
2010 Annual Report

47th/King Drive Redevelopment Project Area



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

JUNE 30, 2011



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**


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

Reporting Fiscal Year: **2010**
Fiscal Year End: 12/31/2010

TIF Administrator Contact Information

First Name: Andrew J.	Last Name: Mooney
Address: City Hall 121 N. LaSalle	Title: TIF Administrator
Telephone: (312) 744-0025	City: Chicago, IL Zip: 60602
E-Mail: TIFReports@cityofchicago.org	

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.]

 _____ 7.2011
Date

Written signature of TIF Administrator

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

FILL OUT ONE FOR EACH TIF DISTRICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
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
134th and Avenue K	3/12/2008	12/31/2032
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
40th/State	3/10/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
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
53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019

*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.]



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

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

Reporting Fiscal Year: **2010**
 Fiscal Year End: 12 / 31 /**2010**

63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
72nd and Cicero	11/17/1993	11/17/2016
73rd and Kedzie	11/17/1993	11/17/2016
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
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
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
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
Chatham-Ridge	12/18/1986	12/31/2010 (1)
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
Chinatown Basin	12/18/1986	12/31/2010
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

(1) This TIF has been terminated; however, the sales tax portion continues to exist for the sole purpose of servicing outstanding obligations which may be retired early at which point the sales tax portion will also terminate.



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

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

Reporting Fiscal Year: **2010**
 Fiscal Year End: 12 / 31 / **2010**

Devon/Western	11/3/1999	12/31/2023
Diversey/ Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Division/North Branch	3/15/1991	3/15/2014
Division-Hooker	7/10/1996	7/10/2019
Drexel Boulevard	7/10/2002	12/31/2026
Eastman/North Branch	10/7/1993	10/7/2016
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	11/29/2012
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	7/13/2017
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
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/Grand Trunk	12/15/1993	12/15/2016
Homan-Arthington	2/5/1998	2/5/2021
Howard-Paulina	10/14/1988	12/31/2012
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	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
Lakeside/Clarendon	7/21/2004	12/31/2028
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	11/2/2017
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



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

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

Reporting Fiscal Year: **2010**
Fiscal Year End: 12 / 31 /**2010**

Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
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	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	7/24/2014
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 Industrial Commercial	3/9/1989	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	6/10/2033
Touhy/Western	9/13/2006	12/31/2030
Weed/Fremont	1/8/2008	12/31/2032



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

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

Reporting Fiscal Year: **2010**
Fiscal Year End: 12 / 31 / **2010**

West Grand	6/10/1996	6/10/2019
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Ridge-Peterson Avenue	10/27/1986	12/31/2010
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.]

Name of Redevelopment Project Area: 47th/King Drive Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combination/Mixed
If "Combination/Mixed" List Component Types: Commercial/Industrial/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 2010, 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.

Reporting Year	Cumulative *
-----------------------	---------------------

Fund Balance at Beginning of Reporting Period \$ 27,731,588

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	7,830,248	\$ 38,027,490	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	29,297		0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers in from Municipal Sources (Porting in)			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period 7,859,545

Cumulative Total Revenues/Cash Receipts \$ 38,027,490 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 2,288,678

Transfers out to Municipal Sources (Porting out) 352,200

Distribution of Surplus

Total Expenditures/Disbursements 2,640,878

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS 5,218,667

FUND BALANCE, END OF REPORTING PERIOD \$ 32,950,255

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

* Except as set forth in the next sentence, each amount reported on the rows below, if any, is cumulative from the inception of the respective Project Area. Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either of the following: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the availability of records only from January 1, 1997 forward.

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

	Reporting Fiscal Year	
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)	152,629	
		\$ 152,629
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)	1,800,000	
		\$ 1,800,000
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)	6,334	
		\$ 6,334
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)	176,215	
		\$ 176,215
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

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	\$137,358
The Board of Trustees of Community College District No. 508	Development	\$1,800,000
Chicago Department of Transportation	Public Improvement	\$176,215
Employ America Staffing Services LLC	Job Training	\$153,500

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

FUND BALANCE, END OF REPORTING PERIOD \$ 32,950,255

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

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid		
Designated for future redevelopment project costs		\$ 26,950,255

Total Amount Designated for Project Costs \$ 26,950,255

TOTAL AMOUNT DESIGNATED \$ 26,950,255

SURPLUS*/(DEFICIT) \$ 6,000,000

*NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts.

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

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

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	3936-58 S. Calumet ¹
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

Property (2):	
Street address:	4247 S. Wabash ¹
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

Property (3):	
Street address:	4200 S. Michigan ¹
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

¹ This property was acquired through the Tax Reactivation Program ("TRP"), under which the City instructs the County of Cook to make a no cash bid on certain tax-delinquent parcels. The City then pursues the acquisition in a court proceeding and receives a tax deed from the County after a court order is issued. The City pays court costs and certain incidental expenses for each parcel, which average between \$2,000 and \$2,500. The size and description of each parcel is usually not available.

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

Please include a brief description of each project.

See "General Notes" Below.	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
----------------------------	-----------------	---	-------------------------------------

TOTAL:			
Private Investment Undertaken	\$ -	\$ -	\$ 3,000,000
Public Investment Undertaken	\$ 6,334	\$ 497,889	\$ 1,500,000
Ratio of Private/Public Investment	0		2

Project 1:			
Small Business Improvement Fund (SBIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 1,000,000
Public Investment Undertaken	\$ -	\$ 166,667	\$ 500,000
Ratio of Private/Public Investment	0		2

Project 2:			
Neighborhood Improvement Fund (NIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 2,000,000
Public Investment Undertaken	\$ 6,334	\$ 331,222	\$ 1,000,000
Ratio of Private/Public Investment	0		2

** 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 as each ultimate grantee's rehabilitation 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 revenues. 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.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Attachment B

CERTIFICATION

TO:

Judy Baar Topinka
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

Jean-Claude Brizard
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Dolores Javier, Treasurer
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

Herman Brewer
Director
Cook County Bureau of Planning & Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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

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

Michael P. Kelly, Interim General
Superintendent & CEO
Chicago Park District
541 North Fairbanks
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 47th/King Drive Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

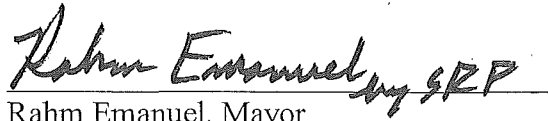
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2010, 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, 2011.

Handwritten signature of Rahm Emanuel in cursive script, with the initials "SRP" written at the end of the signature.

Rahm Emanuel, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2011

CITY OF CHICAGO

Attachment C

Judy Baar Topinka
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

Jean-Claude Brizard
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Dolores Javier, Treasurer
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

Herman Brewer
Director
Cook County Bureau of Planning & Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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

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

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

Re: 47th/King Drive
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.

Attachment C

Opinion of Counsel for 2010 Annual Report
Page 2

June 30, 2011

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 Housing and Economic 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

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

ATTACHMENTS D, E and F

ATTACHMENT D

Activities Statement

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

<u>Name of Project</u>
Neighborhood Improvement Fund
Small Business Improvement Fund

Redevelopment activities undertaken within this Project Area during the preceding fiscal year, if any, have been made pursuant to: (i) the Redevelopment Plan for the Project Area, and (ii) any Redevelopment Agreements affecting the Project Area, and are set forth in Section 3 herein by TIF-eligible expenditure category.

ATTACHMENT E

Agreements

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year, if any, are attached hereto.

<u>Parties to Agreement with City</u>	<u>Project Description</u>	<u>Address</u>
Chicago Housing Authority	Construction of Mixed Use Property	4238 S. Prairie Avenue

ATTACHMENT F

Additional Information

The amounts shown elsewhere in this report, including those shown in Section 3 herein, have been used to pay for project cost within the Project Area and for debt service (if applicable), all in furtherance of the objectives of the Redevelopment Plan for the Project Area.

2/10/2010

REPORTS OF COMMITTEES

83847

CHICAGO, February 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration the reappointments of Joseph M. Hall and Janice L. Metzger as members of the Wicker Park and Bucktown Commission (Special Service Area Number 33), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed reappointments transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and the said proposed reappointments of Joseph M. Hall and Janice L. Metzger as members of the Wicker Park and Bucktown Commission (Special Service Area Number 33) were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Fioretti, Dowell, Preckwinkle, Hairston, Lyle, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Foulkes, Thompson, Thomas, Lane, Rugai, Cochran, Brookins, Muñoz, Zalewski, Dixon, Solis, Maldonado, Burnett, E. Smith, Reboyras, Suarez, Waguespack, Mell, Colón, Rice, Mitts, Allen, Laurino, O'Connor, Doherty, Reilly, Daley, Tunney, Shiller, Schulter, M. Smith, Moore, Stone -- 46.

Nays -- None.

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

CREATION OF 79TH STREET CORRIDOR, 47TH/KING DRIVE AND ARMITAGE/PULASKI SMALL BUSINESS IMPROVEMENT FUND AREAS AND EXECUTION OF TWENTY-FIFTH AMENDING AGREEMENT TO ADMINISTRATIVE SERVICES AGREEMENT WITH SOMERCOR 504, INC.

[O2010-165]

The Committee on Finance submitted the following report:

CHICAGO, February 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing an amendment to the small business improvement fund program, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Fioretti, Dowell, Preckwinkle, Hairston, Lyle, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Foulkes, Thompson, Thomas, Lane, Rugai, Cochran, Brookins, Muñoz, Zalewski, Dixon, Solis, Maldonado, Burnett, E. Smith, Reboyras, Suarez, Waguespack, Mell, Colón, Rice, Mitts, Allen, Laurino, O'Connor, Doherty, Reilly, Daley, Tunney, Shiller, Schulter, M. Smith, Moore, Stone -- 46.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, 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; and

WHEREAS, By an ordinance adopted by the City Council of the City ("City Council") on July 21, 1999, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* ("*Journal*") for said date at pages 8307 to 8344, inclusive (the "Program

Ordinance”), the City implemented a redevelopment program known as the Small Business Improvement Fund program (the “Program”) to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas of the City; and

WHEREAS, By ordinances adopted by the City Council, the first on November 8, 2000, and published in the *Journal* for said date at pages 43877 to 43930, inclusive (the “First Amending Ordinance”) and the most recently introduced on December 16, 2009 (the “Twenty-Fourth Amending Ordinance”, collectively with the Program Ordinance, the First Amending Ordinance and the other amending ordinances, the “S.B.I.F. Ordinance”), the City has restated and refined the Program and extended its reach to additional redevelopment project areas of the City; and

WHEREAS, The City Council now desires to extend the Program to three Redevelopment Project Areas of the City (New T.I.F./S.B.I.F. Areas”), which are identified on Exhibit A attached hereto and incorporated herein, and that are not already reached under the S.B.I.F. Ordinance; and

WHEREAS, By an ordinance adopted by the City Council of the City on May 1, 2002 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83769 to 83781, inclusive (“Second Amending Ordinance”), the City Council authorized D.C.D. to fund the Program in the Western Avenue North Redevelopment Project Area (“Western Avenue North Area”) in an amount not to exceed One Million Dollars (\$1,000,000); and

WHEREAS, As part of the Program, the One Million Dollar (\$1,000,000) funding authorized by the Second Amending Ordinance was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Western Avenue North Area; and

WHEREAS, By an ordinance adopted by the City Council of the City on December 4, 2002 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 100124 to 100135, inclusive (“Third Amending Ordinance”), the City Council authorized D.C.D. to fund the Program in the Madison/Austin Corridor Redevelopment Project Area (“Madison/Austin Corridor Area”) in an amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000); and

WHEREAS, As part of the Program, the Seven Hundred Fifty Thousand Dollar (\$750,000) funding authorized by the Third Amending Ordinance was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Madison/Austin Corridor Area; and

WHEREAS, The City Council, under the S.B.I.F. Ordinance, authorized D.C.D. to enter into an agreement with SomerCor 504, Inc., an Illinois not-for-profit corporation (“SomerCor”), and D.C.D. entered into such agreement on March 12, 2001, which agreement continues in full force and effect, as amended from time to time, pursuant to which SomerCor performs

certain administrative services for the Program, and D.C.D. now desires to further amend that agreement by entering into a twenty-fifth amending agreement (the "Twenty-Fifth Amending Agreement") with SomerCor to (a) extend the Program into the New T.I.F./S.B.I.F. Areas; (b) increase the amount of grant funds available in the Madison/Austin Corridor Area by an additional Seven Hundred Fifty Thousand Dollars (\$750,000) to a total, collective amount of One Million Five Hundred Thousand Dollars (\$1,500,000); (c) increase the amount of grant funds available in the Western Avenue North Area by an additional One Million Dollars (\$1,000,000) to a total, collective amount of Two Million Dollars (\$2,000,000); and (d) authorize SomerCor to continue providing the same administrative services for the Program, which Twenty-Fifth Amending Agreement is set forth in more detail on Exhibit B, attached hereto and incorporated herein; and

WHEREAS, The City's obligation to provide funds under the Twenty-Fifth Amending Agreement may be met through (i) incremental taxes from the New T.I.F./S.B.I.F. Areas, the Madison/Austin Corridor Area and the Western Avenue North Area, as applicable; or (ii) any other funds legally available to the City for this purpose; now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. SomerCor is hereby authorized to administer the Program in the New T.I.F./S.B.I.F. Area, subject to the supervision of D.C.D.

SECTION 3. The Commissioner (or Acting Commissioner) of D.C.D. or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to legal form, to negotiate, execute and deliver the Twenty-Fifth Amending Agreement between SomerCor and the City substantially in the form attached hereto as Exhibit B and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Twenty-Fifth Amending Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Twenty-Fifth Amending Agreement.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. All sections of the S.B.I.F. Ordinance in conflict with this ordinance are hereby repealed to the extent of such conflict. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage.

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

Exhibit "A".
(To Ordinance)

Description Of New T.I.F./S.B.I.F. Areas.

The following New T.I.F./S.B.I.F. Areas were created pursuant to the ordinances listed below:

on July 8, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 79th Street Corridor Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 79th Street Corridor 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 79th Street Corridor Redevelopment Project Area"; and

on March 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/King Drive Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/King Drive 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 47th/King Drive Redevelopment Project Area"; and

on June 13, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Armitage/Pulaski Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Armitage/Pulaski 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 Armitage/Pulaski Redevelopment Project Area."

Exhibit "B".
(To Ordinance)

*Twenty-Fifth Amending Agreement To
Administrative Services Agreement.*

This Twenty-Fifth Amending Agreement to Administrative Services Agreement (the "Agreement") is made this ___ day of _____, 2010, by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Community Development ("D.C.D."), and SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor") whose office address is Two East Eighth Street, Chicago, Illinois 60605 and whose federal tax identification number is [omitted for printing purposes].

Whereas, 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; and

Whereas, By ordinances adopted by the City Council of the City on July 21, 1999 and on November 8, 2000, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said dates at pages 8307 to 8344, inclusive, and pages 43877 -- 43930, inclusive, respectively (the "S.B.I.F. Ordinances"), the City implemented and amended a redevelopment program known as the Small Business Improvement Fund program (the "S.B.I.F. Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas ("T.I.F. Areas") in the City; and

Whereas, The City Council, under the S.B.I.F. Ordinances, authorized D.C.D. to enter into agreements with SomerCor, and D.C.D. and SomerCor entered into one agreement on September 22, 1999 ("First SomerCor Agreement") and another agreement on March 12, 2001 ("Second SomerCor Agreement"), to administer the S.B.I.F. Programs on behalf of the City; and

Whereas, In an ordinance adopted by the City Council on October 31, 2001 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 69965 through 70047, inclusive (the "Midwest T.I.F. Area Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Midwest T.I.F. Area (the "Midwest T.I.F. Area Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on May 1, 2002, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83769 to 83781, inclusive ("Second Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Portage Park, Western Avenue North, Western Avenue South, Fullerton/Milwaukee and Belmont/Central T.I.F. Areas (the "Second Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on December 4, 2002 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 100124 to 100135, inclusive ("Third Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Madison/Austin Corridor and Humboldt Park Commercial T.I.F. Areas (the "Third Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 5, 2003 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 102793 to 102803, inclusive ("Fourth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement

with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Northwest Industrial Corridor Redevelopment Project Area (the "Fourth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on July 9, 2003 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 3418 to 3424, inclusive ("Fifth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the S.B.I.F. Program rules (the "Fifth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on November 3, 2004 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 34545 to 34554, inclusive ("Sixth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Lawrence/Kedzie Redevelopment Project Area of the City (the "Sixth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 14, 2005 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 54724 to 54740, inclusive ("Seventh Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 63rd/Pulaski, Belmont/Cicero, Lawrence/Pulaski, Peterson/Pulaski, West Irving Park, Greater Southwest-West, Galewood/Armitage Industrial, Pilsen Industrial Corridor, 119th and Halsted, and Pulaski Corridor Redevelopment Project Areas of the City and increased the amount of grant funds available in the Fullerton/Milwaukee Redevelopment Project Area and the Lawrence/Kedzie Redevelopment Project Area (the "Seventh Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 13, 2006 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83420 to 83440, inclusive ("Eighth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to twenty-one (21) redevelopment project areas of the City (the "Eighth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 7, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 97661 to 97672, inclusive ("Ninth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 63rd/Ashland and Devon/Western Redevelopment Project Areas of the City (the "Ninth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 13, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 2395 to 2402, inclusive ("Tenth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the S.B.I.F. Program rules (the "Tenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on October 31, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 10929 to 10942, inclusive ("Eleventh Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to certain redevelopment project areas of the City (the "Eleventh Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 11, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 28833 to 28843, inclusive ("Twelfth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Michigan/Cermak Redevelopment Project Area of the City (the "Twelfth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 10, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 36267 to 36277, inclusive ("Thirteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Irving/Cicero Redevelopment Project Area of the City (the "Thirteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 10, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* or said date at pages 36704 to 36711, inclusive ("Fourteenth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the S.B.I.F. Program rules (the "Fourteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 11, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 54738 to 54748, inclusive ("Fifteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Hollywood/Sheridan Redevelopment Project Area of the City (the "Fifteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on March 18, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 55750 to 55762, inclusive ("Sixteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Elston/Armstrong Industrial Corridor Redevelopment Project Area and 47th/Ashland Redevelopment Project Area of the City (the "Sixteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on April 22, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 57265 to 57276, inclusive ("Seventeenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Lawrence/Broadway Redevelopment Project Area and Touhy/Western Redevelopment Project Area of the City (the "Seventeenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on May 13, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 60322 to 60333, inclusive ("Eighteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Austin Commercial Redevelopment Project Area of the City (the "Eighteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 3, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 63080 to 63090, inclusive ("Nineteenth Amending Ordinance"), D.C.D. increased the amount of grant funds available in the Clark Street and Ridge Avenue Redevelopment Project Area by an additional One Million Dollars (\$1,000,000) to a total collective amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) (the "Nineteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 30, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 64859 to 64871, inclusive ("Twentieth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Midway Industrial Corridor Redevelopment Project Area and increased the amount of grant funds available in the Peterson/Pulaski Redevelopment Project Area by an additional One Million Dollars (\$1,000,000) to a total collective amount of One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Twentieth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 9, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 69297 to 69308, inclusive ("Twenty-First Amending Ordinance"), D.C.D. increased the amount of grant funds available in the 35th/Halsted Redevelopment Project Area by an additional Five Hundred Thousand Dollars (\$500,000) to a total collective amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "Twenty-First Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on November 18, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 74011 to 74023, inclusive ("Twenty-Second Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 95th Street and Stony Island Avenue, Avalon Park/South Shore, Harlem Industrial Park Conservation, and Western Avenue/Rock Island Redevelopment Project Areas of the City (the "Twenty-Second Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on December 16, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages _____ to _____, inclusive ("Twenty-Third Amending Ordinance"), D.C.D. restated the S.B.I.F. Program Rules, extended the S.B.I.F. Program to the Avondale and Woodlawn Redevelopment Project Areas, and increased the amount of grant funds available

in the Northwest Industrial Corridor Redevelopment Project Area by an additional One Million Dollars (\$1,000,000) to a total collective amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the "Twenty-Third Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on _____, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages _____ to _____, inclusive ("Twenty-Fourth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Addison South Redevelopment Project Area (the "Twenty-Fourth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on _____, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages _____ to _____, inclusive ("Twenty-Fifth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 47th/King Drive, 79th Street Corridor and Armitage/Pulaski Redevelopment Project Areas of the City (the "New T.I.F./S.B.I.F. Areas"), as identified on (sub)Exhibit 1 attached hereto and incorporated herein, and increased the amount of grant funds available in the Madison/Austin Corridor and Western Avenue North Redevelopment Project Areas; and

Whereas, The Twenty-Fifth Amending Ordinance authorized D.C.D. to enter into an agreement with SomerCor to provide S.B.I.F. Program administrative services in the New T.I.F./S.B.I.F. Area, and D.C.D. and SomerCor now desire to enter into such an agreement, which will amend the Second SomerCor Agreement; and

Now, Therefore, In consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

Article I.

Incorporation Of Recitals.

The recitals set forth above are incorporated by reference as if fully set forth herein.

Article II.

Reaffirmation Of Representations, Warranties And Covenants.

SomerCor reaffirms each and every representation, warranty and covenant made in Article III of the Second SomerCor Agreement. SomerCor reaffirms that it has insurance in force that conforms to the requirements of Section 4.8 of the Second SomerCor Agreement.

Article III.

Amendments To Second SomerCor Agreement.

The Second SomerCor Agreement, as amended, is further amended, as follows. Note that the letters previously used to label each subsection of (a) have been replaced with numbers.

(a) add the following text at the end of (Sub)Exhibit 2 thereof:

; and

72) on July 8, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 79th Street Corridor Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 79th Street Corridor 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 79th Street Corridor Redevelopment Project Area";

73) on March 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/King Drive Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/King Drive 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 47th/King Drive Redevelopment Project Area"; and

74) on June 13, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Armitage/Pulaski Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Armitage/Pulaski 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 Armitage/Pulaski Redevelopment Project Area".

(b) add the following text at the end of (Sub)Exhibit 5 thereof:

79 th Street Corridor	\$ 500,000
47 th /King Drive	\$ 500,000
Armitage/Pulaski	\$1,000,000

(c) amend the text in (Sub)Exhibit 5 thereof increasing the maximum funds available for the Western Avenue North Redevelopment Project Area from One Million Dollars (\$1,000,000) to Two Million Dollars (\$2,000,000); and

(d) amend the text in (Sub)Exhibit 5 thereof increasing the maximum funds available for the Madison/Austin Corridor Redevelopment Project Area from Seven Hundred Fifty Thousand Dollars (\$750,000) to One Million Five Hundred Thousand Dollars (\$1,500,000); and

(e) substitute the following for each occurrence of "Sixty-eight Million Two Hundred Sixty Thousand Dollars (\$68,260,000)" in Section 4.2 thereof:

Seventy-two Million Ten Thousand Dollars (\$72,010,000).

Article IV.

Obligation To Provide Documents.

SomerCor shall execute and deliver to D.C.D. such documents as may be required by the Corporation Counsel of the City to evidence SomerCor's participation in the Program, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form of (Sub)Exhibit 2 attached hereto and incorporated herein.

In Witness Whereof, The City and SomerCor have executed this Agreement as of the date first set forth above.

City of Chicago

By: _____
(Acting) Commissioner, Department
of Community Development

SomerCor 504, Inc.

By: _____

Its: _____

[(Sub)Exhibit 1 referred to in this Twenty-Fifth Amending Agreement with SomerCor 504, Inc. constitutes Exhibit "A" to ordinance and printed on page 83851 of this *Journal*.]

(Sub)Exhibit 2 referred to in this Twenty-Fifth Amending Agreement with SomerCor 504, Inc. reads as follows:

(Sub)Exhibit 2.
(To Twenty-Fifth Amending Agreement With SomerCor 504, Inc.)

Form Of Counsel's Opinion.

_____, 2010

City of Chicago
Department of Community Development
121 North LaSalle Street
Chicago, Illinois 60602

Re: Amending Agreement to Administrative Services Agreement (the "Agreement")

Ladies and Gentlemen:

I have acted as counsel for SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), in connection with the execution and delivery of the Agreement by and between SomerCor and the City of Chicago, acting by and through its Department of Community Development (the "City"). SomerCor has requested that this opinion be furnished to the City.

In so acting as counsel for SomerCor, I have examined:

- (i) an executed original of the Agreement;
- (ii) the Articles of Incorporation, including all amendments thereto, of SomerCor as furnished and certified by the Secretary of State of the State of Illinois;
- (iii) the Bylaws of SomerCor, as certified by the Secretary of SomerCor as of the date hereof; and
- (iv) the Certificate of Good Standing dated _____, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of SomerCor.

In my capacity as counsel, I have also examined such other documents or instruments as I have deemed relevant for the purposes of rendering the opinions hereinafter set forth.

I have also assumed, but have no reason to question, the legal capacity, authority and the genuineness of the signatures of and due and proper execution and delivery by the respective parties other than SomerCor which has made, executed or delivered or will make, execute and deliver the agreements and documents examined by me.

I express no opinion as to (i) the laws of any state or jurisdiction other than the State of Illinois (and any political subdivisions thereof) and the United States of America; and (ii) any matters pertaining or relating to the securities laws of the United States of America, the State of Illinois or any other state.

Based upon and subject to the assumptions and qualifications herein stated, it is my opinion that:

1. SomerCor is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois. SomerCor has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to carry on its business and to execute and deliver, and to consummate the transactions contemplated by, the Agreement.
2. The Agreement has been duly executed and delivered on behalf of SomerCor, and constitutes a legal, valid and binding obligation of SomerCor, enforceable against SomerCor in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
3. There is no action, suit or proceeding at law or in equity pending, nor to my knowledge threatened, against or affecting SomerCor, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of SomerCor to perform under the Agreement or any of its business or properties or financial or other conditions.
4. The transactions contemplated by the Agreement are governed by the laws of the State of Illinois.
5. The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby will not constitute:
 - A. a violation or breach of (i) the Articles of Incorporation of SomerCor, (ii) the Bylaws of SomerCor, (iii) any provision of any contract or other instrument to which SomerCor is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on SomerCor, or
 - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of SomerCor pursuant to any agreement or other instrument to which SomerCor is a party or by which SomerCor is bound.

6. No action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the Agreement.

This opinion is furnished for your benefit and may be relied upon by you and any such other party in connection with the Agreement, but may not be delivered to or relied upon by any other person or entity without written consent from the undersigned.

Very truly yours,

DECLARATION OF INTENT TO ISSUE CITY OF CHICAGO MULTI-FAMILY HOUSING REVENUE BONDS FOR OAKWOOD SHORES SENIOR APARTMENTS LIMITED PARTNERSHIP.

[O2010-166]

The Committee on Finance submitted the following report:

CHICAGO, February 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing to evidence the city's intent to issue City of Chicago Multi-Family Housing Revenue Bonds (Oakwood Shores Senior Project) amount of bonds not to exceed: \$13,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

TIF NEIGHBORHOOD IMPROVEMENT PROGRAM AGREEMENT

This TIF Neighborhood Improvement Program Agreement (the "Agreement") is made on May 6, 2010 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Community Development ("DCD"), and Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS").

WHEREAS, 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; and

WHEREAS, to induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on March 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/King Drive Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/King Drive 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 47th/King Drive Redevelopment Project Area" (the "47th/King Drive Financing Ordinance"). The redevelopment project area referred to above is referred to herein as the "47th/King Drive TIF Area" and the Redevelopment Plan referred to above is referred to herein as the "47th/King Drive Plan"; and

WHEREAS, by an ordinance adopted by the City Council of the City on April 14, 2010, the City has approved the execution and delivery of this Agreement to implement a portion of the program known as the TIF Neighborhood Improvement Program (the "Program"); and

WHEREAS, DCD desires to implement a portion of the Program by using the services of NHS, and NHS desires to administer a portion of the Program in accordance with the provisions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I - Incorporation and Recitals

The recitals set forth above are incorporated by reference as if fully set forth herein.

ARTICLE II - Definitions

"Application" means an application from a potential Eligible Homeowner for a Grant hereunder, in a form prepared by NHS and approved by DCD.

"Corporation Counsel" means the Corporation Counsel of the City.

"Eligible Costs" means the following rehabilitation costs which are incurred by eligible Homeowners pursuant to the Grant Documents and funded with Grant funds: exterior improvements including but not limited to roofs, windows, entryways, porches and masonry; up to 30% of the total

Grant amount may be used for one of the two following purposes, at the option of the Selected Applicant:

(a) interior life/safety improvements, but only to the extent that such improvements are designed to address a current (rather than potential) health and safety risk; and related architect's fees; or

(b) the cost of an energy audit that recommends measures to improve the energy efficiency of a building may be included as a rehabilitation cost to the extent that:

(i) the building renovations undertaken pursuant to such recommendation promote energy efficiency and resource conservation (e.g., the installation of low-flow plumbing fixtures or energy-efficient HVAC systems, the use of building materials made with a high degree of recycled content or renewable or non-toxic substances); and

(ii) the cost of the energy audit does not exceed 10% of the project budget.

"Eligible Homeowner" means, collectively, all the persons who occupy a housing unit used as their primary residence, which may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements, qualifying as a Qualified Family at the time the Eligible Homeowner submits an application to NHS, but shall not include any individual who is an employee of the City, or any individual who is an employee, agent, consultant, officer, elected official, or appointed official, of NHS (or any person who was an employee, agent, consultant, officer or elected or appointed official within one year prior to the date any Grant is made) if, in either case, the individual exercises or has exercised any functions or responsibilities with respect to activities assisted with Program Funds or who is or was in a position to participate in a decision-making process or gain inside information with regard to such activities, or has or will have any interest in any contract, subcontract or agreement with respect to the housing unit, either for himself or for those with whom he has family or business ties.

"Event of Default" means any event of default as set forth in Section 5.1 hereof.

"Grant" means any grant of funds made by NHS to an Eligible Homeowner from Program Funds.

"Grant Documents" means the agreements entered into between NHS and an Eligible Homeowner in connection with a Grant, which documents shall be in substantially the form approved by Corporation Counsel.

"HUD" means the United States Department of Housing and Urban Development.

"Lottery" shall have the meaning set forth in Section 4.3(b) hereof.

"Maximum Program Assistance" means (a) for a Qualified Housing Unit comprised of a single family home, \$12,500, (b) for a Qualified Housing Unit comprised of two living units, \$17,500, (c) for a Qualified Housing Unit comprised of three living units, \$20,000, and (d) for a Qualified Housing Unit comprised of four living units, \$22,500.

"Median Income" means the median income of the Chicago area, adjusted for family size, as

determined by HUD from time to time.

"NHS" means Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, and its successors and assigns.

"Program Funds" means those funds which will be used by the City to implement the Program in accordance with this Agreement.

"Qualified Family" means a family whose annual household income does not exceed 140 percent of the Median Income.

"Qualified Housing Unit" means a one- to four-unit residence located within the 47th/King Drive TIF Area which shall be used for residential purposes. In the case of a two- to four-unit residence, one unit shall be occupied by the Eligible Homeowner at the time the Application is made and the Grant Documents are executed.

"State" means the State of Illinois.

ARTICLE III - REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties. In connection with the executions and delivery of this Agreement, NHS represents and warrants to the City that:

(a) NHS is incorporated in the State as a not-for-profit corporation; and is in good standing in the State;

(b) NHS is financially solvent and able to pay its debts as they mature;

(c) NHS, its employees, agents and officials are competent and qualified to perform the services required under this Agreement;

(d) NHS has the right, power and authority to execute, deliver and perform, or cause to be performed, this Agreement under the terms and conditions stated herein; NHS has obtained and received all necessary approvals from its Board of Directors and any other required approvals which are necessary for NHS to execute and deliver this Agreement and to perform its duties hereunder;

(e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City is employed by NHS or has a financial or economic interest directly in this Agreement or the compensation to be paid hereunder except as may be permitted by the Board of Ethics established pursuant to the Municipal Code of Chicago;

(f) NHS is not in default on any contract or loan awarded to NHS by the City at the time of the execution of this Agreement, and NHS has not been, within five years preceding the date hereof, in default on any contract or loan awarded to NHS by the City;

(g) NHS has carefully examined and analyzed the provisions and requirements of this Agreement and, from this analysis, NHS has satisfied itself as to the nature of all things needed for the performance of this Agreement; and the time available to NHS for such examination, analysis, inspection and investigation has been adequate;

(h) this Agreement is feasible of performance by NHS as appropriate, in accordance with all of its provisions and requirements;

(i) except only for those representations, statements or promises expressly contained in this Agreement and any exhibits attached hereto and incorporated by reference herein, no representation, statement or promise, oral or in writing, or of any kind whatsoever, by the City, its officials, agents or employees, has induced NHS to enter into this Agreement or has been relied upon by NHS including any with reference to: (A) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (B) the general conditions which may in any way affect this Agreement or its performance; (C) the compensation provisions of this Agreement; or (D) any other matters, whether similar to or different from those referred to in (A) through (C) immediately above, affecting or having any connection with this Agreement, the negotiation hereof, any discussions hereof, the performance hereof or those employed herein or connected or concerned herewith;

(j) NHS was given ample opportunity and time and was requested by the City to review thoroughly this Agreement prior to execution of this Agreement in order that NHS might request inclusion in this Agreement of any statement, representation, promise or provision which is desired or on which NHS wished to place reliance, that it did so review said documents, and either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, NHS expressly hereby relinquishes the benefit of any such omitted statement, representation, promise or provision and NHS is willing to perform this Agreement in its entirety without claiming reliance thereon or making any other claim on account of such omission;

(k) there are no actions or proceedings by or before any court or governmental commission, board, bureau or other administrative agency pending or, to the knowledge of NHS, threatened, against or affecting NHS which if adversely determined could materially and adversely affect the ability of NHS to perform hereunder or which might result in any material, adverse change to the financial condition of NHS or may materially affect the property or assets of NHS; and

(l) this Agreement has been executed and delivered by authorized officers of NHS and constitutes a legal, valid and binding obligation of NHS, enforceable in accordance with its terms.

3.2 Covenants. In connection with the execution and delivery of this Agreement, NHS covenants to the City that:

(a) except for its own employees, NHS will not use any individual, organization, partnership or corporation to carry out any of the duties or obligations of NHS hereunder, unless (1) NHS first obtains a certification of such individual, organization, partnership or corporation substantially the same as the representations, warranties and covenants contained in this Article III and in Article IV hereof, (2) such certifications shall be addressed and delivered to the City and (3) the City approves, in writing, the use of such individual, organization, partnership or corporation;

(b) all warranties and representations of NHS contained in this Agreement will be true, accurate and complete at the time of each Grant made pursuant to this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto for the length of this Agreement;

(c) NHS shall be subject to, obey and adhere to any and all federal, State and local laws, statutes, ordinances, rules, regulations and executive orders as are now or may be in effect during

the term of this Agreement which may be applicable to NHS;

(d) NHS shall remain solvent and able to pay its debts as they mature;

(e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City shall have any personal interest, direct or indirect, in the business of NHS or shall participate in any decision relating to the business of NHS which affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly interested;

(f) no former member of the governing body of the City and no former other elected official, appointed official, officer, agent, consultant or employee of the City shall, for a period of one year after the termination of such person's term of office or employment, assist or represent NHS in any business transaction involving the City or any of its agencies, if the person participated personally and substantially in the subject matter of the transaction during his/her term of office or employment, provided that if the person exercised contract management authority with respect to this Agreement (including any Grant), this prohibition shall be permanent as to this Agreement;

(g) NHS shall immediately notify the City of any and all events or actions which may materially adversely affect the ability of NHS to carry on its operations or perform any or all of its obligations under this Agreement at any time while this Agreement is in effect;

(h) NHS shall not enter into any other agreement or transaction which would conflict with the performance of the duties of NHS hereunder or under any of the Grant Documents;

(i) during the term of this Agreement, NHS shall continue as an Illinois not-for-profit corporation in good standing under the laws of the State; and

(j) NHS shall enforce all provisions of the Grant Documents in accordance with the terms thereof and shall provide to the City all notices required hereunder or thereunder.

ARTICLE IV-- Duties and Obligations

4.1 NHS shall execute and deliver to DCD such documents as may be required by the Corporation Counsel to evidence NHS's participation in the Program, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form of Exhibit A attached hereto and incorporated herein.

4.2 (a) NHS agrees that the total amount of funds available for the Program hereunder shall be up to \$1,000,000 and that there have been no representations, assurances or agreements that any other assistance shall be forthcoming from the City. NHS shall provide written notice to the City when the aggregate amount of Program Funds committed or paid hereunder, including Grants and administrative costs paid to or for the account of NHS pursuant to Section 6.5, equals \$900,000 and thereafter when the amount of Program Funds committed or paid hereunder, including Grants and administrative costs paid to or for the account of NHS pursuant to Section 6.5, reaches \$1,000,000. Program Funds are deemed committed for purposes of this Section when NHS has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an Application pursuant to Section 4.3(e) to an Eligible Homeowner. No Grants shall be made or committed to be made by NHS hereunder when such commitment would result in the aggregate

amount of Grants, together with all administrative costs related to such Grants paid to NHS pursuant to Section 6.5, exceeding \$1,000,000 (or such other amount as the City may determine from time to time). No Grants shall be made or committed to be made by NHS hereunder when such commitment occurs after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.

(b) As of the date of this Agreement, the total amount of funds available hereunder for use in the 47th/King Drive TIF Area is \$1,000,000. This amount may be changed from time to time upon written notice by DCD to NHS, provided that the aggregate amount shall not exceed \$1,000,000 (or such other amount as the City may determine from time to time).

4.3 (a) NHS shall accept and process Applications in the following manner (or as otherwise agreed to by DCD and NHS):

(i) NHS shall make Application forms available for a period of four to six weeks;

(ii) NHS shall make applications available at certain locations within the 47th/King Drive TIF Area such as community centers or libraries (as agreed to by DCD);

(iii) Applications shall also be available by calling NHS;

(iv) The Application will be approximately three (3) pages in length, from which NHS will be able to determine eligibility hereunder. NHS will require homeowners to provide more information if they are selected for a matching loan hereunder;

(v) All Applications shall be returned directly to NHS; the City will not accept Applications; and

(vi) All Applications must be received by a defined deadline of two weeks after the expiration of the period in (i) above.

(b) NHS shall review all Applications for eligibility, completeness and compliance with the Agreement. NHS shall verify the initial eligibility of each applicant within five days after its receipt in the manner described in subsection (c) below. Only those Applications which meet such criteria will be part of the Lottery. Applications so approved are to be numbered as they are received until the expiration of the period in (a)(vi) above. All such applicants shall be notified of the Lottery date and location by mail at least one week prior to holding the Lottery. The Lottery shall be conducted in a public place. At the lottery meeting, random numbers will be generated by computer (or such other method as determined by DCD and NHS) and the numbers will determine which Applications will be selected ("Selected Applicants") for further processing. The process by which the Selected Applicants are identified is referred to herein as the "Lottery." The amount of each Grant request from each Selected Applicant, including the applicable fee to be paid to NHS hereunder, will be deemed to be for the Maximum Program Assistance. When the aggregate amount entered in the log reaches \$1,000,000, or such other amount as DCD shall in writing specify to NHS, then NHS shall stop selecting Applications.

To accommodate the possibility that additional Selected Applicants will need to be chosen from eligible Applications because some earlier Applications are not in compliance with this Agreement, or because Program Funds are still available to make Grants, NHS may establish a waiting list of up to 25 applicants, to be chosen by the same lottery process described above. If

additional Applications are needed thereafter, then NHS will designate a time and place as set forth above to receive additional Applications.

(c) Prior to the date of the Lottery, for each potential Eligible Homeowner, NHS shall obtain income and title information regarding the Eligible Homeowner and the Qualified Housing Unit, respectively, and shall verify information presented in the Application. NHS shall assure that an Eligible Homeowner qualifies as a Qualified Family at the time an Application is received by NHS. In determining whether a Eligible Homeowner qualifies as a Qualified Family, NHS calculate income in a manner determined by NHS and approved by DCD.

(d) NHS shall forward the name, address and Social Security number of every Selected Applicant to the City's Department of Revenue for a scofflaw check. NHS shall perform an initial site visit to verify that the property will qualify. NHS shall approve a scope of work. No building will qualify as a Qualified Housing Unit hereunder if the combination of the Grant funds, funds from the Eligible Homeowner and matching loan funds described in Section 4.4(b) hereof do not cover the cost of correcting the health and safety issues which have been identified by NHS inspectors. For any Qualified Housing Unit, no more than 30% of the Eligible Costs paid for from Program Funds can relate to interior life/safety improvements.

(e) For applicants who do not meet the requirements of this Agreement, as determined by NHS after its initial review described in subsection (c) above, NHS shall provide notice to such applicants that their Application has been rejected within two weeks after the expiration of the period described in subsection (a)(vi) above. For all applicants whose Application is in compliance with the requirements of this Agreement (based on NHS's initial review described in subsection (c) above), NHS will notify each such applicant, within two weeks of the date of the Lottery, as follows: those who are not Selected Applicants will be notified that their name has been placed on a waiting list; and Selected Applicants will be asked for further information to process their Application. The notice to Selected Applicants will also inform the applicant that, if requested materials are not supplied within 45 days in a form satisfactory to NHS, the applicants will forfeit their status as a Selected Applicant and will be placed at the bottom of the waiting list. If the scofflaw check described in subsection (d) above reveals that any amounts are owed to the City, then the materials requested by NHS shall include evidence that all such amounts have been paid or that the applicant has entered into a payment plan with the City. Thereafter, NHS shall, within 90 days of the date of the Lottery, complete its review of all information required hereunder and notify each such Selected Applicant whether they are eligible for a Grant, the amount of the Grant, and whether other funds need to be obtained by the Applicant pursuant to Section 4.4(b). No Selected Applicant shall be eligible for a Grant hereunder until NHS has received the results of the scofflaw check described in (d) above and has received evidence either that all amounts owed to the City have been paid, or that the applicant has entered into a payment plan with the City. NHS shall provide the City with a copy of each such notice described above. All notices of rejection shall include the reasons for such rejection.

4.4 NHS shall provide the following services:

(a) Technical/Rehabilitation Services. For all Selected Applicants, NHS shall make an initial site visit to the Qualified Housing Unit, and assist the Selected Applicant in the preparation of detailed plans and specifications for the renovation work. NHS shall monitor the process by which the Selected Applicant selects a contractor (or contractors) to do the renovation work to ensure that any contractor has been selected through a competitive bid process. NHS must approve the contractor selected, which must be licensed and properly insured; in its approval, NHS shall consider the financial strength of the contractor. NHS shall review the contract(s) between the

Selected Applicant and the contractor(s) for the renovation work. NHS shall make available to each Selected Applicant (i) a current list of contractors and subcontractors which are certified by the City as Minority Business Enterprises or Women Business Enterprises, and (ii) a current list of contractors and subcontractors which have current insurance certificates and proof of City home repair and/or business licenses on file with NHS. While the requirements of Section 2-92-330 of the Municipal Code of the City of Chicago (City Resident Employment Requirement) will not apply to the renovation work done pursuant to the Program, NHS shall use its best efforts to recruit and encourage the use of qualified contractors based in Chicago (particularly in the 47th/King Drive TIF Area) for the renovation work being funded pursuant to this Agreement.

(b) Requirements for Grants for Qualified Housing Units. After approving an Application, NHS shall promptly prepare and execute Grant Documents for each Grant. NHS shall assure that each Grant satisfies all applicable requirements of federal, State and local law, and that:

(i) Program Funds finance only Eligible Costs;

(ii) for an Eligible Homeowner who has household income between 100% and 140% of Median Income, the Grant Funds shall not be provided unless an equal amount of loan proceeds or other funds from the Eligible Homeowner (which loans may, but shall not be required to, be made by Neighborhood Lending Services, Inc. ("NLS"), an affiliate of NHS) are available for repairs to the Qualified Housing Unit; provided, that repairs paid for (or reimbursed) from funds other than Program Funds hereunder are not required to be Eligible Costs;

(iii) if the Eligible Homeowner has household income (calculated as described above) below 100% of the Median Income, no matching funds are required pursuant to this subsection, but other provisions of this Agreement may require an Eligible Homeowner to obtain a matching loan for the Qualified Housing Unit; and

(iv) one or more units of the Qualified Housing Unit shall be occupied by the Eligible Homeowner.

(c) Closing. NHS shall promptly close each Grant. Prior to disbursement of any Program Funds by NHS, NHS shall require each Eligible Homeowner to enter into the Grant Documents. NHS shall assure that the renovation of the Qualified Housing Unit commences within six months of the date on which a Grant closes. NHS shall provide in all Grant Documents that the City is a third-party beneficiary of the Grant Documents. NHS shall not provide Program Funds to any Eligible Homeowner in an amount in excess of the applicable Maximum Program Assistance; provided, that the maximum amount so provided may be adjusted by mutual agreement of DCD and NHS based on the availability of Program Funds and the projected need of a particular community.

(d) Disbursement of Proceeds. The City will from time to time place all or a portion of the Program Funds, in an amount determined by DCD but not exceeding \$1,000,000 in the aggregate, into an interest-bearing segregated or escrow account established by NHS for this purpose. Any income earned on amounts held in the account shall be used at the sole discretion of the City: (i) to make Grants hereunder, or (ii) in such other manner as the City determines. NHS shall disburse funds from this account to the City at the written request of the City if income is earned on amounts held in the account. NHS shall make any such disbursement within 30 days of its receipt of the City's request. NHS agrees that any disbursements from this account which are later determined to have been made in violation of this Agreement will be repaid to this account by NHS. Prior to

disbursing any proceeds of a Grant, NHS shall determine the aggregate amount of Program Funds which have been provided or approved for a Qualified Housing Unit and shall not disburse any funds exceeding the Maximum Program Assistance. NHS shall also assure that no Program Funds shall be paid until such funds are needed to reimburse the Eligible Homeowner for the prior payment of Eligible Costs, and that the proceeds of a Grant do not exceed available Maximum Program Assistance with respect to the Qualified Housing Unit. No payment from Program Funds shall be made to the Eligible Homeowner until NHS receives evidence of prior payment to the contractor for the rehabilitation work (consisting of a copy of the check issued to the contractor, which is not required to be a cancelled check, and/or a copy of the sworn statement). There shall be no commingling of funds among Grants by NHS and each Grant shall be accounted for separately in the records maintained by NHS.

(e) Servicing; Monitoring.

(1) NHS shall specify an employee directly responsible for the working on each Grant. NHS shall provide DCD with notice of the person(s) responsible for these duties and the respective Grants.

(2) If an Eligible Homeowner breaches any covenant or agreement under the applicable Grant Documents, NHS shall mail notice of such breach to the Eligible Homeowner as provided in the Grant Documents (with a copy to DCD) and shall take such further action consistent with the terms of this Agreement.

(3) NHS shall monitor the progress of the renovation work to confirm compliance with this Agreement and the Grant Documents. The Grant Documents shall provide that the Eligible Homeowner must approve of payment of funds from NHS to a contractor for the rehabilitation work. NHS shall inspect the renovation work prior to providing payment. NHS shall make a final inspection of the renovation work at its completion to confirm compliance with this Agreement and the Grant Documents.

(f) Reporting. On the seventh day of each month of each year during the term hereof, NHS shall submit to the City a monthly report in a form approved by DCD and containing the following information for each Grant closed during the previous month, and for each Eligible Homeowner whose Application has been approved: (i) the address and census tract of the Qualified Housing Unit; (ii) the name, address, income and race (if known) of each Eligible Homeowner for such Qualified Housing Unit; (iii) the amount of the applicable Grant and the date of the Grant; (iv) the amount of Program Funds, if any, provided to such Eligible Homeowner by the end of the preceding month, and the use of such funds; (v) the status of the renovation work on such Qualified Housing Unit; and (vi) the names of any Eligible Homeowners who have defaulted on any matching loan provided through NLS pursuant to Section 4.4(b) hereof. In addition, NHS shall also include the following in such report regarding the Program as of the end of the preceding month: (i) information about each matching loan made to an Eligible Homeowner, or matching funds provided by the Eligible Homeowner, including the amount of the loan or other funds, the address of the subject property and evidence that matching funds were provided; (ii) number of renovations in process; (iii) number of renovations completed; (iv) total number of applicants; (v) total number of Applications reviewed; (vi) total number of Applications approved and (vii) total amount of Grant funds disbursed hereunder.

(g) Marketing. NHS shall make information about the Program, including Applications, readily available to persons applying to become Eligible Homeowners. In connection therewith,

NHS shall prepare and distribute brochures and other written materials describing the Program. NHS shall also make appropriate personnel available to speak at seminars to promote and explain the Program and shall conduct other affirmative outreach efforts (including organizing or participating in seminars, conferences and public meetings) to disseminate information about the Program to the public. NHS shall cooperate (and shall bind its contractors to cooperate) with DCD in any program which DCD may undertake to promote and explain the Program. NHS shall dedicate sufficient employee time and resources to respond promptly to inquiries from potential applicants.

4.5 Prior to each disbursement of proceeds in connection with a Qualified Housing Unit (pursuant to Section 4.4 (d) hereof), NHS shall assure to its best efforts that the rehabilitation work performed by the contractor on that Qualified Housing Unit complies with the building codes of the City.

4.6 NHS shall be responsible for all actions of any agents, employees, officers of NHS performing any duties or obligations of NHS hereunder.

4.7 The City authorizes NHS to act, subject to the limitations contained herein: (i) to manage and service the Grants; (ii) to enforce or to refrain from enforcing the Grant Documents for each Grant; (iii) to give consents or approvals in connection with the Grant Documents for each Grant; (iv) to take or refrain from taking any action and make any determination provided for herein or in the Grant Documents; and (v) to exercise all such powers as are incidental thereto.

4.8 In its marketing efforts regarding the Program, the City shall notify potential Program applicants that, for households earning more 100% of the Median Income, there will be a matching loan requirement (as set forth in Section 4.4(b) hereof).

4.9 Insurance.

(a) NHS shall procure and maintain at all times, at its own expense, except as may be otherwise provided herein, during the term of this Agreement, the types of insurance specified below, with insurance companies authorized to do such business in the State and reasonably acceptable to the City covering all services hereunder.

The kinds and amounts of insurance required are as follows:

1. Worker's Compensation and Occupational Disease Insurance
Worker's Compensation and Occupational Disease Insurance, in statutory amounts, covering all of NHS. Employer's liability coverage shall be included and shall have limits of not less than \$100,000 per each accident or illness.
2. Commercial Liability Insurance (Primary and Umbrella)
Commercial Liability Insurance or equivalent with limits of not less than \$250,000 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operation, independent contractors and contractual liability coverages are to be included. The City is to be named as an additional insured.

3. Automobile Liability Insurance

When any motor vehicles are used in connection with the work to be performed under this Agreement, NHS shall maintain Automobile Liability Insurance with limits of not less than \$500,000 per occurrence, combined single limit, for bodily injury and property damage. The City is to be named as an additional insured.

4. Errors & Omissions/Professional Liability

With respect to all services performed by NHS hereunder, errors and omissions coverage shall be maintained in the amount of \$250,000 naming the City as an additional insured.

5. Blanket Crime Insurance

NHS shall obtain and maintain a blanket crime insurance policy, naming the City as a loss payee, as its interest may appear, covering all persons handling funds received or disbursed under this Agreement, and against loss by reason of theft, robbery, dishonesty, destruction, disappearance or other crimes. The blanket crime insurance policy must be written to cover losses in an amount of not less than 25 percent of the maximum funds on hand at any given time or in an amount of \$250,000, whichever amount is greater.

(b) NHS shall furnish the City, Department of Finance, Risk Management Office, 333 South State Street, Room 400, Chicago, Illinois 60604, original certificates of insurance evidencing the required coverages to be in force and effect on the date hereof, and renewal certificates of insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The City shall not allow NHS to commence any services under this Agreement until all insurance is purchased and evidence of it is received and approved by the City, but the failure of the City to obtain such evidence from NHS before permitting NHS to commence such services shall not be deemed to be a waiver by the City, and NHS shall remain under a continuing obligation to maintain the coverage and to supply the certificates.

The insurance specified hereinabove shall be carried until all services required to be performed under the terms of this Agreement are satisfactorily completed. Failure to carry or keep such insurance in force shall constitute an Event of Default hereunder within the meaning of Section 5.1 hereof, and the City maintains the right to suspend the provisions hereof until proper evidence of insurance is provided. NHS shall require all subcontractors to carry the insurance required herein, or NHS may, at its option, provide the coverage for any or all subcontractors, and, if so, supply to the City evidence satisfactory to the City of such coverage.

The City maintains the right to modify, delete, alter or change these requirements.

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

NHS expressly understands and agrees that any insurance coverages and limits furnished by NHS hereunder shall in no way limit its responsibilities and abilities specified herein or by law.

ARTICLE V – Events of Default; Remedies

5.1 Events of Default Defined. The following, subject to the notice and cure provisions of Section 5.2 hereof, shall each constitute an Event of Default hereunder:

(a) any misrepresentation, whether negligent or willful and whether in the inducement or in the performance of this Agreement, made by NHS to the City,

(b) failure by NHS to perform any of its duties or obligations under this Agreement;

(c) any change in ownership or control of NHS without the prior written approval of the City;

(d) the dissolution of NHS or the entry of a decree or order for relief by a court having jurisdiction with respect to NHS in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of NHS or for any substantial part of the property thereof or ordering the winding-up or liquidation of the affairs of NHS and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days;

(e) the commencement by NHS of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by NHS to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of NHS or of any substantial part of the property of NHS or of any royalties, revenues, rents, issues or profits therefrom, or the making by NHS of any assignment for the benefit of creditors or the failure of NHS generally to pay its respective debts as such debts become due or the taking of action by NHS in furtherance of any of the foregoing;

(f) a final judgment for the payment of money in excess of \$100,000 shall be rendered by a court of competent jurisdiction against NHS, and NHS shall not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, within 60 days from the date of entry thereof, or such longer period during which execution of such judgment shall have been stayed;

(g) default by NHS under any other agreement which NHS may currently have or may enter into with the City during the term of this Agreement; or

(h) a failure by NHS to fulfill its obligations under any Grant Documents.

5.2 Remedies. If any event referred to in Section 5.1 hereof cannot reasonably be cured within 30 days after receipt of notice given in accordance with the terms of this Agreement, or if NHS has failed, in the sole opinion of the City, to commence and continue diligent efforts to cure such event, the City may, at its sole option, declare an Event of Default hereunder. Whether to declare an Event of Default hereunder is within the sole discretion of the City and neither that decision nor the factual basis for it is subject to review or challenge under this Agreement. Written notification of, or that results in, an Event of Default, and any intention of the City to terminate this Agreement, shall be provided to NHS and such decision shall be final and effective upon receipt of such notice pursuant to Section 6.14 hereof and failure to cure within the stated applicable cure period. Upon the giving of such notice, the City may invoke any or all of the following remedies:

- (a) the right to terminate this Agreement as to any or all of the services yet to be performed effective at a time specified by the City;
- (b) the right of specific performance, an injunction or any other appropriate equitable remedy;
- (c) the right to money damages;
- (d) the right to withhold all or any part of the compensation of NHS hereunder; and
- (e) the right to deem NHS non-responsible in future contracts to be awarded by the City.

If the City considers it to be in its best interests, it may elect not to declare an Event of Default hereunder or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the City and that if the City permits NHS to continue to provide the services despite one or more Events of Default, NHS shall in no way be relieved of any of its responsibilities, duties or obligations under this Agreement nor shall the City waive or relinquish any of its rights thereby.

The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor shall it be construed as a waiver of any Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VI - General Provisions

6.1 Duration of the Agreement. This Agreement shall commence on the date of execution and delivery hereof and, unless earlier terminated pursuant to this Agreement, shall terminate when the last Grant payment is made by NHS hereunder.

6.2 Termination. The City may terminate this Agreement for convenience upon thirty (30) days written notice from the City. In such event, all rights and obligations running to and from each party shall be terminated and of no further force and effect; provided that NHS shall be obligated to maintain all records and monitoring obligations with respect to any Grant made in accordance with the terms of this Agreement for a period of five years after the date of the Grant.

6.3 Indemnification. NHS shall pay, indemnify and save the City and the City's officers, employees and agents harmless of, from and against, any and all losses incurred by any such party under this Agreement and any claim brought by reason of any such loss. In the event that any claim is brought against the City or any of the City's officers, employees or agents, by reason of any such loss, NHS, upon notice from the City, covenants to resist and defend such claim on behalf of the City and the City's officers, employees and agents. The City shall have the right to employ separate counsel in any such claim and to participate in the defense thereof and the fees and expenses of such counsel incurred shall be at the expense of NHS, without regard to any authorization of such employment by NHS.

6.4 Non-Liability of Public Officials. No official, employee or agent of the City shall be charged personally by NHS or by any assignee or subcontractor of NHS with any liability or expenses of defense or shall be held personally liable to NHS, or any assignee or subcontractor of NHS under any terms or provisions of this Agreement because of the City's execution or attempted execution hereof or because of any breach hereof.

6.5 Compensation. NHS shall not charge any Eligible Homeowner any fees or charges for a Grant hereunder. The only compensation received by NHS for performance under this Agreement shall be in accordance with this Section. NHS shall be entitled to compensation hereunder in an amount equal to 15 percent (15%) of the aggregate Program Funds paid by the City for Eligible Costs hereunder each month; such amount shall be payable upon submission of a Voucher by NHS to DCD, which Voucher shall contain a line item for NHS compensation hereof. The City shall not be responsible for the payment of any fees other than as set forth in this Section.

6.6 Documentation of Costs and Income; Records and Availability. All Eligible Costs paid from the proceeds of a Grant shall be supported by properly executed invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the Eligible Costs. All checks, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be maintained by NHS and shall be clearly identified and readily accessible to the City upon written request.

NHS shall maintain records evidencing compliance with the all requirements of the Program for each Qualified Housing Unit which is the subject of a Grant, including the provisions of Section 4.5. Such records shall be maintained for a period of five years after the date of the Grant. All Grant Documents shall be held by NHS for the benefit of the City during the term of this Agreement and for five years thereafter. Upon the written request of the City, NHS shall provide the City with access to and copies of such records.

At any time during normal business hours and as often as the City may deem necessary, NHS shall make available to the City (i) all of its records with respect to matters covered by this Agreement and (ii) access to its employees who have knowledge about the matters covered by this Agreement. NHS shall permit the City to audit, examine and make excerpts or transcripts from such records, and to make copies of records relating to personnel, conditions of employment and other data covered by this Agreement.

At any time during normal business hours and as often as the City may deem necessary, each Eligible Homeowner shall make available to the City the Qualified Housing Unit and records relating to tenants of the unit, if any, in order for the City to verify compliance with this Agreement, including Section 4.5. NHS shall include this requirement in the Grant Documents.

6.7 Non-discrimination. NHS agrees it shall be an unlawful employment practice for NHS (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap or national origin; or (2) to limit, segregate, or classify its employees or applicants for employment in any way which would deprive or tend to deprive any individual in any way of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color religion, sex, age, handicap or national origin.

NHS shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity clause, 56 Ill. Admin. Code 2520 Appendix G. Furthermore, NHS shall comply with and shall cause any contractor utilized under this Agreement to comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01, et seq.

6.8 City Requirements. NHS shall comply with the Chicago Human Rights Ordinance, ch. 2.160, Section 2-160-010 et seq. of the Chicago Municipal Code (1990); and the Chicago Fair Housing Regulations ch. 5-8, Section 5-8-010 et seq. of the Chicago Municipal Code (1990).

NHS agrees to furnish and to cause each of its subcontractor(s) to furnish such reports and information as requested by the Chicago Commission on Human Relations.

NHS agrees that all of the aforementioned provisions will be incorporated in all agreements entered into with any suppliers of materials, furnisher of services, subcontractors of any tier, and labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any such materials, labor of services in connection with this Agreement.

6.9 Assignment. NHS may not assign, sell, transfer or delegate any of its duties or obligations under this Agreement without the prior written consent of the City. The City may assign, sell, transfer or otherwise dispose of any of its rights hereunder, in whole or in part, without the permission of NHS.

6.10 Savings Clause. In case any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

6.11 Entire Agreement. This Agreement and the incorporated Exhibits constitute the entire Agreement and may not be modified, altered or amended unless agreed to by both parties in writing. Any waiver or any provision of this Agreement must be executed in writing by the party granting the waiver and such waiver shall not affect any other rights of the party granting the waiver or act to affect any other duty or obligation of the party receiving the waiver.

6.12 Counterparts. This Agreement is composed of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

6.13 Headings. The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

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

IF TO CITY:

Department of Community Development
City of Chicago
121 North LaSalle Street, Room 1006
Chicago, Illinois 60602
Attention: Commissioner

WITH COPIES TO: Office of the Corporation Counsel
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance & Economic Development Division

and

Department of Finance
City of Chicago
33 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Comptroller

IF TO NHS: Neighborhood Housing Services of Chicago, Inc.
1279 N. Milwaukee Ave. - 5th Floor
Chicago, Illinois 60622
Attention: Executive Director

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) above shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the business day immediately following deposit with the overnight courier and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two business days following deposit in the mail.

6.15 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State without regard to its conflict of laws principles.

6.16 Approval. Wherever in this Agreement provision is made for the approval or consent of the City, or any matter is to be to the City's satisfaction, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction or the like shall be made, given or determined by the City in its sole discretion, subject to the review by the Corporation Counsel. Any such approval, consent or other determination shall be made by the Commissioner of the Department of Community Development, or any designee thereof, in his or her role as administering this Agreement for the City.

6.17 Standard of Performance. NHS shall at all times act in the best interest of the City, consistent with the professional obligations assumed by it in entering into this Agreement. NHS shall perform, or cause to be performed, all services hereunder in accordance with the terms and conditions of this Agreement and to the reasonable satisfaction of the City. Any review, approval, acceptance or payment for any and all of the services by the City shall not relieve NHS of its responsibility for the professional accuracy and due diligence of its services. This provision in no way limits the City's rights against NHS either under this Agreement or otherwise, at law or in equity.

6.18 References to Statutes, etc. All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions or notices or circulars issued by any governmental body shall be deemed to include any and all amendments, supplements and restatements from time to

time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, notices and circulars.

6.19 No Contractor Inducements. NHS shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics", including but not limited to Section 2-156-120 of such Chapter, pursuant to which no payment, gratuity or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of such Chapter 2-156 shall be voidable as to the City.

6.20 No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated hereby, shall be grounds for termination of this Agreement and the transactions contemplated hereby. NHS 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.

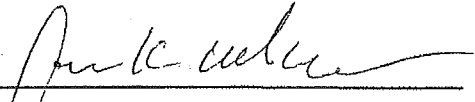
[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City and NHS have executed this Agreement as of the date first set forth above.

CITY OF CHICAGO

By: 
Acting Commissioner of Community Development

NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC.

By: 
Its: INTERIM EXECUTIVE DIRECTOR

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2010

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE 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 assets 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

BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

8745 WEST HIGGINS ROAD, SUITE 200

CHICAGO, ILLINOIS 60631

AREA CODE 312 263.2700

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 47th/King Drive Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Chicago's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the 47th/King Drive 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, 2010, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 47th/King Drive Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2010, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Rahm Emanuel, Mayor
Members of the City Council

- 2 -

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures by statutory code on page 11, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the financial statements of 47th/King Drive Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bansley and Kienner, L.L.P.

Certified Public Accountants

June 9, 2011

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the 47th/King Drive 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, 2010. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

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

Basic Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net assets 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 assets and how they have changed. Net assets – 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
47TH/KING DRIVE 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 \$8,822,066 for the year. This was an increase of 11 percent over the prior year. The change in net assets (including operating transfers out) produced an increase in net assets of \$6,210,485. The Project's net assets increased by 18 percent from the prior year making available \$34,625,918 (net of surplus distribution) of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 42,744,208	\$ 34,562,267	\$ 8,181,941	24%
Total liabilities	<u>2,118,290</u>	<u>146,834</u>	<u>1,971,456</u>	1,343%
Total net assets	<u>\$ 40,625,918</u>	<u>\$ 34,415,433</u>	<u>\$ 6,210,485</u>	18%
Total revenues	\$ 8,851,363	\$ 7,961,143	\$ 890,220	11%
Total expenses	<u>2,288,678</u>	<u>164,957</u>	<u>2,123,721</u>	1,287%
Operating transfers out	<u>352,200</u>	<u>1,500,000</u>	<u>(1,147,800)</u>	-77%
Changes in net assets	<u>6,210,485</u>	<u>6,296,186</u>	<u>(85,701)</u>	-1%
Ending net assets	<u>\$ 40,625,918</u>	<u>\$ 34,415,433</u>	<u>\$ 6,210,485</u>	18%

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2010

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and investments	\$ 34,078,916	\$ -	\$ 34,078,916
Property taxes receivable	8,637,000	-	8,637,000
Accrued interest receivable	28,292	-	28,292
Total assets	<u>\$ 42,744,208</u>	<u>\$ -</u>	<u>\$ 42,744,208</u>
 <u>L I A B I L I T I E S</u> 			
Vouchers payable	\$ 1,800,000	\$ -	\$ 1,800,000
Due to other City funds	318,290	-	318,290
Deferred revenue	7,675,663	(7,675,663)	-
Total liabilities	<u>9,793,953</u>	<u>(7,675,663)</u>	<u>2,118,290</u>
 <u>FUND BALANCE/NET ASSETS</u> 			
Fund balance:			
Reserved for surplus distribution (Note 2)	6,000,000	(6,000,000)	-
Designated for future redevelopment project costs	26,950,255	(26,950,255)	-
Total fund balance	<u>32,950,255</u>	<u>(32,950,255)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 42,744,208</u>		
Net assets:			
Restricted for surplus distribution (Note 2)		6,000,000	6,000,000
Restricted for future redevelopment project costs		34,625,918	34,625,918
Total net assets		<u>\$ 40,625,918</u>	<u>\$ 40,625,918</u>

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

Total fund balance - governmental fund	\$ 32,950,255
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>7,675,663</u>
Total net assets - governmental activities	<u>\$ 40,625,918</u>

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

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 7,830,248	\$ 991,818	\$ 8,822,066
Interest	29,297	-	29,297
	<hr/>	<hr/>	<hr/>
Total revenues	7,859,545	991,818	8,851,363
Expenditures/expenses:			
Economic development projects	2,288,678	-	2,288,678
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	5,570,867	991,818	6,562,685
Other financing uses:			
Operating transfers out (Note 3)	(352,200)	-	(352,200)
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures and other financing uses	5,218,667	(5,218,667)	-
Change in net assets	-	6,210,485	6,210,485
Fund balance/net assets:			
Beginning of year	27,731,588	6,683,845	34,415,433
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 32,950,255</u>	<u>\$ 7,675,663</u>	<u>\$ 40,625,918</u>

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

Net change in fund balance - governmental fund	\$ 5,218,667
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/> 991,818
Change in net assets - governmental activities	<u>\$ 6,210,485</u>

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

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In March 2002, the City of Chicago (City) established the 47th/King Drive 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 Governmental Accounting Standards Board (GASB). In June 1999, the GASB unanimously approved Statement No. 34 (as amended by Statement No. 37), *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* and at a later date, Statement No. 38 *Certain Financial Statements Disclosures*, and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

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

(d) *Assets, Liabilities and Net Assets*

Cash and Investments

Cash belonging to 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.

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 assets and the statement of changes in net assets) 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
47TH/KING DRIVE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Surplus Distribution

In December 2010, the City declared a surplus within the fund balance of the Project in the amount of \$6,000,000. In June 2011, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

Note 3 – Operating Transfers Out

During 2010, in accordance with State statutes, the Project transferred \$352,200 to the contiguous Pershing/King Redevelopment Project for the Charles A. Beckett Associates Limited Partnership Redevelopment Agreement for the development and rehabilitation of rental residential buildings for senior citizens.

Note 4 – Commitments

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

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE 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	\$ 152,629
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	1,800,000
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	6,334
Costs of the construction of public works or improvements	176,215
Costs of job training and retaining projects	<u>153,500</u>
	<u><u>\$ 2,288,678</u></u>



BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1922

O'HARE PLAZA 8745 WEST HIGGINS ROAD SUITE 200 CHICAGO, ILLINOIS 60631 312.263.2700 FAX 312.263.6935 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 statement of net assets and governmental fund balance sheet of 47th/King Drive Redevelopment Project of the City of Chicago, Illinois as of December 31, 2010, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated June 9, 2011.

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 47th/King Drive Redevelopment Project of the City of Chicago, Illinois.

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 9, 2011

INTERGOVERNMENTAL AGREEMENTS
 FY 2010

A list of all intergovernmental agreements in effect in FY 2010 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
None			

**47th/King Drive Redevelopment Project Area
2010 Annual Report**

