a date twenty-three (23) years from the adoption of an ordinance designating the RPA. The City thus expects that the Redevelopment Project will be completed sooner than the maximum time limit set by the Act. Actual public and/or private construction activities are anticipated to be completed within ten (10) years from the adoption of this Redevelopment Plan and Project. The City may issue bonds to fund redevelopment project costs.

XIII. PROVISIONS FOR AMENDING THE TAX INCREMENT  
REDEVELOPMENT PLAN AND PROJECT

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

(50024C18)

EXHIBIT A

Legal Description

TAX INCREMENT FINANCING DISTRICT

THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE WESTERLY EXTENSION OF THE CENTER LINE OF E. BOWEN AVENUE, BEING A LINE 40.00 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF BLOCK 2 IN GEORGE S. BOWEN'S SUBDIVISION OF THE NORTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 3, ACCORDING TO THE PLAT THEREOF RECORDED JULY 26, 1873 AS DOCUMENT NO. 118015, WITH THE SOUTHERLY EXTENSION OF A LINE 28.00 FEET, AS MEASURED AT RIGHT ANGLES, WEST OF AND PARALLEL WITH THE WEST LINE OF BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE NORTHERLY ALONG SAID LAST DESCRIBED PARALLEL LINE AND SAID PARALLEL LINE EXTENDED TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE CENTER LINE OF E. 41ST STREET, BEING A LINE 33.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTH OF AND PARALLEL WITH THE NORTH LINE OF BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE EASTERLY ALONG SAID CENTER LINE OF E. 41ST STREET TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE CENTER LINE OF THE NORTH-SOUTH PUBLIC ALLEY LYING EAST OF AND ADJOINING LOTS 1 TO 10, INCLUSIVE, IN BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID LAST DESCRIBED CENTER LINE TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE CENTER LINE OF THE EAST-WEST PUBLIC ALLEY LYING SOUTH OF AND ADJOINING LOTS 11 TO 14, INCLUSIVE, IN BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE EASTERLY ALONG SAID LAST DESCRIBED CENTER LINE TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 14 IN BLOCK 2 IN SAID GEORGE S. BOWEN'S SUBDIVISION; THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 14 AND ALONG SAID EAST LINE EXTENDED TO AN INTERSECTION WITH THE CENTER LINE OF E. 41ST STREET, AFORESAID; THENCE EASTERLY ALONG SAID CENTER LINE OF E. 41ST STREET TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 31 IN BLOCK 1 IN McKEY'S ADDITION TO HYDE PARK, BEING A SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 3, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 6, 1882 AS DOCUMENT NO. 424229; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 31 AND ALONG SAID WEST LINE EXTENDED TO AN INTERSECTION WITH THE CENTER LINE OF THE EAST-WEST PUBLIC ALLEY LYING NORTH OF AND ADJOINING SAID LOT 31; THENCE EASTERLY ALONG SAID LAST DESCRIBED CENTER LINE TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WESTERLY LINE OF LOT 2 IN THE SUBDIVISION OF LOTS 42 AND 43 IN BLOCK 1 IN McKEY'S ADDITION TO HYDE PARK, AFORESAID, ACCORDING TO THE PLAT OF SAID SUBDIVISION OF LOTS 42 AND 43 RECORDED SEPTEMBER 10, 1888 AS DOCUMENT NO. 632605, THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 2 AND ALONG SAID WESTERLY LINE EXTENDED TO AN ANGLE POINT IN SAID LINE, THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 2 AND ALONG SAID WESTERLY LINE EXTENDED TO AN INTERSECTION WITH THE CENTER LINE OF E. 40TH STREET, BEING A LINE 33.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTH OF AND PARALLEL WITH THE NORTH LINE OF BLOCK 1 IN McKEY'S ADDITION TO HYDE PARK, AFORESAID, THENCE EASTERLY ALONG SAID CENTER LINE OF E. 40TH STREET AND ALONG SAID CENTER LINE EXTENDED EASTERLY TO AN INTERSECTION WITH THE CENTER LINE OF S. VINCENNES AVENUE, THENCE SOUTHERLY ALONG SAID CENTER LINE OF S. VINCENNES AVENUE TO AN INTERSECTION WITH THE EASTERLY EXTENSION OF THE CENTER LINE OF E. BOWEN AVENUE, AFORESAID; THENCE WESTERLY ALONG SAID CENTER LINE OF E. BOWEN AVENUE AND ALONG SAID CENTER LINE EXTENDED TO THE POINT OF BEGINNING, IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

## EXHIBIT B

The criteria listed in the Act were defined for purposes of the analysis of structures as follows:

1. **Illegal Use of Structure:** The presence on the property of illegal uses or activities.
2. **Structure Below Minimum Code Standards:** Local standards of building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
3. **Excessive Vacancies:** When the occupancy or use level of the building is low for frequent or lengthy periods so as to represent an adverse area influence.
4. **Lack of Ventilation, Light or Sanitary Facilities:** Conditions which would negatively influence the health and welfare of building users.
5. **Inadequate Utilities:** Deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
6. **Dilapidation:** The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced state of deterioration.
7. **Obsolescence:** When the structure has become or will soon become ill-suited for the originally designed use.
8. **Deterioration:** A condition where the quality of the building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.
9. **Overcrowding of Structures and Community Facilities:** A level of use beyond a designed or legally permitted level.
10. **Excessive Land Coverage:** Site coverage of an unacceptably high level.



11. **Deleterious Land Use or Layout:** Inappropriate property use or plotting, or other negative influences not otherwise covered, which discourages investment in a property.
12. **Depreciation of Physical Maintenance:** Decline in property maintenance which leads to building degeneration, health and safety hazards, unattractive nuisances, unsightliness, property value decline and area distress.
13. **Lack of Community Planning:** Deficiency in local direction of growth, development or redevelopment in order to maintain or enhance the viability of the area or community.

#### Methodology

The RPA has been evaluated in its qualification as a "blighted area" on an area-wide basis. The RPA has been evaluated according to the appropriate qualification features listed in the Act.

**EXHIBIT C**  
**Eligibility Report**



O'Donnell  
Wicklund  
Pigozzi and  
Peterson  
Architects  
Incorporated

TAX INCREMENT FINANCING ELIGIBILITY REPORT

May 2, 1994

To: City of Chicago  
From: Joel Stauber, O'Donnell Wicklund Pigozzi & Peterson Architects, Inc.  
Re: PROPOSED DR. MARTIN LUTHER KING DR. AND 41ST ST. TAX INCREMENT REDEVELOPMENT PROJECT AREA

The purpose of this report is to summarize findings related to the proposed tax increment financing district located adjacent to 41st and Martin Luther King Drive in Chicago, Illinois. The report is divided into four parts which include an examination of the proposed Redevelopment Plan Area (RPA) boundaries, review of compliance with the Illinois Tax Increment Allocation Redevelopment Act (TIF Act) revised in 1994, and documentation of factors which qualify the district under "blighted improved" and "blighted vacant" sections of this Act.

A. RPA BOUNDARIES

The proposed tax increment financing district boundaries run from the center of the intersection of East 40th Street and South Vincennes Avenue southward to the center of the intersection of South Vincennes Avenue and East Bowen Avenue, west to the center of East Bowen Avenue and South Dr. Martin Luther King Drive, north to the center of the intersection of South Dr. Martin Luther King Drive and East 41st Street, east to the center of the alley located approximately 175' from Dr. Martin Luther King Drive, south approximately 120' to the center of the alley mid-block between East 41st Street and East Bowen Avenue, east approximately 100' to the boundary of 429 and 431 East 41st Street, north between the parcels to the center of East 41st Street, east to

JBP/MC

Proposed 41st St. TIF  
May 2, 1994  
Page 2

the boundary of 460 and 462 East 41st Street, north to the center of the alley mid-block between East 40th Street and East 41st Street, east approximately 25' to the eastern boundary of 65 East 40th Street, north along the eastern boundary of 465 East 40th Street to the center of East 40th Street, and then east to the center of the intersection of East 40th Street and South Vincennes Avenue (see Map 1 attached).

The district is located within R4 and R5 zoning classifications and Residential Planned Development No. 99 (see Map 5 attached). The proposed RPA includes predominantly vacant land with eight residential buildings, four of which are currently occupied.

Information Sources:

1. Chicago Zoning Ordinance: Title 17 Municipal Code of Chicago, 1993
2. Sanborn Map Company Inc., Street Map, Revised by the Department of Planning May, 1980
3. Chicago Aerial Survey, Aerial Photo at 1"=100', Spring, 1988

**B. TIF ACT COMPLIANCE**

**1. COMPREHENSIVE PLAN**

The City of Chicago published The Comprehensive Plan of Chicago in 1966. This plan has been used as a guide for development in the City and is of a form and substance consistent with comprehensive planning.

**2. REDEVELOPMENT AREA**

The proposed RPA is contiguous and contained within a single perimeter boundary. The RPA has not been used for commercial agricultural purposes in the last five years.

Eight parcels within the RPA are improved with buildings and will be evaluated with qualification factors for "blighted improved" (see Map 2 residential use parcels). All eight parcels have three story masonry structures, with the building at 458-460 East Bowen Avenue appearing to contain residential apartments.

Fifty-two parcels are vacant and will be evaluated with qualification factors for "blighted vacant".

**3. SIZE OF RPA**

The RPA is substantially larger than the minimum 1.5 acre required by the TIF Act. It encompasses 60 tax parcels and totals approximately 7.5 acres of land including the street right of ways (4.71 acres parcels only).

**4. "SUBSTANTIALLY BENEFIT"**

The RPA must be delineated to ensure that no properties will be included in the area that do not substantially benefit from being included in the RPA. The redevelopment plan proposed improvements that represent:

- a. A coordinated, rather than piece-meal, approach to assure that the components of the plan combine to meet contemporary development principles and standards.
- b. An approach which facilitates elimination of blighting factors.
- c. A reasonable and defined time period to contribute productively to the economic vitality of the RPA.
- d. Enhancement of vacant land in the RPA.
- e. A positive influence on properties near the RPA.

**5. "BUT FOR"**

The RPA has been in net economic decline, with no signs of private investment over the past 25 years. It will likely continue its economic decline without the adoption of the TIF/RPA. While there has been development in the last 30 years in nearby properties (Paul G. Stewart Apartments), all of it has been with assistance from federal funding. The current blighting conditions in the RPA seriously impair the viability of private residential development. The Redevelopment Plan makes residential development viable through establishment of a TIF district.

## 6. REDEVELOPMENT PLAN

The Redevelopment Plan is consistent with The Comprehensive Plan of Chicago of 1966, the 1993 Chicago Zoning Ordinance and the 1993 Mid-South Strategic Development Plan. The following are key aspects of these ordinances or policies of development:

- a. Comprehensive Plan strategic objectives which include emphasis on expanded opportunities for the disadvantaged, proper allocation of land, economic development and job opportunities, and family life and the environment.
- b. Comprehensive Plan policies for residential areas which include making decent, safe, and sanitary housing available to all income groups, expand the total housing supply within the city, and to provide more diversity in choices of housing type within the City
- c. Comprehensive Plan designates the area as a Demonstration City Opportunity Area which has potential for coordinated physical-social improvement programs where substantial clearance would present opportunities for new housing, and an emphasis would be on aiding people to become self-sufficient and to move up out of the poverty bracket.
- d. The Mid-South Plan strategic assessment indicates that the area should be heavily residential and should accommodate households with a wide range of incomes; that population densities should be large enough to support a wide variety of retail establishments, community services, and transportation modes; and that redevelopment of the community should not mean displacement of current residents, but instead, the creation of opportunities for them.

- e. The Mid-South Plan also indicates that vacant lots scattered throughout the interior of quadrant eight where this site is located should provide ample land for various designs.
- f. The Chicago Transit Authority indicates that in addition to Bus Route 3 on Dr. Martin Luther King Drive, the nearby Green Line (which is currently closed for reconstruction) will provide transit access at 40th and Indiana.
- g. The City's Comprehensive Housing Affordability Strategy (FY 1993 to FY 1997) provides that TIFs will be used as a vehicle of its housing delivery system to assist in implementation of its housing policies and strategies.

Information Sources:

- 1. Department of Planning and Development, The Comprehensive Plan of Chicago, December 1966
- 2. Wendell Campbell Associates, Inc. & Applied Real Estate Analysis, Mid-South Strategic Development Plan: Restoring Bronzeville, September 1993
- 3. Chicago Transit Authority, System Map, March 1991
- 4. Conversation with Sheri Hearmb of the Chicago Transit Authority, February 15, 1994
- 5. City of Chicago, Comprehensive Housing Affordability Strategy, FY 1993 to FY 1997
- 6. Section 105 Cranston-Gonzalez National Affordable Housing Act, 1991



**C. BLIGHTED IMPROVED AREA QUALIFICATION**

In a development project area with improvements, five blighting factors must be present to a meaningful extent, and should be reasonably distributed throughout the RPA in order to warrant a "Blighted Area" designation. The following blighting factors are present in the RPA based on statute definitions, review of documents, site visits and other support documentation:

- \* Age
- \* Depreciation of Physical Maintenance
- \* Deterioration
- \* Dilapidation
- \* Obsolescence
- \* Presence of Structures Below Minimum Code
- \* Excessive Vacancies
- \* Lack of Community Planning

The presence of eight qualification factors within the RPA exceeds the required presence of five qualification factors necessary to qualify as "Blighted Area" which is improved. The eight qualification factors identified in the proposed RPA are detailed below (see also Table 1).

**1. AGE**

Continuous Use and Exposure to Elements: All of the structures existing within the RPA have problems or limiting conditions resulting from normal and continuous use and exposure to the elements over a period of many years. Seven of the structures in the RPA are more than 35 years. They appear to have been built around 1920 and are approximately 75 years old. The eighth structure at 458-60 East Bowen Avenue is approximately 35 years old. Problems include leaky window frames with single pane non-insulating glass, and masonry walls without insulation.

Not Ideally Suited for Modern Day Uses: The existing buildings are not ideally suited to modern day use standards. Use standards not available include off-street parking or garages, and handicapped accessibility.

## 2. DEPRECIATION OF PHYSICAL MAINTENANCE

Building Depreciation: Buildings in the general area and all eight buildings within the RPA suffer from a range of effects of deferred or lack of maintenance, especially the vacant buildings at 444, 446 and 448 East Bowen Avenue and 4100 South Vincennes Avenue and along south side of Bowen Street and east side of Vincennes Avenue. Such effects include unpainted or unfinished building surfaces; peeling paint; loose missing building materials; sagging front porches; broken windows; loose gutters and downspouts; and damaged areas of the buildings in disrepair.

Site Depreciation: The lots especially at the vacant buildings listed above suffer from site depreciation including accumulation of trash and debris in front yards, side yards and vacant lots; fences in disrepair; lack of mowing of lawns and pruning of vegetation; and broken sidewalks.

## 3. DETERIORATION

Many buildings in the general area and within the RPA at 444, 446 and 448 East Bowen Avenue and 4100 South Vincennes Avenue have major defects in the primary and secondary buildings components which are not easily correctable in the course of normal maintenance. Such defects include collapse of front stairs, significant cracks in exterior walls, broken window frames, and water damage from windows without glass.

## 4. DILAPIDATION

444, 446 and 448 East Bowen Avenue and 4100 South Vincennes Avenue are also in an advanced state of disrepair and decay. The windows in these structures have all been broken out and have not been boarded up. Major deterioration has occurred in the exterior building materials, including partial collapse of one of the structures.

## 5. OBSOLESCENCE

Economic Obsolescence: The presence of dilapidated buildings at 444, 446 and 448 East Bowen Avenue and 4100 South Vincennes Avenue and 52 vacant lots have caused a substantial depreciation in market values for the area. The economic viability of the area will likely continue to be compromised as long as these conditions persist.

Obsolete Platting: The 25' X 119' typical lot size for parcels (see Map 4) indicates obsolete platting. Typical modern-day residential developments for low and moderate incomes require parcels that are at least 150' X 120' to accommodate multi-family structures. With off-street parking for the residents the optimum size of a lot could be substantially larger.

## 6. PRESENCE OF STRUCTURES BELOW MINIMUM CODE

Severe dilapidation of vacant structures listed above has caused them to no longer comply with local building codes. Violations include deficiencies in property maintenance and fire exit stairs.

## 7. EXCESSIVE VACANCIES

Five structures located at 444, 446 and 448 East Bowen Avenue and 4100 South Vincennes Avenue within the RPA and a number of others south of Bowen Street and East of Vincennes Avenue are unoccupied. These structures represent an adverse influence on the area because of the frequency, extent and duration of such vacancies and the apparent lack of effort directed toward their occupancy or utilization.

## 8. LACK OF COMMUNITY PLANNING

The original development of the land in the RPA occurred prior to the adoption of a Comprehensive Plan for Chicago. The original platting of the land created parcels of inadequate size and shape to meet contemporary development standards.

Proposed 41st St. TIF  
May 2, 1994  
Page 10

Information Sources:

1. On-site field observations
2. Sanborn Map Company Inc., Street Map, Revised by the Department of Planning May, 1980
3. Chicago Aerial Survey, Aerial Photo at 1"=100', Spring, 1988

**D. BLIGHTED VACANT QUALIFICATION**

In a vacant development project area, two blighting factors must be present to a meaningful extent and should be reasonably distributed through out the RPA to warrant a "Blighted Area" designation. The following factors are present, and are based on statute definitions, review of documents, site visits and other supportive documentation:

- \* Obsolete platting of vacant land
- \* Diversity of ownership
- \* Deterioration of structures next to vacant land

The presence of three qualification factors within the RPA exceeds the required presence of two qualification factors necessary to qualify as blighted vacant land. These factors are detailed below (see also Table 2).

**1. OBSOLETE PLATTING OF VACANT LAND**

The 25' X 119' typical lot size for vacant parcels and the irregular shape of some of them (see Map 4) indicates obsolete platting. Typical modern-day residential developments for low and moderate incomes require parcels that are at least 150' X 120' to accommodate multi-family structures. With off-street parking for the residents the optimum size of a lot could be substantially larger.

**2. DIVERSITY OF OWNERSHIP**

There are at least eight different owners of vacant land within the RPA. This number of owners and interests in the land is sufficient to retard or impede the ability to assemble the land for development.

**3. DETERIORATION OF STRUCTURES NEXT TO VACANT LAND**

Of the eight parcels in the RPA which have building improvements, at least four of them have structures which meet the guidelines for deterioration. All of these structures are adjacent to vacant land.

Proposed 41st St. TIF  
May 2, 1994  
Page 12

Information Sources:

1. On-site field observations
2. Sanborn Map Company Inc., Street Map, Revised by the Department of Planning May, 1980
3. Chicago Aerial Survey, Aerial Photo at 1"=100', Spring, 1988
4. Real Estate Tax Bills from the Cook County Collector

Proposed 41st St. TIF  
May 2, 1994  
Page 13

**CONCLUSION**

Based on the findings of eight area-wide factors for blighted improved, and three area-wide factors for blighted vacant, we conclude that this TIF/RPA qualifies as blighted improved in the improved parcels and blighted vacant in the vacant parcels. We recommend that it be approved as a Tax Increment Finance District under the requirements of the statute.

**EXHIBIT D**

**Eligible Projected Redevelopment Project Costs**

(1) Costs of studies and surveys, development of plans and specifications, architectural engineering financial planning	\$ 200,000
(2) Property assembly costs	200,000
(3) Job Training	100,000
(4) Implementation and administration of the Redevelopment Plan	100,000
(5) Infrastructure improvements	200,000
(6) Interest subsidy	1,750,000
(7) Site Preparation	230,000
(8) Rehabilitation	100,000
(9) Contingency	300,000
Total	<u>\$3,180,000</u>

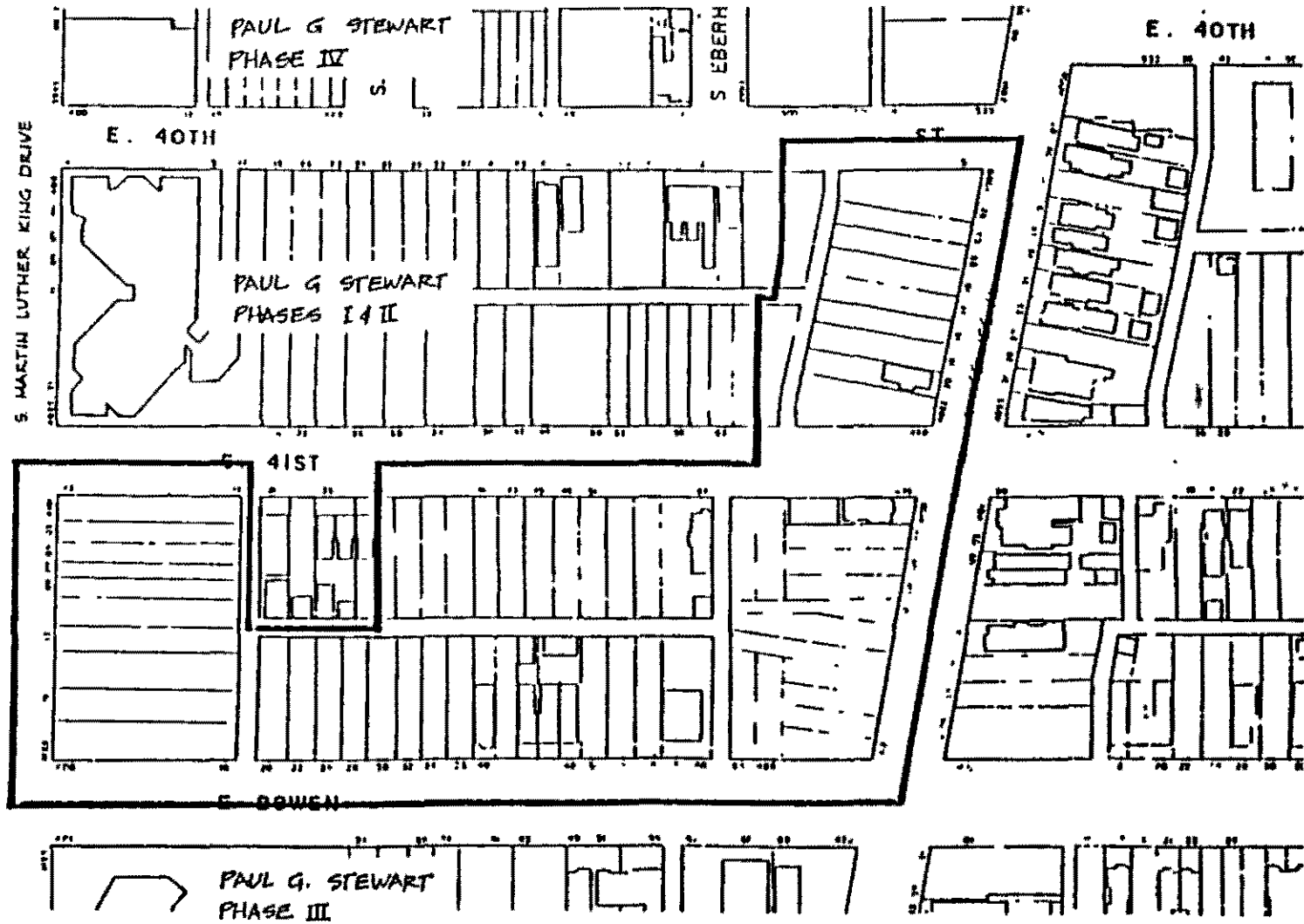
Note 1: The above costs are estimates and may vary. Amounts included in one line item may be moved to another line item or another category of eligible redevelopment project costs. Said costs may also be increased by the rate of inflation.

Note 2: The project will not produce adequate tax increment revenue in early years to pay all redevelopment project costs. Therefore, unpaid costs will be accrued. When tax increment revenue becomes available, it will be first used to pay accrued interest cost, then actual interest cost, and then to the extent available at the end of each year, the other costs set forth above. Excess tax increment revenue may be dedicated to other redevelopment project costs in the event the Plan is amended, or may be distributed to taxing districts if not required for a reserve.



Note 3: It is anticipated that the project will generate excess increment not required for payment of redevelopment project costs.


MAP I  
BOUNDARY MAP



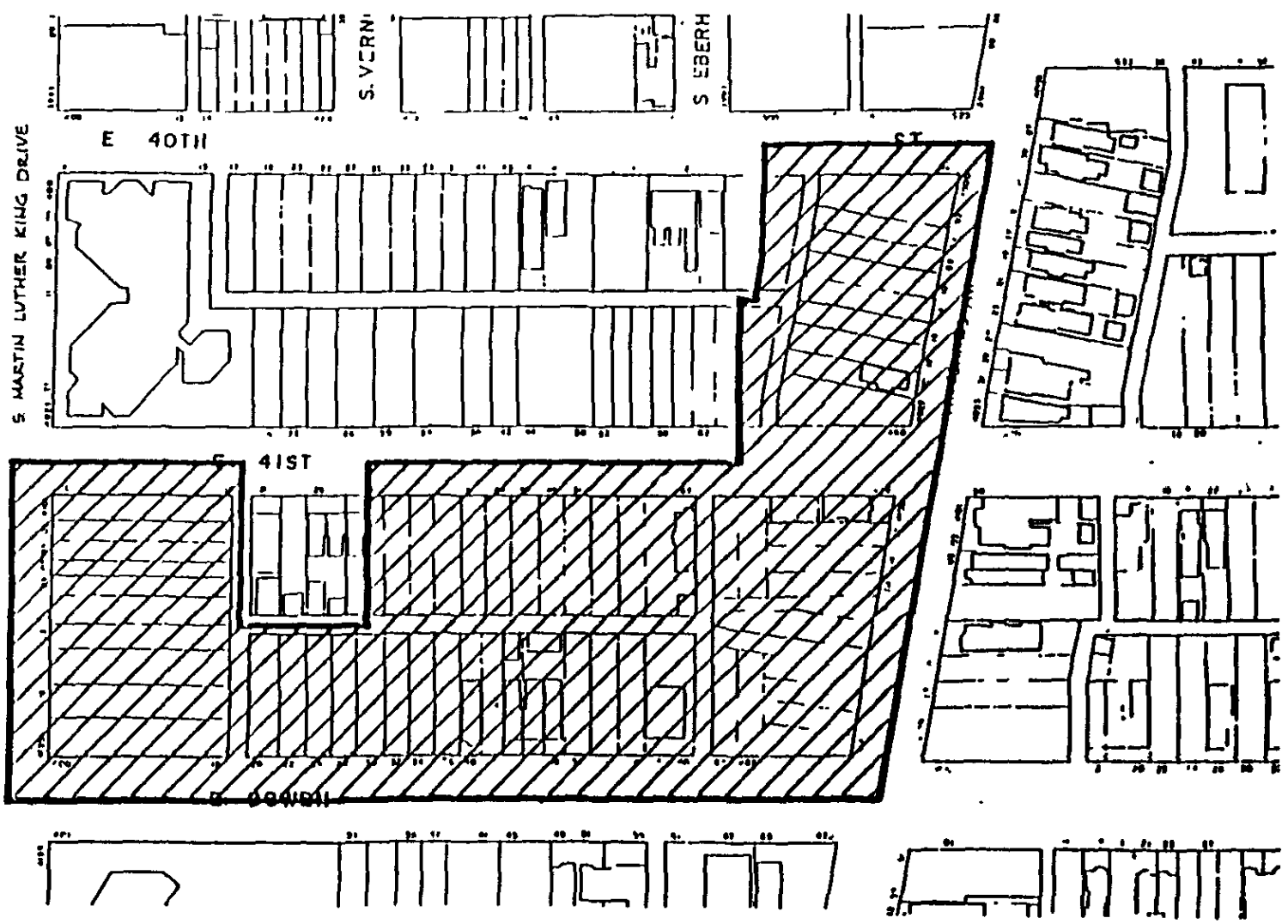
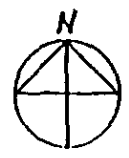
MAP 2  
EXISTING LAND USE MAP



 RESIDENTIAL USE

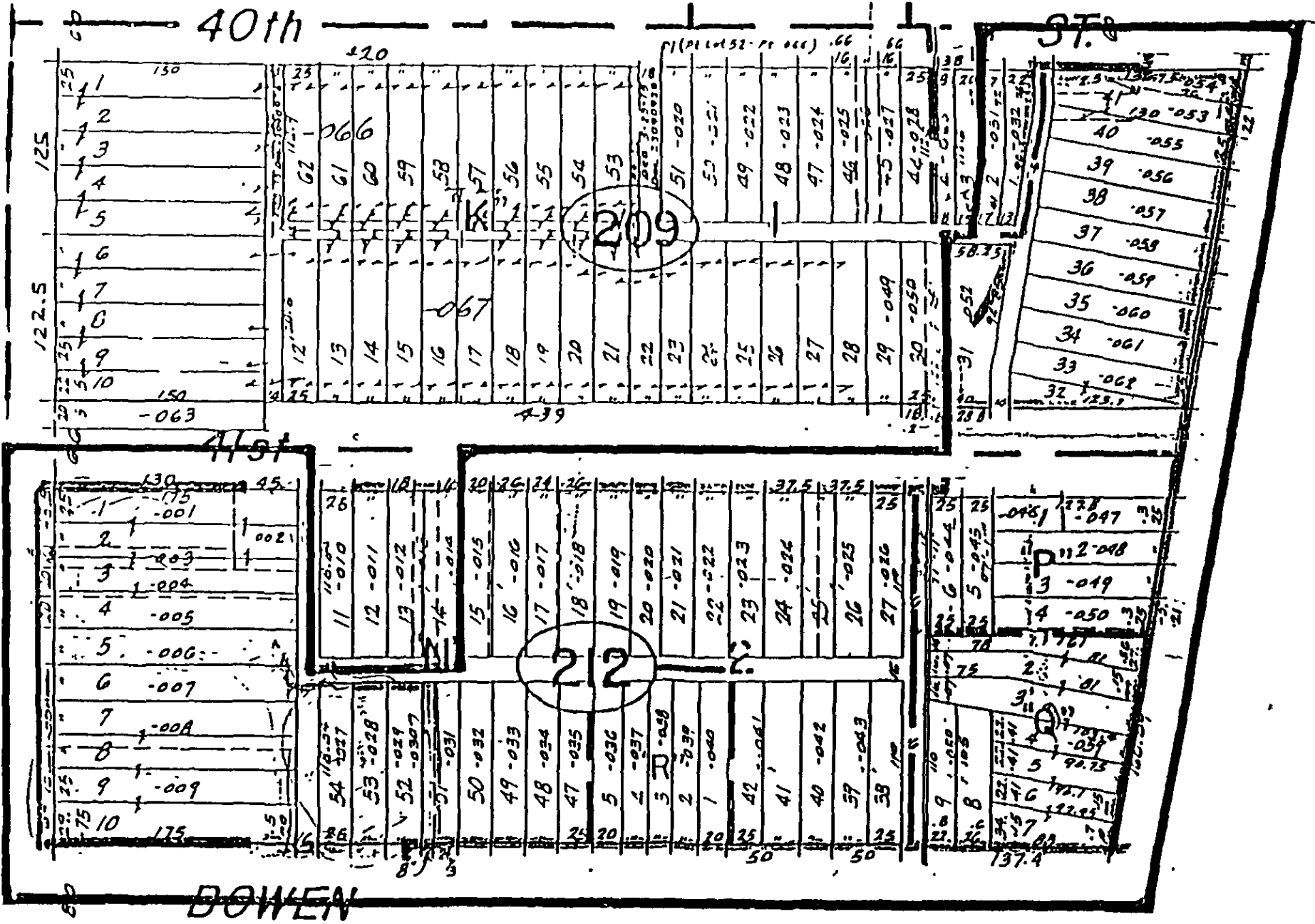
 VACANT - ZONED RESIDENTIAL

MAP 3  
PROPOSED LAND USE MAP



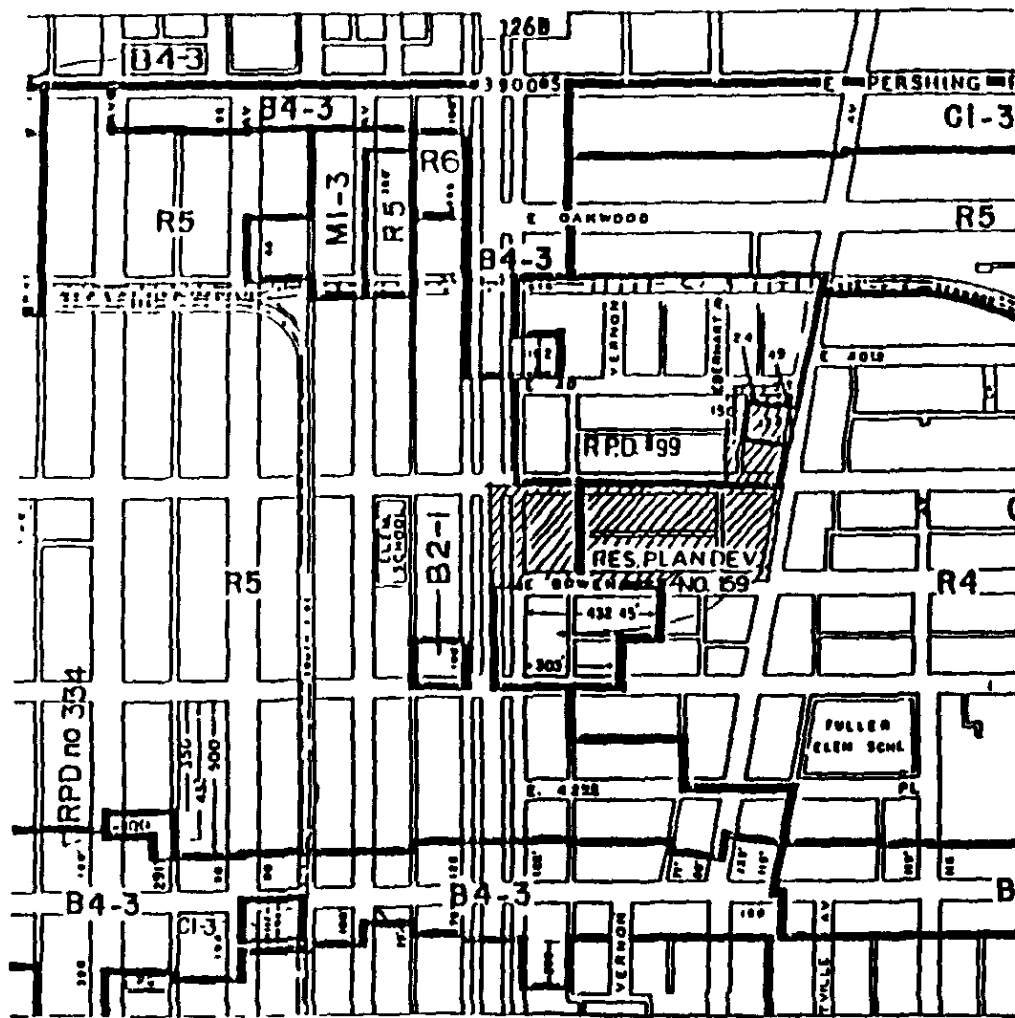
 RESIDENTIAL USE

MAP 4



BOWEN

MAP 5  
EXISTING ZONING



 RPA



TABLE 2: BLIGHTING FACTORS FOR VACANT PARCELS

PIN #'s	Obsolete Platting	Diversity of Ownership*	Adjacent Deterioration
20-03-209-031-0000	X		
20-03-209-032-0000	X	X	
20-03-209-052-0000	X	X	
20-03-209-053-0000	X	X	
20-03-209-054-0000	X		
20-03-209-055-0000	X	X	
20-03-209-056-0000	X		
20-03-209-057-0000	X		
20-03-209-058-0000	X		
20-03-209-059-0000	X	X	
20-03-209-060-0000	X	X	
20-03-209-061-0000	X	X	
20-03-209-062-0000	X	X	
20-03-212-001-0000	X		
20-03-212-002-0000	X		
20-03-212-003-0000	X		
20-03-212-004-0000	X		
20-03-212-005-0000	X		
20-03-212-006-0000	X		
20-03-212-007-0000	X	X	
20-03-212-008-0000	X	X	
20-03-212-009-0000	X	X	
20-03-212-015-0000	X	X	
20-03-212-016-0000	X	X	
20-03-212-017-0000	X	X	
20-03-212-018-0000	X	X	
20-03-212-019-0000	X	X	
20-03-212-020-0000	X	X	X
20-03-212-021-0000	X	X	X
20-03-212-022-0000	X	X	X
20-03-212-023-0000	X	X	X
20-03-212-024-0000	X	X	
20-03-212-025-0000	X	X	
20-03-212-027-0000	X	X	
20-03-212-028-0000	X	X	
20-03-212-029-0000	X	X	
20-03-212-030-0000	X	X	
20-03-212-031-0000	X	X	
20-03-212-032-0000	X	X	
20-03-212-033-0000	X	X	
20-03-212-034-0000	X	X	
20-03-212-035-0000	X	X	
20-03-212-037-0000	X	X	X
20-03-212-041-0000	X	X	X
20-03-212-044-0000	X	X	
20-03-212-045-0000	X	X	
20-03-212-046-0000	X	X	X
20-03-212-048-0000	X	X	X
20-03-212-049-0000	X	X	
20-03-212-050-0000	X	X	
20-03-212-058-0000	X	X	
20-03-212-059-0000	X	X	

\*Adjacent parcel(s) in RPA with different ownership



**TABLE 2**

**1992 EQUALIZED ASSESSED VALUATION  
FOR PROPERTIES IN THE RPA**

<u>Permanent Index Number</u>	<u>1992 Equalized Assessed Valuation</u>	<u>1992 Tax Rate</u>	<u>1992 Real Estate Taxes</u>
20-03-212-001	3,034	0.09501	288.26
20-03-212-002	1,806	0.09501	171.59
20-03-212-003	1,149	0.09501	109.17
20-03-212-004	1,530	0.09501	145.37
20-03-212-005	1,530	0.09501	145.37
20-03-212-006	1,912	0.09501	181.66
20-03-212-007	1,912	0.09501	181.66
20-03-212-008	2,677	0.09501	254.34
20-03-212-009	5,337	0.09501	507.07
20-03-212-027		0.09501	0.00
20-03-212-028	1,110	0.09501	105.46
20-03-212-029	1,110	0.09501	105.46
20-03-212-030	29	0.09501	0.00
20-03-212-031	1,080	0.09501	102.61
20-03-209-053	142	0.09501	0.00
20-03-209-054	1,745	0.09501	165.79
20-03-209-055		0.09501	
20-03-209-056		0.09501	
20-03-209-057		0.09501	
20-03-209-058		0.09501	
20-03-209-059		0.09501	
20-03-209-060	290	0.09501	27.55
20-03-209-061	2,974	0.09501	282.56
20-03-209-062	2,109	0.09501	200.38
20-03-212-033	1,110	0.09501	105.46
20-03-212-039	2,867	0.09501	272.39
20-03-212-040	3,364	0.09501	319.61
20-03-212-015	888	0.09501	84.37
20-03-212-016	1,154	0.09501	109.64
20-03-212-017	1,064	0.09501	101.09
20-03-212-018	1,154	0.09501	109.64
20-03-212-019	1,110	0.09501	105.46
20-03-212-020	1,110	0.09501	105.46
20-03-212-021	1,110	0.09501	105.46
20-03-212-022	1,110	0.09501	105.46
20-03-212-023	1,110	0.09501	105.46
20-03-212-024	1,663	0.09501	158.00
20-03-212-025	1,663	0.09501	158.00
20-03-212-026	2,405	0.09501	228.50
20-03-212-031	1,080	0.09501	102.61
20-03-212-032	1,110	0.09501	105.46
20-03-212-034	1,110	0.09501	105.46
20-03-212-035		0.09501	
20-03-212-036	2,259	0.09501	214.63
20-03-212-037		0.09501	
20-03-212-038	2,566	0.09501	243.80

20-03-212-041	2,219	0.09501	
20-03-212-042	7,247	0.09501	688.54
20-03-212-043	19,842	0.09501	1,885.19
20-03-212-044	963	0.09501	91.49
20-03-212-045	963	0.09501	91.49
20-03-212-046	723	0.09501	68.69
20-03-212-047	4,248	0.09501	403.60
20-03-212-048	1,114	0.09501	105.84
20-03-212-049	1,097	0.09501	103.28
20-03-212-050	1,053	0.09501	100.05
20-03-212-059	9,692	0.09501	920.84
TOTAL:	\$111,634		\$10,379

tipjrr

EXHIBIT E-1

ARCHITECT'S OPENING CERTIFICATE

Date: \_\_\_\_\_

The undersigned, \_\_\_\_\_  
("Architect"), hereby certifies to the City of Chicago, Illinois  
("City") as follows (any term which is capitalized but not  
specifically defined herein shall have the same meaning as set  
forth in that certain Redevelopment Agreement ("Agreement") dated  
\_\_\_\_\_, 1994, by and between the City and Paul G. Stewart  
Apartments Associates Phase V Limited Partnership ("Developer")):

1. Architect is an architect licensed and in good standing  
in the State of Illinois

2. Architect has prepared the Plans and Specifications, and  
same are, and the Project will be when completed in accordance  
therewith, in full compliance with all applicable building, zoning  
and other laws, statutes, codes, regulations and ordinances  
(collectively, "Laws"), including, without limitation, all  
applicable pollution control and environmental protection  
regulations.

3. The Project, when completed in accordance with the Plans  
and Specifications, will not encroach upon any recorded or visible  
easement in effect with respect to the Property.

4. The Plans and Specifications are complete in all respects  
and were prepared in accordance with accepted architectural  
practices, containing all detail requisite for the Project which,  
when built and equipped in accordance therewith, shall be ready for  
occupancy

5. In the aggregate, the construction contract and the  
existing subcontracts contain all detail necessary to provide for  
all labor, material and equipment required by the Plans and  
Specifications.

6. All permits and other governmental approvals necessary  
for the construction of the Project and the intended occupancy, use  
and operation thereof have been obtained as of the date of this  
Certificate or, if not so obtained, the Architect has no reason to  
believe same will not be obtained as and when so required. Such  
permits and other necessary governmental approvals are described in  
Exhibit 1 attached to this Certificate.

7. To our knowledge, there are no petitions, actions or  
proceedings pending or threatened to revoke, rescind, alter or  
declare invalid (in any manner adverse to the Project), any Laws,

permits or other necessary governmental approvals relating to the Property or the Project.

Adequate ingress and egress to the Project over public streets and rights of way will be available during the period of construction of the Project and thereafter.

8. All existing foundation and subsurface work conforms to the Plans and Specifications and all portions of the Project consisting of the subsurface work has been completed.

9. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

10. The Architect has executed and delivered to the City the Statement of Compliance in the form attached hereto as Exhibit 2.

ARCHITECT:

\_\_\_\_\_

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

Its: \_\_\_\_\_

EXHIBIT E-2

ARCHITECT'S COMPLETION CERTIFICATE

Date: \_\_\_\_\_

The undersigned, \_\_\_\_\_  
("Architect"), hereby certifies to the City of Chicago, Illinois  
("City") as follows (any term which is capitalized but not  
specifically defined herein shall have the same meaning as set  
forth in that certain Redevelopment Agreement ("Agreement") dated  
\_\_\_\_\_, 1994, by and between the City and Paul G. Stewart  
Apartments Associates Phase V Limited Partnership ("Developer")):

1. Architect is an architect licensed and in good standing  
in the State of Illinois.

2. The construction of the Project has been "substantially  
completed" as of the date of this Certificate in accordance with  
the approved Plans and Specifications. For purposes hereof, the  
Project being "substantially completed" means that the Project is  
usable in its present condition for its intended purpose. The  
Architect's determination of the total cost to complete the  
construction of such portion of the Project as may be unfinished is  
\$\_\_\_\_\_.

3. Neither the Property nor the construction of the Project  
violates or will violate any existing applicable zoning, building,  
environmental protection or other statutes, ordinances, laws or  
regulations (collectively, "Laws")

4. All permits and other governmental approvals necessary  
for the construction of the Project and the intended occupancy, use  
and operation thereof have been obtained as of the date of this  
Certificate. Such permits and other necessary governmental  
approvals are described in Exhibit 1 attached to this Certificate.

5. To our knowledge, there are no petitions, actions or  
proceedings pending or threatened to revoke, rescind, alter or  
declare invalid (in any manner adverse to the Project), any Laws,  
permits or other necessary governmental approvals relating to the  
Property or the Project.

6. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

ARCHITECT:

\_\_\_\_\_

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

Its: \_\_\_\_\_

EXHIBIT F-1

REQUISITION FORM FOR TIF-FUNDED INTEREST COSTS

The undersigned, \_\_\_\_\_ [Name] \_\_\_\_\_, \_\_\_\_\_ [Title] \_\_\_\_\_ of Prairie Mortgage Company, an Illinois corporation (the "First Mortgagee"), does hereby certify to the City of Chicago, Illinois (the "City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated \_\_\_\_\_, 1994, by and between the City and Paul G. Stewart Apartments Associates Phase V Limited Partnership ("Developer")):

1. That the Developer has incurred, accrued and/or paid the following parties for the listed items, each of which constitutes interest related to the construction of the Project:

- A. First Mortgagee \$ \_\_\_\_\_
- B. IHDA \$ \_\_\_\_\_

2. That none of the items listed in paragraph 1, above, has been the subject of any other requisition for payment;

3. That including the payment requested hereunder, the payments from the City during this year for interest costs do not exceed 30 percent of the interest costs incurred by the Developer with regard to Project during this year [, plus accruals];

4. That including the payment requested hereunder, the total of interest payments to date from the City does not exceed 30 percent of the total Project Costs actually incurred by the Developer,

5. That the remaining balance of the TIF-Funded Interest Costs which are eligible for reimbursement under the Redevelopment Agreement taking this requisition into account are as follows:

Maximum	Prior	Year	Amount	
Amount	Requisition	Requisition	Accrued and Unpaid from Year	Remaining Balance
\$1,750,000	\$ _____	\$ _____	\$ _____	\$ _____

6. That attached as Exhibit 1 are true and correct copies of monthly invoices for the HUD Insured Loan sent to the Developer by the First Mortgagee;

7. That attached as Exhibit 2 is a true and correct

statement of interest accrued to date on the IHDA Loan based on the Developer's most recent Financial Statements.

IN WITNESS WHEREOF, I have hereunto affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**PRAIRIE MORTGAGE COMPANY,**  
an Illinois corporation

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

cc: Paul G. Stewart Apartments Associates  
Limited Partnership



EXHIBIT F-2

REQUISITION FORM FOR TIF-FUNDED PROJECT COSTS

The undersigned, \_\_\_\_\_ [Name] \_\_\_\_\_, \_\_\_\_\_ [Title] \_\_\_\_\_ of Paul G. Stewart Apartments Associates Phase V Limited Partnership (the "Developer"), does hereby certify to the City of Chicago, Illinois (the "City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated \_\_\_\_\_, 1994, by and between the City and the Developer):

1 That the Developer has incurred, accrued and paid the following parties for the listed items, each of which constitutes a TIF-Funded Project Cost.

<u>Party to Whom Payment Was Made</u>	<u>Description</u>	<u>Amount</u>
-------------------------------------------	--------------------	---------------

2. That none of the items listed in paragraph 1, above, has been the subject of any other requisition for payment;

3. That the following is a true and complete statement of all TIF-Funded Project Costs paid by the Developer to date.

[Description]	\$ _____
---------------	----------

Total	\$ _____
-------	----------

4 That the following is a true and complete statement of all TIF-Funded Project Costs reimbursed by the City to date:

[Description]	\$ _____
---------------	----------

Total	\$ _____
-------	----------

5. That the Developer requests reimbursement for the following TIF-Funded Project Costs incurred by Developer for the period \_\_\_\_\_ to \_\_\_\_\_ (not to exceed \$15,000 per year):

[Description] \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

6. That attached as Exhibit 1 are true and correct copies of itemized invoices evidencing the expenditure of the TIF-Funded Project Costs;

IN WITNESS WHEREOF, I have hereunto affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**PAUL G. STEWART APARTMENTS  
ASSOCIATES PHASE V LIMITED  
PARTNERSHIP, an Illinois  
limited partnership**

By: PEOPLES CO-OP FOR HOUSING,  
PHASE V, an Illinois Not-  
For-Profit Corporation  
Its: General Partner

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

Agreed and accepted:

\_\_\_\_\_  
NAME  
TITLE  
Department of Housing

EXHIBIT G

**SCHEDULE OF MAXIMUM ANNUAL INTEREST REIMBURSEMENT**

			INTEREST ACCRUALS		TOTAL INTEREST	INTEREST SUBSIDY
			PMC/FHA	IHDA		
CONSTRUCTION START		08/31/94				
CONSTRUCTION COMPLETION		12/01/96				
CUT-OFF DATE (1)		02/01/96	195,998 00 (2)	64,866 00 (3)	260,864.00	78,259 20
INTEREST ONLY	03/01/94 thru	08/01/96	130,665.48	21,622.02	152,287 50	45,686 25
AMORTIZATION (4)	09/01/96 thru	12/01/96	67,028 98	43,244 04	130,273 02	39,081 91
	01/01/97 thru	12/01/97	259,746.44	43,244 04	302,990 48	90,897 14
	01/01/98 thru	12/01/98	257,623 16	43,244 04	300,867 20	90,260 16
	01/01/99 thru	12/01/99	255,346.39	43,244 04	298,590.43	89,577 13
	01/01/2000 thru	12/01/2000	252,905 01	43,244 04	296,149 05	88,844 72
	01/01/2001 thru	12/01/2001	250,287.14	43,244 04	293,531.18	88,059 35
	01/01/2002 thru	12/01/2002	247,480 06	43,244 04	290,724 10	87,217 23
	01/01/2003 thru	12/01/2003	244,470 04	43,244 04	287,714 08	86,314 22
	01/01/2004 thru	12/01/2004	241,242 42	43,244 04	284,486 46	85,345 94
	01/01/2005 thru	12/01/2005	237,781.42	43,244 04	281,025 46	84,307 64
	01/01/2006 thru	12/01/2006	234,070 29	43,244 04	277,314 33	83,194 30
	01/01/2007 thru	12/01/2007	230,090 87	43,244 04	273,334 91	82,000 47
	01/01/2008 thru	12/01/2008	225,823 79	43,244 04	269,067 83	80,720 35
	01/01/2009 thru	12/01/2009	221,248 20	43,244 04	264,492 24	79,347 67
	01/01/2010 thru	12/01/2010	216,341 91	43,244 04	259,585 95	77,875 79
	01/01/2011 thru	12/01/2011	211,080 88	43,244 04	254,324 92	76,297.48
	01/01/2012 thru	12/01/2012	205,439 53	43,244 04	248,683 57	74,605 07
	01/01/2013 thru	12/01/2013	199,390 39	43,244 04	242,634 43	72,790 33
	01/01/2014 thru	12/01/2014	192,903.96	43,244 04	236,148 00	70,844 40
	01/01/2015 thru	12/01/2015	185,948 63	43,244 04	229,192 67	68,757 80
	01/01/2016 thru	12/01/2016	178,490 47	43,244 04	221,734 51	66,520 35
	01/01/2017 thru	07/01/2017	100,462 41	43,244 04	143,706 45	43,111 94
		<b>TOTALS</b>	<b>5,061,865 87</b>	<b>1,037,856 90</b>	<b>6,099,722 77</b>	<b>1,829,916 84</b>

(5)

- (1) Assume fully disbursed
- (2) Amount of Capitalized Interest
- (3) IHDA loan assumed evenly disbursed over 18 months
- (4) The first requisition would include interest incurred thru construction
- (5) The maximum total subsidy may not exceed \$1,750,000 00

EXHIBIT H

Paul G. Stewart Apartments, 14-Oct-94

Paul G. Stewart Apartments TIF

Year	Minimum Assessed Value	Estimated Multiplier	Estimated Tax Rate	Property Tax Revenue
1994	\$0	2.0381	9.899%	\$0
1995	\$527,991	2.0381	9.899%	\$0
1996	\$527,991	2.0381	9.899%	\$106,523
1997	\$568,586	2.0381	9.899%	\$106,523
1998	\$568,586	2.0381	9.899%	\$114,713
1999	\$568,586	2.0381	9.899%	\$114,713
2000	\$612,308	2.0381	9.899%	\$114,713
2001	\$612,308	2.0381	9.899%	\$123,534
2002	\$612,308	2.0381	9.899%	\$123,534
2003	\$659,385	2.0381	9.899%	\$123,534
2004	\$659,385	2.0381	9.899%	\$133,032
2005	\$659,385	2.0381	9.899%	\$133,032
2006	\$710,086	2.0381	9.899%	\$133,032
2007	\$710,086	2.0381	9.899%	\$143,261
2008	\$710,086	2.0381	9.899%	\$143,261
2009	\$764,688	2.0381	9.899%	\$143,261
2010	\$764,688	2.0381	9.899%	\$154,277
2011	\$764,688	2.0381	9.899%	\$154,277
2012	\$823,483	2.0381	9.899%	\$154,277
2013	\$823,483	2.0381	9.899%	\$166,139
2014	\$823,483	2.0381	9.899%	\$166,139
2015	\$886,804	2.0381	9.899%	\$166,139
2016	\$886,804	2.0381	9.899%	\$178,914
2017	\$886,804	2.0381	9.899%	\$178,914