
2015 Annual Report

Bronzeville
Redevelopment Project Area



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

JUNE 30, 2016

FY 2015
ANNUAL TAX INCREMENT FINANCE
REPORT



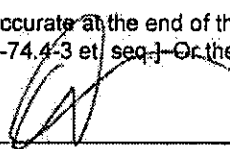
STATE OF ILLINOIS
COMPTROLLER
LESLIE GEISSLER MUNGER

Name of Municipality: City of Chicago Reporting Fiscal Year: 2015
County: Cook Fiscal Year End: 12/31/2015
Unit Code: 016/620/30

TIF Administrator Contact Information

First Name: David L. Last Name: Reifman
Address: City Hall, 121 N. La Salle Title: Administrator
Telephone: (312) 744-4190 City: Chicago Zip: 60602
E-mail: TIFReports@cityofchicago.org
Mobile n/a E-mail- required
Mobile n/a Best way to X Email Phone
Provider n/a contact Mobile Mail

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

 June 28, 2016
Written signature of TIF Administrator Date

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

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

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

Name of Municipality: Chicago Reporting Fiscal Year:
 County: Cook Fiscal Year End:
 Unit Code: 016/620/30

2015
 12/31/2015

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

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

Reporting Fiscal Year:
 Fiscal Year End:

2015
 12/31/2015

Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Foster California	4/2/2014	12/31/2038
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan-Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	12/31/2022
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2025
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2036
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020

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

Reporting Fiscal Year:
 Fiscal Year End:

2015
 12/31/2015

Northwest Industrial Corridor	12/2/1998	12/31/2022
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	12/31/2023
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2027
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2015
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2034
Roosevelt/Union	5/12/1999	5/12/2022
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2027
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2016
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/8/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2015**

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

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2015, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

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

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

Provide an analysis of the special tax allocation fund.

FY 2015

TIF NAME: Bronzeville Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ 14,859,609

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	2,814,891	\$ 45,053,902	91%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	41,730	846,722	2%
Land/Building Sale Proceeds			0%
Note Proceeds		1,000,000	2%
Transfers from Municipal Sources		2,500,000	5%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period 2,856,621

Cumulative Total Revenues/Cash Receipts \$ 49,400,624 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 742,953

Transfers to Municipal Sources 1,000,000

Distribution of Surplus -

Total Expenditures/Disbursements 1,742,953

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS 1,113,668

FUND BALANCE, END OF REPORTING PERIOD* \$ 15,973,277

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

Total Amount Restricted (Carried forward from Section 3.3) \$ 15,973,277

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

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

FY 2015

TIF NAME: Bronzeville Redevelopment Project Area

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)**

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6 10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
	81,390	
		\$ 81,390
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
	107,250	
		\$ 107,250
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
	512,457	
		\$ 512,457
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
	29,325	
		\$ 29,325
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 742,953

Section 3.2 B

FY 2015

TIF NAME: Bronzeville Redevelopment Project Area

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

Name	Service	Amount
City Staff Costs ¹	Administration	\$72,190
SomerCor 504, Inc.	Rehabilitation Program	\$107,250
Evergreen/MZI	Public Improvement	\$11,714
Seven-D Construction Co.	Public Improvement	\$366,826
Electrical Resource	Public Improvement	\$36,254
Chicago United	Public Improvement	\$32,827
DB Sterlin Consultants	Public Improvement	\$21,798
The Renaissance Collaborative	Job Training	\$12,531
Pershing & State LP	Development	\$29,325

¹ Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

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

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

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

FY 2015

TIF NAME: Bronzeville Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 15,973,277

	Amount of Original Issuance	Amount Restricted
1. Description of Debt Obligations		
Restricted for debt service	\$ -	\$ -

Total Amount Restricted for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

Restricted for future redevelopment project costs		\$ 15,973,277

Total Amount Restricted for Project Costs \$ 15,973,277

TOTAL AMOUNT RESTRICTED \$ 15,973,277

SURPLUS*/(DEFICIT) \$ -

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

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

FY 2015

TIF NAME: Bronzeville Redevelopment Project Area

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

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

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

PAGE 1

FY 2015

TIF NAME: Bronzeville Redevelopment Project Area

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

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			6
		Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:	11/1/99 to Date		
Private Investment Undertaken	\$ -	\$ -	\$ 64,106,125
Public Investment Undertaken	\$ 1,485,566	\$ 354,916	\$ 11,044,453
Ratio of Private/Public Investment	0		5 37/46
Project 1:			
Neighborhood Improvement Fund I (NIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 2,000,000
Public Investment Undertaken	\$ 853,943		\$ 1,000,000
Ratio of Private/Public Investment	0		2
Project 2:			
Pershing Court		Project is Ongoing ***	
Private Investment Undertaken			\$ 16,077,853
Public Investment Undertaken	\$ 258,813	\$ 29,916	\$ 734,378
Ratio of Private/Public Investment	0		21 25/28
Project 3:			
South Park Plaza		Project is Ongoing ***	
Private Investment Undertaken			\$ 28,676,706
Public Investment Undertaken			\$ 2,834,575
Ratio of Private/Public Investment	0		10 7/60
Project 4:			
Small Business Improvement Fund (SBIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 2,000,000
Public Investment Undertaken	\$ 107,250	\$ 225,000	\$ 1,000,000
Ratio of Private/Public Investment	0		2
Project 5:			
Neighborhood Improvement Fund II (NIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 2,000,000
Public Investment Undertaken	\$ 154,764	\$ 100,000	\$ 1,000,000
Ratio of Private/Public Investment	0		2
Project 6:			
TIFWorks - Bronzeville **		Project is Ongoing ***	
Private Investment Undertaken			
Public Investment Undertaken	\$ 110,796		\$ 175,500
Ratio of Private/Public Investment	0		0

Project 7:			
Quad Communities		Project is Ongoing ***	
Private Investment Undertaken			\$ 13,351,566
Public Investment Undertaken			\$ 4,300,000
Ratio of Private/Public Investment	0		3 2/19

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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

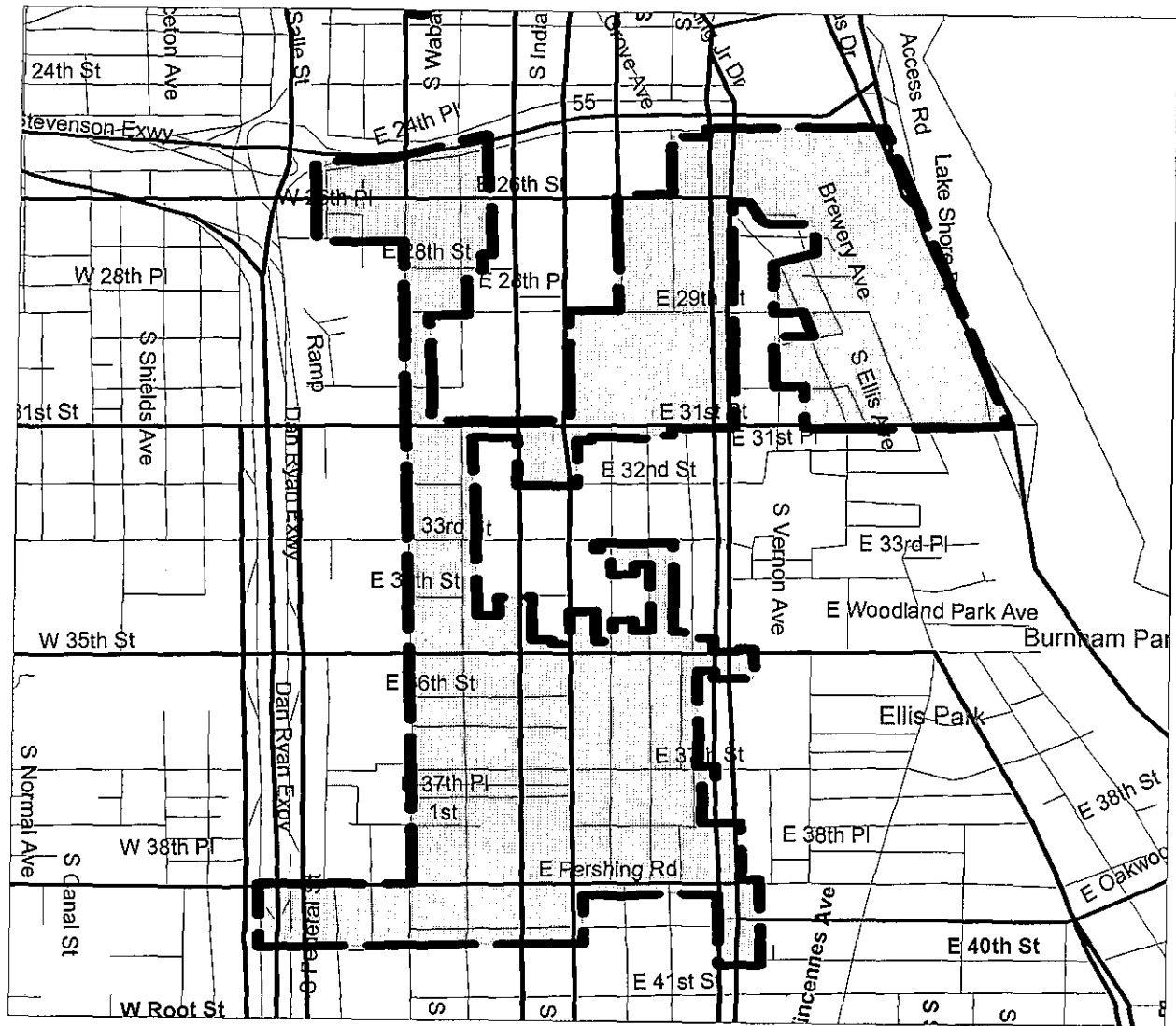
*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private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

General Notes

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

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

Bronzeville Redevelopment Project Area 2015 Annual Report



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Attachment B

CERTIFICATION

TO:

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

Forrest Claypool
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

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

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

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

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

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

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

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Bronzeville Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

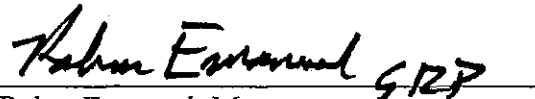
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2015, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

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

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

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2016.


Rahm Emanuel, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2016

CITY OF CHICAGO

Attachment C

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

Forrest Claypool
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

James R. Dempsey
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Chicago, IL 60602

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

Re: Bronzeville
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

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

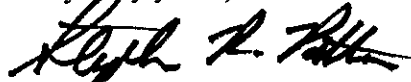
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

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

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

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

Very truly yours,



Stephen R. Patton
Corporation Counsel

Activities Statement

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

<u>Name of Project</u>
Quad Communities

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

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

QUAD COMMUNITIES REDEVELOPMENT AGREEMENT

This Quad Communities Redevelopment Agreement (this "Agreement") is made as of this 11th day of February, 2015, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), The Community Builders, Inc., a Massachusetts not-for-profit corporation doing business as TCB Illinois NFP, Inc. ("TCB") and Quad Communities Arts Recreation and Health Center LLC, an Illinois limited liability company ("Quad LLC" and together with TCB, collectively the "Developer").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on November 4, 1998, as amended on July 29, 2003, December 7, 2005 and May 2, 2014: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Bronzeville Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the Bronzeville Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the

City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Bronzeville Redevelopment Project Area” (the “TIF Adoption Ordinance”) (items(1)-(3), as amended, collectively referred to herein as the “TIF Ordinances”). The redevelopment project area referred to above (the “Redevelopment Area”) is legally described in Exhibit A hereto.

D. The Project: Pursuant to the terms of the Ground Lease defined below, Quad LLC intends to lease from the City certain property located within the Redevelopment Area at 3520 South Cottage Grove Avenue, Chicago, Illinois 60637 and legally described on Exhibit B hereto (the “Property”), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of an approximately 30,000 square foot multi-use community recreation center for the benefit of the general public (the “Facility”) on the Property. The Facility will be known as the Quad Communities Arts and Recreation Center. The Facility will provide a Class A arts and recreation center to serve the south side communities of Kenwood, Oakland, Douglas and Grand Boulevard, including the Oakwood Shores CHA project; providing high quality arts and recreational programs for youth, adults, seniors, and families; providing health and wellness services in partnership with local health care providers; offering quality after-school and summer programs for youth; serving as a community anchor that will improve quality of life and assist in facilitating other development through stabilization of the neighborhood; providing a place for residents to meet and participate in their community; providing positive alternatives for children and youth in the community; and providing flexible spaces for evolving community needs.

The Facility will include a gymnasium with one basketball court, flexible or multi-use areas, educational, health and wellness and community spaces, a fitness center, an indoor pool, locker rooms, restrooms, and meeting hall or gallery. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the “Project.” The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

Pursuant to the terms of the Sublease defined below, Quad LLC will sublease the Facility to the Chicago Park District, a body politic and corporate (the “Park District”) to operate the Facility. The Park District and TCB hold 90% and 10% membership interests, respectively, in Quad LLC.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Bronzeville Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan and Project (as amended, the “Redevelopment Plan”) included in the Plan Adoption Ordinance and published at pages 80648 – 80748 of the Journal of the Proceedings of the City Council.

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

In addition, the City may, in its discretion, issue tax increment allocation bonds (“TIF Bonds”) secured by Incremental Taxes pursuant to a TIF bond ordinance (the “TIF Bond Ordinance”) at a later date as described in Section 4.03(d) hereof, the proceeds of which (the “TIF Bond Proceeds”) may be used to pay for the costs of the TIF-Funded Improvements not

previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B *Property
3. The Project	C *TIF-Funded Improvements
4. Financing	D Jobs and Occupancy Certificate
5. Conditions Precedent	E Construction Contract
6. Agreements with Contractors	F [intentionally omitted]
7. Completion of Construction or Rehabilitation	G *Permitted Liens
8. Covenants/Representations/Warranties of Developer	H-1 *Project Budget
9. Covenants/Representations/Warranties of the City	H-2 *MBE/WBE Budget
10. Developer's Employment Obligations	I Approved Prior Expenditures
11. Environmental Matters	J Opinion of Developer's Counsel
12. Insurance	K [intentionally omitted]
13. Indemnification	L Requisition Form
14. Maintaining Records/Right to Inspect	M [intentionally omitted]
15. Defaults and Remedies	N Form of Subordination Agreement
16. Mortgaging of the Project	O Form of Payment Bond
17. Notice	P LEED Certification Affidavit
18. Miscellaneous	(An asterisk (*) indicates which exhibits are to be recorded.)

SECTION 2. DEFINITIONS

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

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

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with TCB or Quad LLC, as the case may be.

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under this Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (**Section 8.06**); (2) disclosure of Construction Jobs and Permanent Jobs (**Section 8.06**); (3) delivery of Financial Statements (**Section 8.13**); (4) delivery of updated insurance certificates, if applicable (**Section 8.14**); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.15**); and (6) compliance with all other executory provisions of this Agreement.

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes on deposit in the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, and shall also include funds which the City, in its sole discretion, may transfer into the TIF Fund pursuant to Section 5/11-74.4-4(q) of the Act from the 47th/Halsted Redevelopment Project Area, and which are available for the financing or payment of Redevelopment Project Costs, after deducting (i) the TIF District Administration Fee; (ii) all Incremental Taxes From a New Project pledged or allocated to assist the New Project, and (iii) all Incremental Taxes previously allocated (based on the date of the applicable resolution adopted by the City's Community Development Commission) or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged to Pershing & State L.P., Public Building Commission of Chicago (New Fire Engine Stations), Chicago Park District (Dunbar Park), Neighborhood Housing Services (Bronzeville TIF Neighborhood Improvement Program), SomerCor 504, Inc. (Small Business Improvement Fund) and/or any of their respective Affiliates, and (iii) debt service payments with respect to the Bonds, if any.

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

"Bond(s)" shall have the meaning set forth for such term in Section 8.05 hereof.

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Bridge Loan" shall mean that certain loan made by JPMorgan Chase Bank, N.A. to TCB for the Project.

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

"CHA Financing" shall mean the funds in the amount of \$8,000,000 provided to TCB by the Chicago Housing Authority, a municipal corporation, available for the Project, as a source of funds for the NMTC Loan.

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

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

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

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

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

"Collateral Assignment" shall mean a collateral assignment of the right to receive payment of City Funds, such collateral assignment made by TCB to secure the Bridge Loan and in form and substance acceptable to the City in its sole discretion.

"Compliance Period" shall mean a period beginning on the date the Certificate is issued and ending on the earlier of (a) the 10th anniversary of the date the Certificate is issued and (b) the termination of the Ground Lease.

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

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

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between Developer and the General Contractor providing for construction of the Project.

"Construction Jobs" shall have the meaning set forth in Section 8.06(b) hereof.

"Corporation Counsel" shall mean the City's Department of Law.

"Davis Bacon" shall mean the Davis-Bacon Act, 40 U.S.C. Section 276a et seq and implementing regulations, as amended.

"Department" shall have the meaning set forth in Section 8.09 hereof.

"Early Payment Request" shall mean a written request delivered by Developer to City (a) requesting the payment of a portion of the City Funds prior to the issuance of the Certificate due to (i) construction delays caused by ComEd utility relocation or by unusually adverse weather conditions described in Section 18.16, *Force Majeure*, or (ii) an increase of more than 0.5% (50 basis points) per annum in the variable interest rate on the Bridge Loan above 3.15%, and (b)

certifying (i) that the Project is 50% completed based on expenditures under the Project Budget, (ii) that the Developer anticipates the Project will satisfy the requirements of Section 7.01 when completed, (iii) that there exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time (if not cured) or both, would constitute an Event of Default, and (iv) the amount of City Funds Developer is requesting be paid in order to enable the Developer to meet projected interest payment obligations on the Bridge Loan until the entire amount of City Funds has been paid upon issuance of the Certificate.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

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

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

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

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), QUAD LLC and the NMTC Lenders.

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

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

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

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

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

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of the Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project during the applicable month, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by the Developer or by third parties in positions ancillary to the Developer's operations at the Project including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

"General Contractor" shall mean the general contractor(s) hired by Developer pursuant to Section 6.01.

"Ground Lease" shall mean the Ground Lease Agreement dated as of February 11, 2015 by and between the City, as Landlord, and Quad LLC, as Tenant.

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

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

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

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

"Incremental Taxes From a New Project" shall mean (a) individually, Incremental Taxes attributable to the equalized assessed value ("EAV") of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area and (b) collectively, the sum of Incremental Taxes From a New Project for all New Projects, if there are multiple New Projects.

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

"Jobs and Occupancy Certificate" shall mean the certificate attached hereto as Exhibit D.

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code relating to waste disposal.

"LEED Affidavit" shall mean the executed affidavit from Developer's project architect, substantially in the form of Exhibit P, certifying that, if LEED Certification were pursued, the Facility would likely achieve the minimum points required for LEED Certification for New Construction and Major Renovations.

"LEED Certification" shall mean a basic Certification of the Project under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council and applicable to New Construction and Major Renovations.

"Lender Financing" shall mean funds borrowed by TCB or Quad LLC, as applicable, from lenders and irrevocably available to pay for costs of the Project, in the amounts set forth in Section 4.01 hereof, including, without limitation, the NMTC Loan, the CHA Financing and the Bridge Loan.

"Material Amendment" shall mean an amendment of either the Ground Lease or the Sublease the net effect of which is to directly or indirectly do any of the following with respect to the Project: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Ground Lease or the Sublease, as applicable, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Ground Lease or the Sublease, as applicable, of the amendment; or (b) shorten the initial term of the Ground Lease or the Sublease, as applicable, or grant additional early termination rights that, if exercised, would shorten the initial term of the Ground Lease or the Sublease, as applicable.

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

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

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

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

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

"New Project" shall mean a development project (a) for which the related redevelopment agreement is recorded on or after the date of this Agreement and (b) which will receive assistance in the form of Incremental Taxes; provided, however, that "New Project" shall not include any development project that is or will be exempt from the payment of ad valorem property taxes.

"NMTC" shall mean Federal New Markets Tax Credits.

"NMTC Compliance Period" shall mean the earlier of (a) the seventh (7th) anniversary of the closing date of the NMTC Loan or (b) the termination or repayment of the NMTC Loan.

"NMTC Lenders" shall mean TCB Sub-CDE VII, LLC, a Massachusetts limited liability company, CNMC Sub-CDE 64, LLC, a Delaware limited liability company, and IFF Capital VIII LLC, an Illinois limited liability company.

"NMTC Loan" shall mean those certain loans made by the NMTC Lenders to Quad LLC for the Project.

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

"Operating Covenant" shall have the meaning set forth in Section 8.06(a) hereof.

"Permanent Jobs" shall have the meaning set forth in Section 8.06(b) hereof.

"Park District" shall have the meaning set forth in the Recitals hereof.

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

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

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

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

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

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

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

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

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

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

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

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

"Sublease" shall mean the Net Sublease Agreement dated as of February 11, 2015 by and between Quad LLC and the Park District.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and continuing through the Compliance Period.

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

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

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

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

"TIF District Administration Fee" shall mean the fee described in Section 4.05(c) hereof.

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

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

"Title Company" shall mean Title Services, Inc., an Illinois corporation.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing leasehold title to the Property in Quad LLC as the insured, subject to (a) Permitted Mortgage(s) securing the NMTC Loan and (b) if a memorandum of Sublease is recorded, the leasehold interest of Park District under the Sublease, and noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than March 31, 2015; and (ii) complete construction and deliver the completed Facility to the Park District no later than July 31, 2016.

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

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$17,651,566. Developer hereby certifies to the City that (a) it has Lender Financing and Equity described in Section 4.01 hereof in amounts sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Rehabilitation Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's

prior written approval: (a) a reduction in the gross or net square footage of the Project by two percent (2%) or more (either individually or cumulatively); (b) a change in the use of Project to a use other than as required under the Ground Lease; (c) a delay in the completion of the Project by two (2) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

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

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. If required by DPD, an independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder. If approved by DPD, the inspecting agent or architect may be the same one being used in such role by the lender providing Lender Financing, provided that such agent or

architect (a) is not also the Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

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

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

3.12 The Developer. Notwithstanding any other provisions of this Agreement to the contrary, each of TCB and Quad LLC shall be jointly and severally liable for the obligations of the other party under this Agreement.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$17,651,566, to be applied in the manner set forth in the Project Budget. Such costs shall be funded through an NMTC financing structure from the following sources:

Sources of Funds	Amount
Lender Financing: NMTC Loan	\$17,040,000
Lender Financing: CHA Loan and Bridge Loan	\$413,750
Cash Equity (subject to Sections 4.03(b) and 4.06)	\$197,816
Total	\$17,651,566

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

4.03 City Funds.(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse TCB for costs of TIF-Funded Improvements incurred by TCB that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to TCB hereunder before the issuance of a Certificate; provided, however, that in response to an Early Payment Request the City, subject to its review and approval of the Early Payment Request, may disburse City Funds before the Certificate is issued.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes and/or TIF Bond Proceeds	\$4,300,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$4,300,000 or approximately 24.36% of the Final Project Cost, and provided further, that the \$4,300,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Available Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and

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

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$4,300,000 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

If, prior to the issuance of the Certificate, the Developer fails to provide the LEED Affidavit, then the total amount of City Funds shall be reduced by \$250,000.

4.04 Requisition Form. Concurrent with the request for the issuance of the Certificate (or such earlier date(s) before the Certificate is issued to which the City, in its discretion, may consent in response to an Early Payment Request) and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Except as otherwise permitted by DPD, requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar quarter (other than the initial requisition submitted concurrently with the request for the issuance of the Certificate). On each December 1 (or such other date as may be acceptable to the parties), beginning in 2016 and continuing until all the City Funds have been fully disbursed, Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered. If Developer submits an Early Payment Request, then Developer shall at the same time submit a Requisition Form for the amount of City Funds covered by the Early Payment Request.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) [intentionally omitted]

(c) TIF District Administration Fee. Annually, the City may allocate an amount not to exceed 10.0% of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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

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

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

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

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

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

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

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

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

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

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

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

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

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

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

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under TCB's and Quad LLC's name (and the following trade names of TCB and Quad LLC, as applicable: none) showing no liens against TCB or Quad LLC, respectively, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

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

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

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

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

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

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

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07.

5.13 Environmental. Developer has provided DPD with copies of all environmental reports or audits, if any, previously completed with respect to the Property and any phase I or II environmental audit with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

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

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

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

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

5.16 Ground Lease, Sublease and Other Agreements. Complete copies of the Ground Lease, the Sublease, and all other written agreements, if any, setting forth the parties' understandings relating to Quad LLC's and Park District's occupancy of the Property and any financial agreements between the parties in any way relating to the Property, the Ground Lease or the Sublease, certified by the Developer, shall have been delivered to the City.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained. The City acknowledges that McShane Construction Company LLC has been selected as the General Contractor, which the Developer represents was selected through the process described in this Section 6.01.

6.02 Construction Contract. Developer has furnished the City with a copy of the Construction Contract, a true and correct copy of which is attached hereto as Exhibit E.

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

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of construction of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of the Project (the "Final Project Cost"), DPD shall issue to the Developer the Certificate (the "Certificate"), in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. No Certificate shall be issued unless DPD is satisfied that the Developer has fulfilled all of the following obligations:

- (a) Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project;
- (b) Developer has completed construction of the Project according to the Plans and Specifications;
- (c) The Commencement Date (as defined in the Sublease) has occurred;
- (d) Evidence of the Final Project Cost; as described in Section 4.03(b), the City Funds will be reduced if the Final Project Cost is less than \$17,651,566;
- (e) Evidence that the Developer has incurred TIF-eligible costs in an equal amount to, or greater than, \$4,300,000;
- (f) The City's Monitoring and Compliance Unit has verified that, at the time the Certificate is issued, the Developer is in full compliance with City requirements set forth in Section 10

and Section 8.09 (M/WBE, City Residency and Prevailing Wage; Davis Bacon) with respect to construction of the Project, and that 100% of the Developer's MBE/WBE Commitment in Section 10.03 has been fulfilled;

- (g) The Developer has provided a LEED Affidavit; provided, however, that if Developer fails to provide such affidavit yet meets the remaining requirements in this Section 7.01, the City shall still issue the Certificate, but the total amount of City Funds shall be reduced by \$250,000; and,
- (h) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time (if not cured) or both, would constitute an Event of Default.

DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either the requested Certificate or a written statement detailing the ways in which the Project as a whole does not conform to this Agreement or has not been satisfactorily completed, and the measures that must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon its completion of such measures.

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

Those covenants specifically described at Sections 8.02, 8.06, 8.19 and 8.21 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

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

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

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

(c) the right to seek reimbursement of the City Funds from TCB, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the TIF Bonds.

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

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

(a) TCB and Quad LLC are each a nonprofit corporation or limited liability company duly organized, validly existing, qualified to do business in its state of incorporation/organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Each of TCB and Quad LLC has the right, power and authority to enter into, execute, deliver and perform this Agreement;

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

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

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

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

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

(h) Neither TCB nor Quad LLC is 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 TCB or Quad LLC is a party or by which TCB or Quad LLC, respectively, is bound;

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

(j) prior to the issue of the Certificate, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or pursuant to the terms of the Ground Lease or the Sublease; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity, provided, that the City expressly consents to the guarantees and indemnities entered into by TCB or Quad LLC in conjunction with the NMTC Loan, CHA Financing and/or Bridge Loan (including, without limitation, an indemnity for loss of New Markets Tax Credits); or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

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

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

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors,

or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise;

(n) such party understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) such party will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) such party has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) such party understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be substantially less than the maximum amounts set forth in Section 4.03(b);

(q) such party understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except pursuant to a Collateral Assignment, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) such party acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance (if any), the TIF Bond Ordinance (if any), the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal,

state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

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

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

8.06 Job Creation and Retention; Operating Covenant.

(a) Operating Covenant. Throughout the Compliance Period, Developer covenants and agrees that it (i) shall cause the Project to be used as a multi-use community recreation center for the benefit of the general public as required under the Ground Lease and as permitted pursuant to the Redevelopment Plan and this Agreement; and (ii) shall not lease the Project to tenant(s) other than the Park District under the Sublease without the prior written consent of DPD; provided, however, that the consent of DPD will not be required to a lease to a tenant in compliance with the use restrictions of the Ground Lease. The covenants in clauses (i) and (ii) shall be referred to collectively as the "Operating Covenant".

Wherever there is a conflict between the permitted uses of the Property and the Project, between this Agreement and the other controlling documents set forth above, the terms of the Ground Lease shall control. A default under the Operating Covenant shall constitute an Event of Default.

(b) The Developer anticipates that the Project will result in the creation of (i) approximately 100 FTE construction jobs at the Project during the construction thereof (the "Construction Jobs") and (ii) approximately 12 FTE permanent jobs at the Project at the completion thereof to be retained or created at the Facility by the Park District through the Term of the Agreement (the "Permanent Jobs"); provided, that the failure of the Project to result in the creation of the anticipated number of Construction Jobs and/or Permanent Jobs described in this sentence shall not constitute an Event of Default.

Throughout the Term of the Agreement, the Developer shall submit to DPD annual certified Jobs and Occupancy Certificates disclosing information about Construction Jobs and Permanent Jobs and compliance with the Operating Covenant. These Jobs and Occupancy Certificates shall be submitted by February 1st for the prior calendar year. The Jobs and Occupancy Certificate shall include the names, addresses and zip codes of principal residence, and job titles of FTEs employed at the Project, whether employed by Developer or Park District, as of the end of the prior calendar year.

The covenants set forth in this Section shall run with the land and the leasehold interest and be binding upon any transferee.

A default by any party other than the City or the Park District under the Ground Lease or Sublease shall not (a) relieve Developer from its obligations under this Agreement or (b) constitute any defense, excuse of performance, release, discharge or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under this Agreement.

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

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

8.09 Prevailing Wage; Davis Bacon.

(a) At all times when Davis Bacon is applicable to the Project, Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, to all Project employees not less than the minimum Federal Davis Bacon wage rate specified in a wage determination issued by the U.S. Secretary of Labor. Developer agrees to refrain from awarding any subcontractor work under this Agreement until the subcontractor agrees to the current prevailing wage determination issued by the U.S. Department of Labor. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the federal government revises such Davis Bacon wage rates, the revised rates shall apply to all such contracts. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09. Developer further agrees to report to U.S. Department of Labor every suspected or reported violation of Davis Bacon.

(b) At all times when Davis Bacon does not apply to the Project, Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

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

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

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2014 and each year thereafter for the Term of the Agreement.

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

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

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

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

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

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

8.17 Compliance with Laws.

(a) Representation. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be, as and when required, in compliance with all applicable Laws pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all Laws. Upon the City's request, the Developer shall provide evidence to the City of its compliance with this covenant.

8.18 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing; however if this Agreement is not recorded first, then a Subordination Agreement shall be recorded as described in Section 5.04. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

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

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

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

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

Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Notification to the Cook County Assessor of Change in Use and Ownership. Prior to the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. On the Closing Date, Developer shall pay to the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

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

8.21 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates. Failure by Developer to submit the Annual Compliance Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants contained in this Section 8.21 shall run with the land and be binding upon any transferee for the Term of the Agreement.

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

8.23 LEED Affidavit. Prior to issuance of the Certificate, the Developer shall provide the LEED Affidavit.

8.24. FOIA and Local Records Act Compliance.

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

request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.21, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

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

8.25 Ground Lease and Sublease Representations, Warranties and Covenants. The Developer represents, warrants and covenants as follows:

(a) as of the date hereof, each of the Ground Lease and Sublease is valid and binding as to Quad LLC, is in full force and effect, and is either unmodified or modified only by approved Material Amendments and/or amendments that do not constitute Material Amendments;

(b) as of the date hereof, Quad LLC has performed all of its current obligations under each of the Ground Lease and Sublease;

(c) Throughout the Term of the Agreement, Quad LLC: (i) shall promptly deliver to DPD a copy of written notice of any change in circumstances of which Developer has knowledge that makes the representations and warranties in this Section 8.25 inaccurate; (ii) shall, within 10 days after the occurrence thereof, deliver to DPD a copy of written notice of any change in use of the Facility from the use described in Recital D, and (iii) shall comply with its obligations under each of the Ground Lease and Sublease; and

(d) Throughout the Term of the Agreement, Quad LLC shall not (i) execute or consent to a Material Amendment or (ii) sell, sublease, release, assign or otherwise transfer its interest in the Ground Lease or the Sublease without the prior written consent of DPD, which consent shall be in DPD's sole discretion; provided, however, that DPD's consent shall not be required (x) for the exercise of remedies by any lender(s) providing the NMTC Loan or the subsequent transfer of the leasehold interest under the Ground Lease following such exercise to the extent such exercise of remedies and transfer are permitted pursuant to the Ground Lease, or (y) for any sublease entered into by Quad LLC or any permitted successor to Quad LLC under the Ground Lease (including, without limitation, any lender) to the extent such sublease is permitted pursuant to the Ground Lease.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents

are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

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

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

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

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

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

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246 " and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or

other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

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

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

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

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

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

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

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

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

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous 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 the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

To the extent permitted by law, the Park District, as tenant under the Sublease, may self insure for the post-construction insurance requirements specified in Section 12(c), it being expressly understood and agreed that if the Park District does self insure for such insurance requirements, the Park District must agree to bear all risk of loss for any loss which would otherwise be covered by insurance requirements, and the self insurance program must comply with at least the insurance requirements as specified in Section 12(c).

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than

\$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000

in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

SECTION 13. INDEMNIFICATION

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

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

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. 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 Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 Developer; provided, however, that if such

commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within ninety (90) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within ninety (90) days after the commencement thereof;

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

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

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

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

(k) prior to the expiration of the Term of the Agreement, without the prior written consent of the City, any sale, transfer, conveyance, lease or other disposition of all or substantially all of Developer's assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or as otherwise expressly permitted by this Agreement;

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

(m) except to the extent permitted under the Ground Lease or the Sublease, the assignment or other direct or indirect transfer by the Developer of the Ground Lease or the Sublease without the prior written approval of the City (which shall be in the City's sole discretion); or

(n) an Event of Default (as defined in the Ground Lease or the Sublease, as applicable) by Quad LLC under the Ground Lease or the Sublease, as applicable, that is not cured within the cure period, if any, granted under the Ground Lease or the Sublease, as applicable, or the Developer's execution of a Material Amendment without the prior written approval of the City under Section 8.25.

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

15.02 Remedies.

Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, and/or seek reimbursement from TCB of any City Funds paid. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under Section 8.06, TCB shall be obligated to repay to the City all previously disbursed City Funds.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that that there shall be no cure period under this Section 15.03 with respect to Developer's failure to comply with the Operating Covenant.

15.04 Lender Notice and Cure Right. 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 Bridge Lender and each of the NMTC Lenders, and the Bridge Lender and each of the NMTC Lenders 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 Bridge Lender or any NMTC Lender may cure it 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 Bridge Lender and the NMTC Lenders of such notice from the City; and

(b) if the Event of Default is of a non-monetary nature, the Bridge Lender and any NMTC Lender shall have the right to cure it 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 Bridge Lender and the NMTC Lenders of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by the Bridge Lender or the NMTC Lenders 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 Bridge Lender or the NMTC Lender seeking such cure must continue diligently to pursue such cure and, if possession of the Project is necessary to effect such cure and such Lender has the right to obtain possession of the Project, the Lender seeking such cure must have instituted appropriate legal proceedings to obtain possession.

SECTION 16. MORTGAGING OF THE PROJECT

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

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

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

party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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

SECTION 17. NOTICE

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

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>The Community Builders, Inc. 135 South LaSalle, Suite 3350 Chicago, Illinois 60603 Attention: Lee Pratter</p> <p>And to:</p> <p>The Community Builders, Inc. 95 Berkeley Street, Suite 500 Boston, MA 02116 Attention: General Counsel</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Applegate & Thorne-Thomsen, P.C. 626 W. Jackson Boulevard, Suite 400 Chicago, Illinois 60661 Attention: Ben Applegate</p>
<p>If to Bridge Lender:</p> <p>JPMorgan Chase Bank, N.A Community Development Real Estate Chase Tower 10 South Dearborn Street Mail Code IL1-0953 Chicago, Illinois 60603 Attn: Paul Vlamis</p>	<p>If to NMTC Lenders:</p> <p>IFF Capital VIII LLC 1 North LaSalle Street, Suite 700 Chicago, Illinois 60602 Attention: Tanya Vartivarian Facsimile: (312) 629-0061</p> <p>CNMC Sub-CDE 64, LLC</p>

<p>With a copy to:</p> <p>Dykema Gossett PLLC 10 South Wacker Drive, Suite 2300 Chicago, IL 60606 Attn: Derek L. Cottier</p>	<p>c/o JPMorgan Chase Bank, N.A. Mail Code IL 1-0953 10 S. Dearborn Street, 19th Floor Chicago, IL 60603 Attention: NMTC Asset Manager Fax: (312) 325-5050 Email: nmtc.reporting@chase.com</p> <p>TCB Sub-CDE VII, LLC 95 Berkeley Street, Suite 500 Boston, Massachusetts Attention: Senior Vice President of Development Operations and General Counsel Facsimile: (857) 221-8618</p> <p>With a copy to:</p> <p>Chase Community Equity, LLC c/o JPMorgan Chase Bank, N.A. 125 South Main Street, Floor 2 Ann Arbor, Michigan 48104 Attention: Aaron T. Seybert Facsimile: (734) 995-8200</p> <p>Perkins Coie, LLP 131 South Dearborn, Suite 1700 Chicago, Illinois 60603 Attention: Robert D. Stephan Facsimile: (312) 324-9626</p> <p>Nolan Sheehan Patten LLP 101 Federal Street, 18th Floor Boston, Massachusetts 02110 Attention: Bret L. Hendrickson Facsimile: (617) 451-1729</p> <p>and:</p> <p>Dentons US LLP 233 South Wacker Drive, Suite 7800 Chicago, Illinois 60606 Attention: Jonathan M. Kaden Facsimile: (312) 876-7934</p>
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Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or

(b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

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

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

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to 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 Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

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

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

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

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

18.08 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.

18.09 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.

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. TCB anticipates requesting the City's consent to a Collateral Assignment. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 Real Estate Provisions and 8.23 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

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

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

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

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with

whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

18.22. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.

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

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

THE COMMUNITY BUILDERS, INC.

By: 
Name: Beverly Bates
Its: Senior Vice President

QUAD COMMUNITIES ARTS RECREATION AND
HEALTH CENTER LLC

By: _____
Name: Terri Hamilton Brown
Its: Authorized Agent

CITY OF CHICAGO

By: _____
Andrew J. Mooney
Commissioner
Department of Planning and Development

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By: _____

Its: _____

QUAD COMMUNITIES ARTS RECREATION AND HEALTH CENTER LLC

By: _____

By: _____
Its: _____

CITY OF CHICAGO

By:  _____

Andrew J. Mooney
Commissioner
Department of Planning and Development

State of Illinois)

) SS

COUNTY OF Cook)

I, Joan T. Holowaty, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Beverly Bates, personally known to me to be the Senior Vice President of The Community Builders, Inc., a Massachusetts not-for-profit corporation ("TCB"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of TCB, as his/her free and voluntary act and as the free and voluntary act of TCB, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 10 day of February

2015



Joan T. Holowaty
Notary Public


My Commission Expires 4/29/2018

(SEAL)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Elaine L. Johnson, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Terri Hamilton Brown, personally known to me to be an Authorized Agent of Quad Communities Arts Recreation and Health Center LLC, an Illinois limited liability company ("Quad LLC"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed and delivered said instrument, pursuant to the authority given to her by the members of Quad LLC, as her own free and voluntary act and as the free and voluntary act of Quad LLC, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 2nd day of February, 2015.


Notary Public

My commission expires August 7, 2018

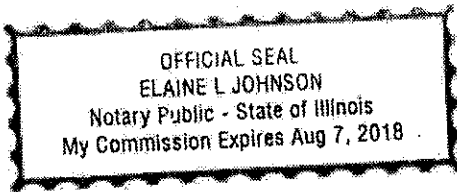


EXHIBIT A
REDEVELOPMENT AREA
Attached.

EXHIBIT 1 - LEGAL DESCRIPTION

THAT PART OF THE NORTH HALF OF SECTIONS 3 AND 4, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, SECTIONS 27, 28, 33 AND 34, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF WENTWORTH AVENUE AND THE NORTH LINE OF PERSHING ROAD; THENCE EAST ALONG THE NORTH LINE OF PERSHING ROAD; TO THE WEST LINE OF STATE STREET; THENCE NORTH ALONG THE WEST LINE OF STATE STREET; TO THE SOUTH LINE OF 27TH STREET, THENCE WEST ALONG THE SOUTH LINE OF 27TH STREET; TO THE WEST LINE OF LOT 75 IN W.H. ADAMS SUBDIVISION OF PART OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, AS EXTENDED SOUTH; THENCE NORTH ALONG SAID EXTENDED LINE, BEING THE WEST LINE OF SAID LOT 75, LOT 40 AND 9, IN SAID W.H. ADAMS SUBDIVISION, AND ITS EXTENSION NORTH TO THE SOUTH LINE OF THE STEVENSON EXPRESSWAY; THENCE EASTERLY ALONG THE SOUTH LINE OF THE STEVENSON EXPRESSWAY TO THE EAST LINE OF LOT 1 IN GARDNER'S SUBDIVISION EXTENDED NORTH; THENCE SOUTH, ALONG SAID EXTENDED LINE, TO THE NORTH LINE OF 26TH STREET; THENCE SOUTH TO THE NORTHWEST CORNER OF LOT 28 IN ASSESSOR'S DIVISION RECORDED AS DOCUMENT 20877; THENCE SOUTH ALONG THE EAST LINE OF AN ALLEY TO A POINT ON THE NORTH LINE OF LOT 2 IN COUNTY CLERKS DIVISION RECORDED AS DOCUMENT 176695; THENCE WEST ALONG THE NORTH LINE OF LOTS 2 THROUGH 5 IN SAID ASSESSORS DIVISION TO THE WEST LINE OF SAID LOT 5; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 5 AND ITS EXTENSION SOUTH TO THE SOUTH LINE OF 28TH STREET; THENCE WEST ALONG THE SOUTH LINE OF 28TH STREET TO THE EAST LINE OF WABASH AVENUE; THENCE SOUTH ALONG THE EAST LINE OF WABASH AVENUE TO THE SOUTH LINE OF 29TH STREET; THENCE WEST ALONG THE SOUTH LINE OF 29TH STREET TO THE EAST LINE OF TAX PARCEL 17-27-308-61; THENCE SOUTH ALONG THE EAST LINE OF TAX PARCELS 17-27-308-61, 17-27-308-62, 17-27-308-63 TO THE NORTH LINE OF 30th STREET; THENCE SOUTH TO THE NORTHEAST CORNER OF LOT 65 IN R.S. THOMAS' SUBDIVISION OF BLOCK 99 IN CANAL TRUSTEES SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 65, ITS EXTENSION TO THE NORTHEAST CORNER OF LOT 70 AND THE EAST LINE OF LOT 70 TO A POINT 70.0' NORTH OF 31ST STREET, THENCE WEST 4.0'; THENCE SOUTH PARALLEL WITH THE EAST LINE OF LOT 70 TO THE NORTH LINE OF 31ST STREET; THENCE EAST ALONG THE NORTH LINE OF 31st STREET TO THE WEST LINE OF VACATED INDIANA AVENUE; THENCE NORTH ALONG THE WEST LINE OF VACATED INDIANA AVENUE TO THE NORTH LINE OF 29TH STREET; THENCE EAST LONG THE NORTH LINE OF 29th STREET TO THE WEST LINE OF PRAIRIE AVENUE; THENCE NORTH ALONG THE WEST LINE OF PRAIRIE AVENUE TO THE NORTH LINE OF 26th STREET; THENCE EAST ALONG THE NORTH LINE OF 26TH STREET TO THE SOUTHWEST CORNER OF LOT "D" IN MERCY HOSPITAL AND MEDICAL CENTER REDEVELOPMENT; THENCE NORTH ALONG THE WEST LINE OF MERCY HOSPITAL AND MEDICAL CENTER REDEVELOPMENT AND ITS EXTENSION NORTH TO THE INTERSECTION WITH THE NORTH LINE OF 25TH STREET; THENCE EAST ALONG THE NORTH LINE OF 25TH STREET TO THE WEST LINE OF DR. MARTIN LUTHER KING DRIVE; THENCE NORTH ALONG THE WEST LINE OF DR. MARTIN KING DRIVE TO THE NORTH LINE OF 25TH STREET AS EXTENDED WEST; THENCE EAST ALONG SAID EXTENDED LINE AND THE NORTH LINE OF 25TH STREET AND ITS EXTENSION EASTERLY TO THE WESTERLY LINE OF LAKE SHORE DRIVE; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF LAKE SHORE DRIVE TO THE SOUTH LINE OF 31ST STREET; THENCE WEST ALONG THE SOUTH LINE OF 31ST STREET TO THE WEST LINE OF LOT 13 IN CHICAGO LAND CLEARANCE COMMISSION NO. 2 RECORDED AS DOCUMENT 17511645 AS EXTENDED SOUTH; THENCE NORTH ALONG SAID LINE TO THE SOUTH LINE OF 30TH STREET; THENCE WEST TO THE WEST LINE OF VERNON AVENUE; THENCE NORTH ALONG THE WEST LINE OF VERNON AVENUE TO THE NORTH LINE OF 29TH PLACE; THENCE EAST TO THE CENTERLINE OF COTTAGE GROVE

AVENUE; THENCE NORTH ALONG THE CENTERLINE OF COTTAGE GROVE AVENUE TO THE SOUTH LINE OF 29TH STREET; THENCE WEST ALONG THE SOUTH LINE OF 29TH STREET TO THE WEST LINE OF VERNON AVENUE; THENCE NORTH AND NORTHEAST ALONG THE WEST LINE OF VERNON AVENUE TO THE WEST LINE OF ELLIS AVENUE; THENCE NORTH ALONG THE WEST LINE OF ELLIS AVENUE TO THE SOUTH LINE OF 26TH STREET; THENCE WEST, NORTHWEST AND WEST ALONG THE SOUTH LINE OF 26TH STREET TO THE EAST LINE OF DR. MARTIN LUTHER KING DRIVE; THENCE SOUTH ALONG THE EAST LINE OF DR. MARTIN LUTHER KING DRIVE TO THE INTERSECTION WITH THE SOUTH LINE OF 31ST STREET AS EXTENDED EAST; THENCE WEST ALONG THE SOUTH LINE OF 31ST STREET TO THE NORTHEAST CORNER OF LOT 2 IN BLOCK 2 IN LOOMIS AND LAFLIN'S SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF LOTS 2, 3, 6 AND 7 TO A POINT 17.0 FEET NORTH OF THE SOUTHEAST CORNER OF LOT 7 IN BLOCK 2 IN LOOMIS AND LAFLIN'S SUBDIVISION; THENCE WEST PARALLEL WITH THE SOUTH LINE OF LOT 7 IN LOOMIS AND LAFLIN'S SUBDIVISION AND ITS EXTENSION TO A POINT ON THE WEST LINE OF GILES AVENUE; THENCE SOUTH ALONG THE WEST LINE OF GILES AVENUE TO THE SOUTHEAST CORNER OF LOT 4 IN C. CLEAVER'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 4 TO THE SOUTHWEST CORNER OF LOT 4 IN C. CLEAVER'S SUBDIVISION; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 4 TO A POINT OF INTERSECTION WITH THE SOUTH LINE OF LOT 1 IN HAYWOOD'S SUBDIVISION AS EXTENDED EAST; THENCE WEST ALONG SAID EXTENDED LINE AND THE SOUTH LINE OF LOTS 1 THROUGH 5 IN HAYWOOD'S SUBDIVISION TO THE EAST LINE OF PRAIRIE AVENUE; THENCE WEST TO THE SOUTHEAST CORNER OF LOT 6 IN HAYWOOD'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF LOTS 6 THROUGH 10 AND ITS EXTENSION TO THE SOUTHEAST CORNER OF LOT 11 IN HAYWOOD'S SUBDIVISION; THENCE SOUTH ALONG THE WEST LINE OF AN ALLEY TO THE SOUTHEAST CORNER OF LOT 16 IN HAYWOOD'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 16 AND ITS EXTENSION WEST TO THE EAST LINE OF INDIANA AVENUE; THENCE SOUTH ALONG THE EAST LINE OF INDIANA AVENUE TO THE SOUTH LINE OF 32ND STREET; THENCE WEST ALONG THE SOUTH LINE OF 32ND STREET TO THE WEST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE WEST LINE OF MICHIGAN AVENUE TO THE SOUTHEAST CORNER OF LOT 8 IN BLOCK 2 IN C.J. WALKER'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 8 IN BLOCK 2 AND ITS EXTENSION WEST TO THE SOUTHWEST CORNER OF LOT 7 IN BLOCK 2 IN C.H. WALKER'S SUBDIVISION, BEING THE EAST LINE OF VACATED WABASH AVENUE; THENCE SOUTH ALONG THE EAST LINE OF VACATED WABASH AVENUE, BEING THE WEST LINE OF BLOCK 2 IN C.H. WALKER'S SUBDIVISION, TO THE SOUTH LINE OF VACATED 32ND STREET; THENCE EAST ALONG THE SOUTH LINE OF VACATED 32ND STREET TO THE NORTHWEST CORNER OF LOT 46 IN BLOCK 2 IN J. WENTWORTH'S SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF WABASH AVENUE TO THE SOUTHWEST CORNER OF LOT 1 IN J.S. BARNES' SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 1 AND ITS EXTENSION EAST TO THE WEST LINE OF A VACATED 20.0 FOOT WIDE ALLEY, BEING THE NORTHEAST CORNER OF LOT 39 IN BLOCK 8 IN J. WENTWORTH'S SUBDIVISION; THENCE NORTH ALONG THE WEST LINE OF SAID VACATED 20.0 FOOT ALLEY TO THE CENTERLINE OF 34TH STREET; THENCE EAST TO THE EAST LINE OF MICHIGAN AVENUE; THENCE SOUTH ALONG THE EAST LINE OF MICHIGAN AVENUE TO THE NORTHWEST CORNER OF LOT 30 IN BLOCK 7 IN J. WENTWORTH'S SUBDIVISION; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 30 AND ITS EXTENSION EAST TO THE EAST LINE OF A 20.0 FOOT WIDE ALLEY, BEING THE NORTHWEST CORNER OF LOT 19 IN BLOCK 7 IN J. WENTWORTH'S SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF SAID ALLEY TO THE SOUTHWEST CORNER OF LOT 20 IN BLOCK 7 IN J. WENTWORTH'S SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 20 AND ITS EXTENSION EAST TO THE WEST LINE OF INDIANA AVENUE; THENCE NORTH ALONG THE WEST LINE OF INDIANA AVENUE TO THE NORTHWEST CORNER OF LOT 39 IN BLOCK 1 OF HARRIET FARLIN'S SUBDIVISION; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 39 AND ITS EXTENSION EAST TO THE EAST LINE OF AN 18.0 FOOT WIDE ALLEY IN SAID BLOCK 1; THENCE SOUTH ALONG THE EAST LINE OF SAID ALLEY TO THE SOUTHWEST CORNER OF LOT 15 IN BLOCK 1 IN HARRIET FARLIN'S SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 15 IN BLOCK 1 TO THE WEST LINE OF PRAIRIE AVENUE; THENCE NORTH ALONG THE WEST LINE OF PRAIRIE AVENUE TO THE NORTH

LINE OF TAX PARCEL 17-34-121-081 AS EXTENDED WEST; THENCE EAST ALONG SAID EXTENDED LINE TO THE NORTHEAST CORNER OF SAID TAX PARCEL 17-34-121-081 BEING THE WEST LINE OF AN 18.0 FOOT ALLEY; THENCE SOUTH ALONG THE WEST LINE OF SAID ALLEY TO THE SOUTHEAST CORNER OF TAX PARCEL 17-34-121-086; THENCE EAST ALONG THE SOUTH LINE OF TAX PARCEL 17-34-121-072 AND ITS EXTENSION WEST, TO THE WEST LINE OF GILES AVENUE; THENCE NORTH ALONG THE WEST LINE OF GILES AVENUE TO THE SOUTH LINE OF A 16.0 FOOT ALLEY IN BLOCK 2 IN DYER AND DAVISSON'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF SAID ALLEY TO THE EAST LINE OF AN 18.0 FOOT ALLEY IN SAID BLOCK 2; THENCE SOUTH ALONG THE EAST LINE OF SAID ALLEY TO A POINT THAT IS ON THE SOUTH LINE OF TAX PARCEL 17-34-121-001 EXTENDED EAST; THENCE WEST ALONG THE SOUTH LINE OF SAID EXTENDED LINE TO THE WEST LINE OF PRAIRIE AVENUE; THENCE NORTH ALONG THE WEST LINE OF PRAIRIE AVENUE TO A POINT 85.0 FEET SOUTH OF THE SOUTH LINE OF 33RD STREET; THENCE WEST PARALLEL WITH 33RD STREET 124.62 FEET TO THE EAST LINE OF A 16.0 FOOT ALLEY; THENCE NORTH ALONG THE EAST LINE OF SAID ALLEY TO THE SOUTH LINE OF 33RD STREET; THENCE EAST ALONG THE SOUTH LINE OF 33RD STREET TO THE WEST LINE OF A 14.0 FOOT ALLEY, BEING THE NORTHEAST CORNER OF LOT 1 IN FULLER, FROST AND COBB'S SUBDIVISION; THENCE SOUTH ALONG THE WEST LINE OF SAID ALLEY TO THE NORTH LINE OF LOT 15 IN FRANCIS J. YOUNG'S SUBDIVISION EXTENDED WEST; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 15 TO THE WEST LINE OF CALUMET AVENUE, THENCE SOUTH ALONG THE WEST LINE OF CALUMET AVENUE TO THE NORTH LINE OF LOT 23 IN FOWLER'S SUBDIVISION EXTENDED WEST; THENCE EAST ALONG SAID EXTENDED LINE AND NORTH LINE OF LOTS 23 TO 19 IN SAID FOWLER'S SUBDIVISION AND ITS EXTENSION EAST TO THE EAST LINE OF A 16.0 FOOT ALLEY; THENCE SOUTH ALONG THE EAST LINE OF THE 16.0 FOOT ALLEY TO THE NORTH LINE OF 35TH STREET; THENCE EAST ALONG THE NORTH LINE OF 35TH STREET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 34-39-14; THENCE NORTH ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 34-39-14 TO THE EXTENSION WEST OF THE NORTH LINE OF 35TH STREET; THENCE EAST ALONG THE NORTH LINE OF 35TH STREET TO THE CENTERLINE OF A 16.0 FOOT ALLEY EXTENDED NORTH, SAID CENTERLINE BEING 132.0 FEET EAST OF THE EAST LINE OF DR. MARTIN LUTHER KING DRIVE; THENCE SOUTH ALONG SAID LINE TO THE SOUTHEAST CORNER OF TAX PARCEL 17-34-400-005 EXTENDED EAST; THENCE WEST PARALLEL WITH 35TH STREET TO THE EAST LINE OF DR. MARTIN LUTHER KING DRIVE; THENCE SOUTH ALONG THE EAST LINE OF DR. MARTIN LUTHER KING DRIVE 21.6 FEET; THENCE WEST TO THE WEST LINE OF DR. MARTIN LUTHER KING DRIVE; THENCE NORTH ALONG THE WEST LINE OF DR. MARTIN LUTHER KING DRIVE TO A POINT 120.0 FEET SOUTH OF THE SOUTH LINE OF 35TH STREET; THENCE WEST PARALLEL WITH 35TH STREET TO THE EAST LINE OF A 16.0 FOOT ALLEY, BEING 70.0 FEET EAST OF THE EAST LINE OF CALUMET AVENUE; THENCE SOUTH ALONG THE EAST LINE OF SAID ALLEY TO THE NORTH LINE OF LOT 2 IN D. HARRY HAMMER'S SUBDIVISION; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 2 TO THE EAST LINE OF LOT 24 IN W.D. BISHOPP'S SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 24 TO THE NORTH LINE OF 37TH STREET; THENCE EAST ALONG THE NORTH LINE OF 37TH STREET TO THE WEST LINE OF DR. MARTIN LUTHER KING DRIVE; THENCE SOUTH ALONG THE WEST LINE OF DR. MARTIN LUTHER KING DRIVE TO THE SOUTH LINE OF LOT 52 IN J.B. VALLIQUETTE'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 52 TO THE EAST LINE OF CALUMET AVENUE; THENCE SOUTH ALONG THE EAST LINE OF CALUMET AVENUE TO THE NORTH LINE OF 38TH STREET; THENCE EAST ALONG THE NORTH LINE OF 38TH STREET TO THE EAST LINE OF DR. MARTIN LUTHER KING DRIVE; THENCE SOUTH ALONG THE EAST LINE OF DR. MARTIN LUTHER KING DRIVE TO THE NORTH LINE OF PERSHING AVENUE; THENCE EAST ALONG THE NORTH LINE OF PERSHING AVENUE TO THE EAST LINE OF AN ALLEY EXTENDED NORTH, SAID LINE BEING THE WEST LINE OF TAX PARCEL 20-03-200-011; THENCE SOUTH ALONG THE EAST LINE OF SAID ALLEY TO THE NORTH LINE OF OAKWOOD BLVD; THENCE SOUTH TO THE NORTHEAST CORNER OF LOT 16 IN BOWEN & SMITH'S SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF LOTS 16, 17 & 18 IN BOWEN & SMITH'S SUBDIVISION TO THE SOUTH LINE OF TAX PARCEL 20-03-501-006 [6001 TO 6003]; THENCE WEST ALONG THE SOUTH LINE OF TAX PARCEL 20-03-501-006 [6001 TO 6003] TO THE WEST LINE

OF DR. MARTIN LUTHER KING DRIVE; THENCE NORTH ALONG THE WEST LINE OF DR. MARTIN LUTHER KING DRIVE TO THE SOUTHEAST CORNER OF LOT 1 IN WALLACE R. MARTIN'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF LOTS 1 THROUGH 3 IN WALLACE R. MARTIN'S SUBDIVISION TO THE EAST LINE OF A 16.0 FOOT ALLEY; THENCE NORTH ALONG THE EAST LINE OF SAID 16.0 FOOT ALLEY TO LOT 66 IN CIRCUIT COURT PARTITION PER DOCUMENT 1225139 EXTENDED EAST; THENCE WEST ALONG THE SOUTH LINE OF LOTS 66 THROUGH 70 IN CIRCUIT COURT PARTITION AND ITS EXTENSION WEST TO THE WEST LINE OF CALUMET AVENUE; THENCE WEST ALONG THE NORTH LINE OF A 16.0 FOOT ALLEY TO THE EAST LINE OF PRAIRIE AVENUE; THENCE SOUTH ALONG THE EAST LINE OF PRAIRIE AVENUE TO THE SOUTH LINE OF LOT 3 IN SPRINGER'S SUBDIVISION EXTENDED EAST; THENCE WEST ALONG SAID EXTENDED LINE AND SOUTH LINE OF SAID LOT 3 TO THE SOUTHWEST CORNER OF LOT 3; THENCE NORTH ALONG THE WEST LINE OF LOT 3 TO THE SOUTHEAST CORNER OF LOT 4 IN SPRINGER'S SUBDIVISION; THENCE WEST ALONG THE SOUTH LINE OF LOTS 4 THROUGH 7 IN SPRINGER'S SUBDIVISION TO THE EAST LINE OF INDIANA AVENUE; THENCE SOUTH ALONG THE EAST LINE OF INDIANA AVENUE TO THE SOUTH LINE OF 40TH STREET; THENCE WEST ALONG THE SOUTH LINE OF 40TH STREET AND ITS EXTENSION WEST TO THE EAST LINE OF WENTWORTH AVENUE; THENCE NORTH ALONG THE EAST LINE OF WENTWORTH AVENUE TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM TAX PARCELS 17-27-203-010 AND 17-27-203-013, ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT B
PROPERTY

PINs:

17-34-402-067
17-34-402-068
17-34-402-076
17-34-405-032

PARCEL 1:

THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN GROUND LEASE AGREEMENT, WITH A TERM OF 99 YEARS BEGINNING FEBRUARY 11, 2015 AND ENDING _____, _____ ENTERED INTO BY THE CITY OF CHICAGO, ACTING BY AND THROUGH ITS DEPARTMENT OF PLANNING AND DEVELOPMENT, AS LANDLORD AND QUAD COMMUNITIES ARTS RECREATION AND HEALTH CENTER LLC, AS TENANT AND DATED FEBRUARY 11, 2015 AND RECORDED _____, 2015 WITH THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS AS DOCUMENT NUMBER _____, WITH RESPECT TO THE DEMISED LAND, DESCRIBED AS FOLLOWS:

PARCEL 1A:

LOTS 1 TO 9 AND THE 16 FOOT VACATED ALLEY LYING WEST OF AND ADJOINING SAID LOTS 1 TO 9 IN SUBDIVISION OF LOT 3 IN BLOCK 4 IN ELLIS' WEST OR FIRST ADDITION TO CHICAGO, A SUBDIVISION OF THE WEST 86.06 ACRES OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO,

LOTS 1 THROUGH 8 (AND THE VACATED ALLEY LYING NORTH OF AND ADJOINING LOTS 1 THROUGH 5 AND THE SOUTH HALF OF THE VACATED ALLEY LYING NORTH OF AND ADJOINING LOTS 6 THROUGH 8) IN WESTON'S SUBDIVISION OF LOTS 4, 7 AND 8 IN BLOCK 4 OF ELLIS' WEST ADDITION TO CHICAGO, ALL IN THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 1B:

LOTS 1 AND 2 AND THAT PART OF LOT 3 IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO IN THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN TOGETHER WITH VACATED VINCENNES AVENUE, ALL TAKEN AS A TRACT, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 1 IN WESTON'S SUBDIVISION OF LOTS 4, 7 AND 8 IN BLOCK 4 OF ELLIS' WEST ADDITION TO CHICAGO IN SECTION, TOWNSHIP AND RANGE AFORESAID, BEING ALSO A POINT ON THE

NORTHWESTERLY LINE OF VACATED VINCENNES AVENUE; THENCE NORTH 12 DEGREES 32 MINUTES 00 SECONDS EAST ALONG SAID NORTHWESTERLY LINE OF VACATED VINCENNES AVENUE 411.74 FEET TO THE NORTHEAST CORNER OF LOT 1 IN SUBDIVISION OF LOT 3 IN BLOCK 4 IN ELLIS' WEST OR FIRST ADDITION TO CHICAGO, A SUBDIVISION OF THE WEST 86.06 ACRES OF THE SECTION, TOWNSHIP AND RANGE AFORESAID BEING ALSO A POINT ON THE SOUTH LINE OF THE ORIGINAL 66 FOOT WIDE EAST 35TH STREET; THENCE NORTH 89 DEGREES 58 MINUTES 06 SECONDS EAST ALONG THE LAST MENTIONED SOUTH LINE 19.76 FEET TO ITS POINT OF INTERSECTION WITH THE NORTHWESTERLY EXTENSION OF THE SOUTHWESTERLY LINE OF THE 66 FOOT WIDE SOUTH COTTAGE GROVE AVENUE; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, ALONG THE LAST MENTIONED SOUTHWESTERLY LINE AND ITS NORTHWESTERLY EXTENSION 501.04 FEET TO ITS POINT OF INTERSECTION WITH A LINE DRAWN 300.00 FEET NORTH OF AND PARALLEL WITH THE CENTER LINE OF VACATED EAST 36TH STREET; THENCE SOUTH 69 DEGREES 38 MINUTES 18 SECONDS WEST ALONG THE LAST MENTIONED PARALLEL LINE 150.00 FEET TO ITS POINT OF INTERSECTION WITH A LINE DRAWN 150.00 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHWESTERLY LINE OF SOUTH COTTAGE GROVE AVENUE AFORESAID; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST ALONG THE LAST MENTIONED PARALLEL LINE 21.38 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 3; THENCE NORTH 77 DEGREES 14 MINUTES 07 SECONDS WEST ALONG THE SOUTHWESTERLY LINE OF SAID LOT 3 A DISTANCE OF 108.02 FEET TO THE SOUTHEASTERLY LINE OF THE 66 FOOT WIDE VINCENNES AVENUE; THENCE NORTH 12 DEGREES 32 MINUTES 00 SECONDS EAST ALONG THE SOUTHEASTERLY LINE OF VINCENNES AVENUE 120.47 FEET TO THE SOUTH LINE OF THE AFORESAID VACATED VINCENNES AVENUE; THENCE SOUTH 89 DEGREES 49 MINUTES 53 SECONDS WEST ALONG THE SOUTH LINE OF THE AFORESAID VACATED VINCENNES AVENUE 67.66 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPT FROM SAID PARCELS 1A AND 1B THAT PART OPENED FOR PUBLIC STREET PURPOSES (A TRIANGULAR SHAPED PART OF THE PROPERTY AT THE SOUTHWESTERLY CORNER OF EAST 35TH STREET AND SOUTH COTTAGE GROVE AVENUE) PURSUANT TO ORDINANCE RECORDED JULY 16, 1971 AS DOCUMENT NUMBER 21549749.

PARCEL 2:

OWNERSHIP, SUBJECT TO SECTIONS 5 AND 15 OF THE AFORESAID GROUND LEASE AGREEMENT, OF THE BUILDINGS NOW LOCATED ON, OR HEREAFTER ERECTED ON, PARCEL 1.

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

	TIF Eligible Budget
Hard Costs	
Construction of Rec Center	
Misc Site Work	\$ 179,848
Grading	\$ 588,275
Unsuitable Soil disposal allowance	\$ 205,900
Bituminous Work	\$ 12,530
Exterior Utilities	\$ 119,900
Landscaping	\$ 153,051
Sewer Relocation	\$ 593,780
Exterior Concrete	\$ 164,050
Concrete	\$ 488,124
Precast	\$ 765,000
Permeable Pavers	\$ 22,550
Roof Pavers	\$ 71,782
Green Roof	\$ 71,811
Structural Steel	\$ 854,194
Misc Metals	\$ 107,160
GFRP Panels	\$ 270,572
Spray Foam	\$ 57,200
Carpentry	\$ 336,410
Doors/Frames/Hardware	
Millwork	\$ 139,800
Waterproofing	\$ 14,000
Fireproofing	\$ 72,750
Roofing	\$ 455,000
Glass	\$ 284,106
Drywall	\$ 205,000
Ceramic/Quarry Tile	\$ 195,399
Resilient Flooring	\$ 112,049
Carpet	\$ 7,087
Basketball Wood Floors	\$ 88,200
Paint	\$ 198,817
Pool	\$ 727,350
Bleachers	\$ 30,000
Specialty Items	
Elevators	\$ 69,900
Plumbing	\$ 519,889
HVAC	\$ 1,378,300

Electric	\$	768,610
Security System Allowance		
General Conditions	\$	641,364
Contractor Overhead	\$	213,789
Contractor Profit	\$	641,364
Other - Tank Removal, utility relocation, testing	\$	290,133
Other - Tank Removal	\$	25,000
Hard Cost Contingency	\$	615,052
Total Hard Costs	\$	12,755,096

Soft Costs		
Architectural Fees	\$	899,791
Engineering & Utility Fees	\$	70,018
Environmental Testing	\$	24,200
TIF Work (Amendment, Mailings, & Designation)	\$	150,722
Total Soft Costs	\$	1,144,731
Total Project Costs	\$	13,899,827

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the lesser of \$4,300,000 or 24.36% of the Final Project Cost.

EXHIBIT D

JOB AND OCCUPANCY CERTIFICATE

[to be retyped on letterhead of Developer]

_____, 20____
City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

Re: Jobs and Occupancy Certificate
Quad Communities Redevelopment Agreement

Dear Commissioner:

This Certificate is delivered pursuant to the Quad Communities Redevelopment Agreement dated as of February 11, 2015 (the "Agreement") and constitutes the Jobs and Occupancy Certificate of the Developer for the period ended _____, _____ [add month, day and year] (the "Period"). The undersigned certifies that (a) the Developer continues to satisfy the Operating Covenant, (b) a total of _____ FTE Construction Jobs have been located at the Project since the execution of the Agreement; (c) a total of _____ FTE Permanent Jobs have been located at the Project since the execution of the Agreement; and (d) each of the individuals listed in the chart below is a Full Time Equivalent Employee of the Developer, in the case of Construction Jobs, or the Park District, in the case of Permanent Jobs, at the Project. Capitalized terms used without definition in this Certificate have the meanings given them in the Agreement.

Sincerely yours,

THE COMMUNITY BUILDERS, INC.

By: _____
Its: _____

QUAD COMMUNITIES ARTS RECREATION AND
HEALTH CENTER LLC

By: The Community Builders, Inc., its Manager

By: _____
Its: _____

Full Time Equivalent Employees located at the Project as of _____, 20__

Employee Name (Last, First)	Address of Principal Residence	Zip Code of Principal Residence	Number of months employed at the Project during the year	On the payroll for work done at the Project? (Y or N)	Work hours total at least 35 per week? (Y or N)	Work hours total at least 1750 during the year (Y or N)	Independent contractor, third-party service provider, consultant, or ancillary services employee? (Y or N)	Job title

Indicate New FTEs with an asterisk () next to employee's name

EXHIBIT E
CONSTRUCTION CONTRACT
Attached.

EXHIBIT G
PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any:

None.

EXHIBIT H-1

PROJECT BUDGET

	<u>Project Budget</u>	
Hard Costs		
Construction of Rec Center		
Misc Site Work	\$	179,848
Grading	\$	588,275
Unsuitable Soil disposal allowance	\$	205,900
Bituminous Work	\$	12,530
Exterior Utilities	\$	119,900
Landscaping	\$	153,051
Sewer Relocation	\$	593,780
Exterior Concrete	\$	164,050
Concrete	\$	488,124
Precast	\$	765,000
Permeable Pavers	\$	22,550
Roof Pavers	\$	71,782
Green Roof	\$	71,811
Structural Steel	\$	854,194
Misc Metals	\$	107,160
GFRC Panels	\$	270,572
Spray Foam	\$	57,200
Carpentry	\$	336,410
Doors/Frames/Hardware	\$	162,298
Millwork	\$	139,800
Waterproofing	\$	14,000
Fireproofing	\$	72,750
Roofing	\$	455,000
Glass	\$	284,106
Drywall	\$	205,000
Ceramic/Quarry Tile	\$	195,399
Resilient Flooring	\$	112,049
Carpet	\$	7,087
Basketball Wood Floors	\$	88,200
Paint	\$	198,817
Pool	\$	727,350
Bleachers	\$	30,000
Specialty Items	\$	178,712
Elevators	\$	69,900
Plumbing	\$	519,889
HVAC	\$	1,378,300
Electric	\$	768,610

Security System Allowance	\$	20,000
General Conditions	\$	641,364
Contractor Overhead	\$	213,789
Contractor Profit	\$	641,364
Other - Tank Removal, utility relocation, testing	\$	290,133
Other - Tank Removal	\$	25,000
Hard Cost Contingency	\$	615,052

Total Hard Costs \$ 13,116,106

Soft Costs

Architectural Fees	\$	899,791
Architectural Reimbursables	\$	40,000
Construction Management	\$	30,000
Engineering & Utility Fees	\$	70,018
Environmental Testing	\$	24,200
Legal	\$	524,010
Accounting	\$	50,000
Title and Recording	\$	30,000
Appraisal	\$	10,400
Permits	\$	42,584
Surveys	\$	24,000
TIF Work (Amendment, Mailings, & Designation)	\$	150,722
Insurance	\$	30,000
FF&E	\$	220,000
Owners Contingency	\$	303,681

Total Soft Costs \$ 2,449,405

Financing and Other Costs

Predevelopment Funds Origination & Interest	\$	30,979
Construction Period Interest	\$	198,247
TIF Bridge Costs	\$	286,488
IFF Capital VIII Interest Reserve	\$	307,000
TCB Sub-CDE Interest Reserve	\$	434,000
QALCIB Equity	\$	29,340
Developer Fee	\$	800,000

Total Financing and Other Costs \$ 2,086,054

Total Project Costs \$ 17,651,566

EXHIBIT H-2
MBE/WBE BUDGET

<u>Hard Costs</u>	M/WBE Budget
<u>Construction of Rec Center</u>	
Misc Site Work	\$ 179,848
Grading	\$ 588,275
Unsuitable Soil disposal allowance	\$ 205,900
Bituminous Work	\$ 12,530
Exterior Utilities	\$ 119,900
Landscaping	\$ 153,051
Sewer Relocation	\$ 593,780
Exterior Concrete	\$ 164,050
Concrete	\$ 488,124
Permeable Pavers	\$ 22,550
Roof Pavers	\$ 71,782
Green Roof	\$ 71,811
Structural Steel	\$ 854,194
Misc Metals	\$ 107,160
GFRC Panels	\$ 270,572
Spray Foam	\$ 57,200
Carpentry	\$ 336,410
Doors/Frames/Hardware	\$ 162,298
Millwork	\$ 139,800
Waterproofing	\$ 14,000
Fireproofing	\$ 72,750
Roofing	\$ 455,000
Glass	\$ 284,106
Drywall	\$ 205,000
Ceramic/Quarry Tile	\$ 195,399
Resilient Flooring	\$ 112,049
Carpet	\$ 7,087
Paint	\$ 198,817
Bleachers	\$ 30,000

Specialty Items	\$	178,712
Elevators	\$	69,900
Plumbing	\$	519,889
HVAC	\$	1,378,300
Electric	\$	768,610
Security System Allowance	\$	20,000
General Conditions	\$	641,364
Contractor Overhead	\$	213,789
Contractor Profit	\$	641,364
Other - Tank Removal, utility relocation, testing	\$	190,133
Other - Tank Removal	\$	25,000
Hard Cost Contingency	\$	615,052

Total Hard Costs \$ 11,435,556

Soft Costs

Architectural Fees	\$	899,791
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Total Soft Costs \$ 899,791

Total Project Costs \$ 12,335,347

MBE	24%	\$	2,960,483.28
WBE	4%	\$	493,413.88

EXHIBIT I
APPROVED PRIOR EXPENDITURES

None.

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

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

[Subject to revision following review of form of opinion provided by Developer's counsel]

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to The Community Builders, Inc., a Massachusetts not-for-profit corporation ("TCB") and Quad Communities Arts Recreation and Health Center LLC, an Illinois limited liability company ("Quad LLC" and together with TCB, collectively the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Bronzeville Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) Quad Communities Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City");
- (b) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and
- (c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if Developer is not a corporation]; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of Developer), the authenticity of documents submitted to us as originals and

conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

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

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies each class of capital stock of Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of Developer. Each outstanding share of the capital stock of Developer is duly authorized, validly issued, fully paid and nonassessable.

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

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

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

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

[Note: include a reference to the laws of the state of incorporation/organization of Developer, if other than Illinois.]

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

Very truly yours,

[Developer]

By: _____

Name

Title: _____

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

My commission expires: _____

Agreed and accepted:

Name

Title: _____

City of Chicago

Department of Planning and Development

EXHIBIT N

FORM OF SUBORDINATION AGREEMENT

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

SUBORDINATION AGREEMENT

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

WITNESSETH:

WHEREAS, [Describe Project - use language form Recitals of Redevelopment agreement] the _____ an Illinois [limited liability company] (the "Developer"), has purchased certain property located within the _____ Redevelopment Project Area at _____, Chicago, Illinois _____ and legally described on the Exhibit hereto (the "Property"), in order to _____ located on the Property through the following activities: _____ (the "Project"); and

WHEREAS, [describe financing and security documents; define Loan, Note, Mortgage, and Loan Documents];

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

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02, 8.06, 8.19 and 8.21 (the "City Encumbrances");

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

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

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

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

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

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

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

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

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Lender:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Attention: _____</p>
<p>With Copies To:</p> <p>City of Chicago</p>	<p>With Copies To:</p>

Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division	_____ _____ Attention: _____
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or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

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

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

[LENDER], [a national banking association]

By:

Its: _____

CITY OF CHICAGO

By:

Its: _____ Commissioner,
Department of Planning and Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, _____

[Developer], a _____

By:

Its:

Exhibit to Subordination Agreement – Legal Description

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

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

Notary Public

My Commission Expires

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ of [Lender], a _____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

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

Notary Public

My Commission Expires

(SEAL)

EXHIBIT O
FORM OF PAYMENT BOND

Attached.

Bond No. DRAFT BOND 1.29.2015

Document A312™ – 2010

Conforms with The American Institute of Architects AIA Document 312

Performance Bond

CONTRACTOR:

(Name, legal status and address)

McShane Construction Company LLC
9550 West Higgins Road, #200
Rosemont, IL 60018

SURETY:

(Name, legal status and principal place of business)

Liberty Mutual Insurance Company
175 Berkeley Street
Boston, MA 02116
Mailing Address for Notices

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

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

1001 4th Ave., Ste. 1700, Attn: Surety Claims Dept

Seattle, WA 98154

OWNER:

(Name, legal status and address)

Quad Communities Arts Recreation and Health Center LLC
95 Berkeley Street, Suite 1500
Boston, MA 02116

CONSTRUCTION CONTRACT

Date:

Amount: \$12,185,921.00 Twelve Million One Hundred Eighty Five Thousand Nine Hundred Twenty One and 00/100 Dollars

Description:

(Name and location)

The Quad Communities Arts and Recreation Facility will be located at 3520 South Cottage Grove Avenue, Chicago, Illinois, and will be an approximately 30,000 square foot multi-use community recreation center. The Project will include gymnasium with one basketball court, flexible or multi-use areas, health and wellness community spaces, a fitness center, an indoor pool, locker rooms, restrooms and a meeting hall.

BOND

Date: February 3, 2015

(Not earlier than Construction Contract Date)

Amount: \$12,185,921.00 Twelve Million One Hundred Eighty Five Thousand Nine Hundred Twenty One and 00/100 Dollars

Modifications to this Bond: None See Section 16

CONTRACTOR AS PRINCIPAL

Company: *(Corporate Seal)*

McShane Construction Company LLC

SURETY

Company: *(Corporate Seal)*

Liberty Mutual Insurance Company

Signature: _____ Signature: _____

Name and Title:

Name: Susan Lupski
and Title: Attorney-in-Fact



(Any additional signatures appear on the last page of this Performance Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

Alliant Insurance Services, Inc.
333 Earle Ovington Boulevard, Suite 700
Uniondale, NY 11553
516-414-8900
S-1852/AS 8/10

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)
Nia Architects, Inc.
1130 South Wabash Avenue
Chicago, IL 60605

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

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
- .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
- .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 Balance of the Contract Price. The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 Contractor Default. Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:

SEE MULTIPLE OBLIGEE RIDER ATTACHED

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

SURETY

Company:

(Corporate Seal)

Signature: _____

Name and Title:

Address

Signature: _____

Name and Title:

Address



Interchange Corporate Center
450 Plymouth Road, Suite 400
Plymouth Meeting, PA. 19462-1644
Ph. (610) 832-8240

RIDER ADDING ADDITIONAL OBLIGEE

This rider is to be attached to and form a part of surety bond number DRAFT BOND, dated the 3RD day of FEBRUARY, 2015 executed by LIBERTY MUTUAL INSURANCE COMPANY, a Massachusetts stock insurance company, as surety (the "Surety"), on behalf of MCSHANE CONSTRUCTION COMPANY, LLC, 9550 WEST HIGGINS ROAD, #200, ROSEMONT, IL 60018, as principal (the "Principal"), in favor of QUAD COMMUNITIES ARTS RECREATION AND HEALTH CENTER, LLC, 95 BERKELEY STREET, SUITE 500, BOSTON, MA 02116, as obligee (the "Obligee").

WHEREAS, the Principal has by written agreement dated the _____ day of _____ entered into a contract (the "Contract") with the Obligee for:

The Quad Communities Arts and Recreation Facility will be located at 3520 South Cottage Grove Avenue, Chicago, Illinois, and will be an approximately 30,000 square foot multi-use community recreation center. The Project will include gymnasium with one basketball court, flexible or multi-use areas, health and wellness community spaces, a fitness center, an indoor pool, locker rooms, restrooms and a meeting hall.

WHEREAS, upon the request of the Principal and Obligee, the attached bond is hereby amended to add _____
SEE ATTACHED

_____, as additional obligee(s) (the "Additional Oblige(s)") to the bond, and the Obligee and Additional Obligees shall be joint and several beneficiaries of the bond and shall be collectively referred to as the "Bond Oblige(s)".

PROVIDED, HOWEVER, there shall be no liability of the Surety under the attached bond to the Bond Oblige(s), either jointly or severally, unless and until the Bond Oblige(s), shall make payment to the Principal or to the Surety (should the Surety arrange for or undertake the completion of the Contract upon the default of the Principal), strictly in accordance with the terms of the Contract; and otherwise satisfy all terms and conditions and perform all of the other obligations to be performed under the Contract at the time and in the manner therein set forth; all of the acts of one Bond Oblige being binding upon the other.

In no event shall the aggregate liability of the Surety to the Bond Oblige(s), either jointly or severally, exceed the penal sum of the attached bond, nor shall the Surety be liable except for a single payment for each single breach or default. At the Surety's election, any payment due any Bond Oblige may be made by its check issued to all Bond Oblige(s).

This change is effective the DRAFT day of DRAFT.

The attached bond shall be subject to all of its terms, conditions and limitations except as herein modified.

IN WITNESS WHEREOF, said Principal, Surety, Obligee and Additional Oblige have caused these presents to be duly signed and sealed this _____ day of _____.

MCSHANE CONSTRUCTION COMPANY, LLC
(Principal)

By: _____ (Seal)
Title: _____
Date: _____

LIBERTY MUTUAL INSURANCE COMPANY
(Surety)

By: _____ (Seal)
Title: Attorney-in-Fact, SUSAN LUPSKI
Date: _____

QUAD COMMUNITIES ARTS RECREATION AND HEALTH CENTER LLC
(Obligee)

By: _____ (Seal)
Title: _____
Date: _____

Exhibit A - Multiple Obligees

IFF Capital VIII LLC
1 N. LaSalle Street
Suite 700
Chicago, IL 60602

Chase NMTC QCARC Investment Fund, LLC, its successors and/or assigns
C/O JPMorgan Chase Bank, NA
700 N. Pearl Street, 13th Floor
Dallas, TX 75201-7424

CNMC Sub-CDE 64, LLC
C/O JPMorgan Chase Bank, NA
700 N. Pearl Street, 13th Floor
Dallas, TX 75201-7424

The Community Builders CDE, LLC
95 Berkeley Street, Suite 500
Boston, MA 02116

TCB SUB-CDE VII, LLC
95 Berkeley Street, Suite 500
Boston, MA 02116

Chicago Housing Authority
Attn: Risk Management
60 E. Van Buren, 11th Floor
Chicago, IL 60605

City of Chicago
Department of Planning and Development
City Hall, Room 1000
121 North LaSalle Street
Chicago, IL 60602

JPMorgan Chase Bank, N.A., any and all subsidiaries as their interest may appear (ATIMA), its
successors and assigns (ISAOA)
Attn: CRELA/TX1-2625
700 N. Pearl Street, 7th Floor
Dallas, TX 75201

The Community Builders, Inc.
doing business in Illinois under the assumed name of TCB Illinois NFP, Inc.,
95 Berkeley Street
Boston, MA 02116.

Signed, Sealed & Dated:

McShane Construction Company, LLC

By: _____

Liberty Mutual Insurance Company

By: _____

Quad Communities Arts Recreation and Health Center LLC

By: _____

EXHIBIT P

AFFIDAVIT OF ARCHITECT FOR LEED CERTIFICATION

STATE OF _____)
) SS: AFFIDAVIT
COUNTY OF _____)

The undersigned, _____ after being duly sworn, deposes and says on oath as follows to his or her knowledge:

1. I am a _____ of _____ ("**Architect**"), which is the architect engaged by The Community Builders, Inc., a Massachusetts not-for-profit corporation ("TCB") and Quad Communities Arts Recreation and Health Center LLC, an Illinois limited liability company ("**Quad LLC**" and together with TCB, collectively the "**Developer**") to provide services regarding the real property located at _____ Chicago, Illinois _____, and commonly known as the Quad Communities Arts and Recreation Center which is subject to that certain Ground Lease executed _____, _____ by and between the City of Chicago, as landlord, and Quad LLC, as tenant (the "**Project**").
2. Architect was engaged by Developer to provide certain architectural services regarding the Project. [NOTE: REFERENCE AGREEMENT WITH ARCHITECT]
3. Based on my knowledge of the Project, it is my opinion that, even though the Project will not be submitted for LEED Certification, if LEED Certification were pursued the Project would likely achieve the minimum points required for LEED Certification for New Construction and Major Renovations pursuant to the LEED Certification of New Construction and Major Renovations project checklist, a copy of which is attached hereto as Exhibit 1.

AFFIANT FURTHER SAYETH NAUGHT.

Sworn to and subscribed before me this ____ day of _____, 201____.

Unofficial Witness

[SEAL]

Notary Public

My Commission Expires: _____

[NOTARY SEAL]

Exhibit 1 - LEED Certification Checklist

ATTACHMENT E

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year are listed below.

<u>Parties to Agreement with City</u>	<u>Project Description</u>	<u>Address</u>
N/A	Construction of Mixed Use Property	3648-3650 S Prairie Ave
N/A	Construction of Mixed Use Property	3752 S Wabash Ave

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2015

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net position and governmental fund balance sheet	6
Statement of activities and governmental fund revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-10
SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	11

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Bronzeville Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Bronzeville Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2015, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bronzeville Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Baneley and Kiener, L.L.P.
Certified Public Accountants

June 20, 2016

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Bronzeville Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2015. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statement provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$3,780,249 for the year. This was an increase of 30 percent over the prior year. The change in net position (including other financing uses) produced an increase in net position of \$2,079,026. The Project's net position increased by 12 percent from the prior year making available \$18,957,218 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses decreased this year due to the Project's formulation of a redevelopment plan or necessary funding was not substantially complete or available.

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 19,135,265	\$ 16,995,064	\$ 2,140,201	13%
Total liabilities	<u>178,047</u>	<u>116,872</u>	<u>61,175</u>	52%
Total net position	<u>\$ 18,957,218</u>	<u>\$ 16,878,192</u>	<u>\$ 2,079,026</u>	12%
Total revenues	\$ 3,821,979	\$ 2,955,318	\$ 866,661	29%
Total expenses	<u>742,953</u>	<u>1,975,359</u>	<u>(1,232,406)</u>	-62%
Other financing uses	<u>1,000,000</u>	<u>2,500,000</u>	<u>(1,500,000)</u>	-60%
Changes in net position	<u>2,079,026</u>	<u>(1,520,041)</u>	<u>3,599,067</u>	237%
Ending net position	<u>\$ 18,957,218</u>	<u>\$ 16,878,192</u>	<u>\$ 2,079,026</u>	12%

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2015

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 15,816,089	\$ -	\$ 15,816,089
Property taxes receivable	3,282,127	-	3,282,127
Accrued interest receivable	37,049	-	37,049
Total assets	<u>\$ 19,135,265</u>	<u>\$ -</u>	<u>\$ 19,135,265</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 93,635	\$ -	\$ 93,635
Due to other City funds	81,136	-	81,136
Other accrued liability	3,276	-	3,276
Total liabilities	<u>178,047</u>	<u>-</u>	<u>178,047</u>
Deferred inflows	<u>2,983,941</u>	<u>(2,983,941)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>15,973,277</u>	<u>(15,973,277)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 19,135,265</u>		
Net position:			
Restricted for future redevelopment project costs		<u>18,957,218</u>	<u>18,957,218</u>
Total net position		<u>\$ 18,957,218</u>	<u>\$ 18,957,218</u>

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

Total fund balance - governmental fund	\$ 15,973,277
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>2,983,941</u>
Total net position - governmental activities	<u>\$ 18,957,218</u>

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

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 2,814,891	\$ 965,358	\$ 3,780,249
Interest	41,730	-	41,730
	<hr/>	<hr/>	<hr/>
Total revenues	2,856,621	965,358	3,821,979
Expenditures/expenses:			
Economic development projects	742,953	-	742,953
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	2,113,668	965,358	3,079,026
Other financing uses:			
Operating transfers out (Note 2)	(1,000,000)	-	(1,000,000)
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures and other financing uses	1,113,668	(1,113,668)	-
Change in net position	-	2,079,026	2,079,026
Fund balance/net position:			
Beginning of year	14,859,609	2,018,583	16,878,192
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 15,973,277</u>	<u>\$ 2,983,941</u>	<u>\$ 18,957,218</u>

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

Net change in fund balance - governmental fund	\$ 1,113,668
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> 965,358
Change in net position - governmental activities	<hr/> <u>\$ 2,079,026</u>

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

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In November 1998, the City of Chicago (City) established the Bronzeville Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

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

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

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

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

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

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

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

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(d) *Assets, Liabilities and Net Position*

Cash and Investments

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

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

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

Deferred Inflows

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

Capital Assets

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

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

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

Reimbursements

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

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Operating Transfers Out

During 2015, in accordance with State statutes, the Project transferred \$1,000,000 to the contiguous 35th/State Redevelopment Project to fund the redevelopment agreement with Park Boulevard IIB, LLC for their development located at 3633 South State Street.

Note 3 – Commitments

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

As of December 31, 2015, the Project has entered into contracts for approximately \$489,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 81,390
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	107,250
Costs of the construction of public works or improvements	512,457
Costs of job training and retraining projects	12,531
Costs of construction of new housing units for low income and very low income households	<u>29,325</u>
	<u>\$ 742,953</u>



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CHICAGO, ILLINOIS 60631 WWW.BK-CPA.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Bronzeville Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2015, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 20, 2016.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Bronzeville Redevelopment Project of the City of Chicago, Illinois.

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

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

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 20, 2016