



# Office of the City Clerk



O2012-5616

Office of the City Clerk

## City Council Document Tracking Sheet

<b>Meeting Date:</b>	9/12/2012
<b>Sponsor(s):</b>	Emanuel, Rahm (Mayor)
<b>Type:</b>	Ordinance
<b>Title:</b>	Amendment No. 1 to 53rd Street Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project
<b>Committee(s) Assignment:</b>	Committee on Finance

## ORDINANCE

WHEREAS, under ordinances adopted on January 10, 2001 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for such date (the "*Journal of Proceedings*") at pages 49800 to 49900, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1, et seq, as amended (the "Act"), the City Council (the "Corporate Authorities") of the City of Chicago (the "City"): (i) approved a redevelopment plan and project (the "Redevelopment Plan") for a portion of the City known as the "53rd Street Redevelopment Project Area" (the "Redevelopment Project Area") (such ordinance being defined in this ordinance as the "Plan Ordinance", and such area as described in the Plan Ordinance being defined in this ordinance as the "Original Area"); (ii) designated the Redevelopment Project Area as a "redevelopment project area" within the requirements of the Act (the "Designation Ordinance"); and, (iii) adopted tax increment financing for the Redevelopment Project Area (the "T.I.F. Adoption Ordinance") (the Plan Ordinance, the Designation Ordinance, and the T.I.F. Adoption Ordinance are collectively defined in this ordinance as the "T.I.F. Ordinances"); and

WHEREAS, the Redevelopment Plan was amended on March 14, 2012 by the Corporate Authorities at pages 21805 to 21890 in the *Journal of Proceedings* ("Revision Number 1") to increase the Original Area budget; and

WHEREAS, it is desirable and in the best interest of the citizens of the City for the City to amend the Redevelopment Plan and to decrease the Original Area to exclude certain parcels (the "Removed Area") by adopting Amendment Number 1 to the Redevelopment Plan, which is attached as Exhibit A ("Amendment Number 1", with (i) the Redevelopment Plan, as amended by Revision Number 1 and Amendment Number 1 defined in this ordinance as the "Amended Plan", and (ii) the Original Area, as amended by Amendment Number 1, defined in this ordinance as the "Amended Area"); and

WHEREAS, Section 5/11-74.4-5(c) of the Act provides that after a municipality has by ordinance approved a redevelopment plan and designated a redevelopment project area, it may amend the plan and redevelopment project area without further public hearing and related notices and procedures including the convening of a joint review board as set forth in the Act; provided that the municipality gives notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, and by publication in a newspaper of general circulation within the affected taxing district, which notice by mail and by publication shall each occur not later than ten (10) days following the adoption by ordinance of such changes, so long as the amendment does not: (1) add additional parcels of property to the redevelopment project area, (2) substantially affect the general land-uses in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project costs set out in the redevelopment plan by more than five percent (5%) after adjustment for inflation from the date the plan was adopted, (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan, or (6) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than ten (10); and

WHEREAS, Amendment Number 1 does not include any of the changes listed in items (1) through (6) stated in the previous recital, and, therefore, does not necessitate the holding of a public hearing, the convening of a joint review board or related notices and procedures; and

WHEREAS, the Corporate Authorities have reviewed Amendment Number 1 and any such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Amended Area; and

WHEREAS, Section 5/11-74.4-7 of the Act provides that obligations issued by a municipality shall be retired in the manner provided in the ordinance authorizing the issuance of such obligations by the receipts of taxes levied as specified in Section 5/11-74.4-9 against the taxable property included in the area or from other revenue designated by the municipality; and

WHEREAS, pursuant to an ordinance of the Corporate Authorities adopted on May 4, 2011, at pages 116874 to 117056 in the *Journal of Proceedings* (the "Harper Court Ordinance") the City entered into a Redevelopment Agreement (the "Redevelopment Agreement") with CJUF III Harper Court LLC, a Delaware limited liability company authorized to do business in Illinois ("Harper Court") and Lake Park Associates, Inc., an Illinois corporation ("Lake Park" and, together with Harper Court, the "Developers") pursuant to which the City issued its Tax Increment Revenue Allocation Note (53<sup>rd</sup> Street Redevelopment Project), Tax-Exempt Series 2011 A-1 dated October 21, 2011 (the "City Note") to Harper Court; and

WHEREAS, the City Note was by assigned by Harper Court to MB Financial Bank, N.A. ("MB Financial"), who is the current holder of the City Note; and

WHEREAS, the Harper Court Ordinance provides that the City Note is be payable from receipt of taxes levied as specified in Section 5/11-74.4-9 of the Act (the "Tax Collections"); and

WHEREAS, the City, by and through its Commissioner of Housing and Economic Development (the "Commissioner"), the Developers, MB Financial, and 1525 HP LLC, an Indiana limited liability company authorized to do business in Illinois, as the property owner of the Removed Area ("1525 HP LLC"), have entered into a Partial Prepayment Agreement dated September 7, 2012, which is attached hereto as Exhibit B and incorporated by reference herein (the "Partial Prepayment Agreement"), providing for 1525 HP LLC to pay MB Financial, in the amount and manner as set forth in the Partial Prepayment Agreement, an amount equal to the net present value of the Tax Collections attributable to the Removed Area during the time the Redevelopment Area is in effect as agreed to by the Developers, MB Financial and 1525 HP LLC (the "Prepayment"); and

WHEREAS, the Prepayment is to be applied to payment of the principal of and/or interest on the City Note for purposes of Section 5/11-74.4-7 of the Act; now, therefore,

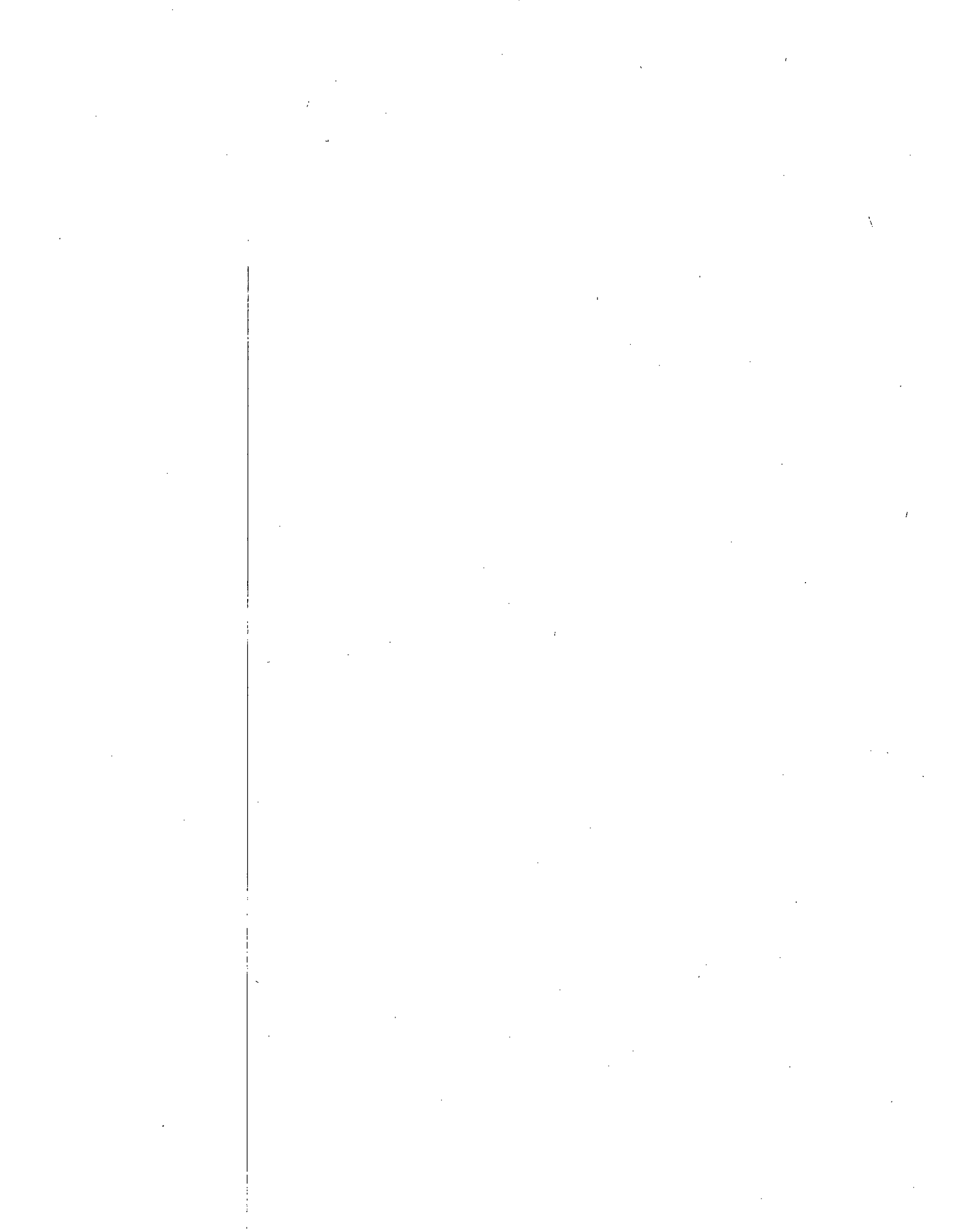
*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. The above recitals are incorporated herein and made a part hereof and are adopted as findings of the Corporate Authorities.

SECTION 2. The Amended Area. Exhibit A (Amendment Number 1 dated September 6, 2012) which is attached hereto and incorporated herein contains the following information concerning the Amended Area:

- a. legal description;
- b. list of property identification numbers (P.I.N.s);

EXHIBIT A  
Amendment Number 1



**53rd Street Redevelopment Project Area**  
**Tax Increment Financing District**  
**Eligibility Study, Redevelopment Plan and Project**

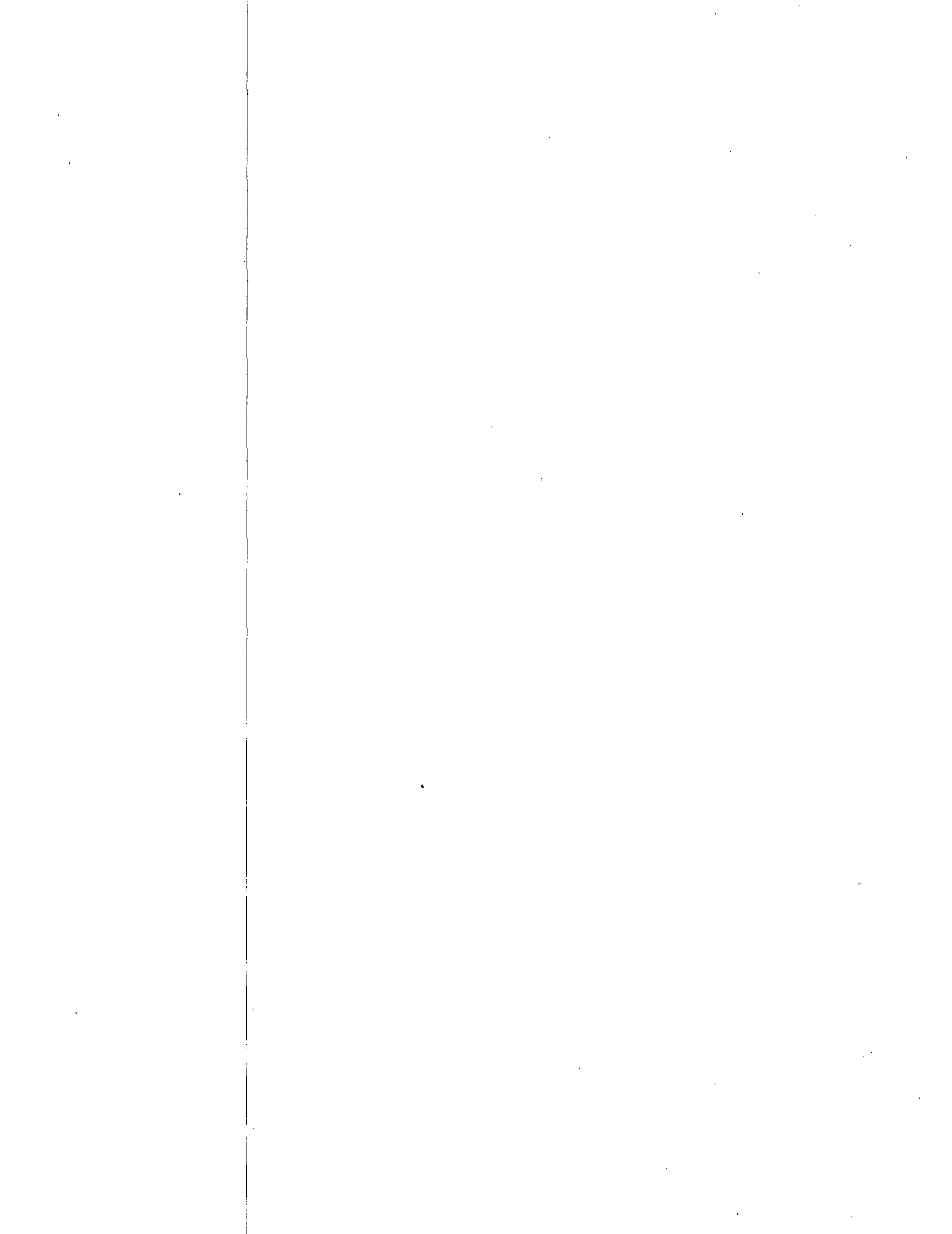
Adopted January 10, 2001

Amendment Number 1  
September 6, 2012

**City of Chicago**  
**Rahm Emanuel, Mayor**

**Department of Housing and Economic Development**  
**Andrew J. Mooney, Commissioner**

Prepared by  
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343 South Dearborn, #404  
Chicago, Illinois 60604



## Preamble to the Amendment

The City of Chicago (the "City") is dedicated to the continued growth and economic development of the City. Chicago's ability to stimulate growth and development relies on the creation and implementation of government policies that will allow the City to work with the private sector to eliminate blighted areas and ensure sound growth and development of property. Based upon the City's establishment of a redevelopment project area as described herein, it is understood that the City recognizes the necessity of the relationship between continued community growth and public participation. The blighting of communities impairs the value of private investment and threatens the growth of the community's tax base. Additionally, the City understands the dangers associated with blighting factors and problems arising from blighting conditions. Both of these statements are supported by the City's establishment of a redevelopment project area.

The Illinois General Assembly passed the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et. seq., as amended from time to time) (the "Act") to address the growing number of blighted areas in many Illinois municipalities. The blighting of communities impairs the value of private investment and threatens the growth of the community's tax base. The Act declares that in order to promote the public health, safety, morals, and welfare, blighting conditions must be eliminated.

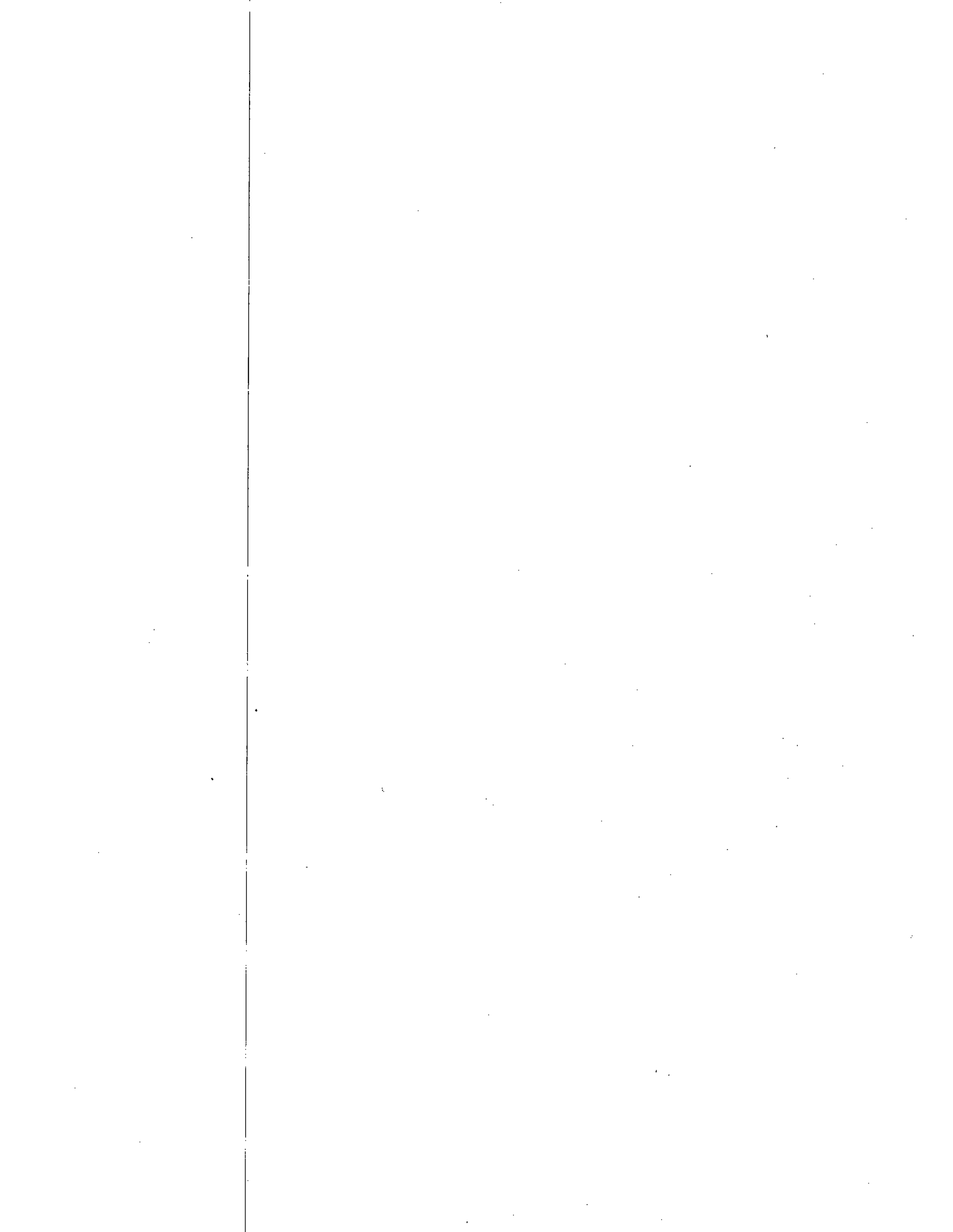
Therefore, to induce redevelopment pursuant to the Act, the City Council adopted three ordinances on January 10, 2001 approving the 53rd Street Eligibility Report and Redevelopment Plan (the "Original Plan"), designating the 53rd Street Redevelopment Project Area (the "Original Project Area"), and adopting Tax Increment Allocation Financing for the Original Project Area. On March 12, 2012 the City Council approved Revision Number 4 to the Original Plan which increased the budget by not more than 5% after adjustment for inflation from the date the plan was adopted. The Original Plan and subsequent Revision Number 4 will collectively be referred to as the Original Plan.

The 53rd Street Redevelopment Plan and Project is being amended to remove two (2) real estate tax parcels which encompass three buildings and approximately 200 feet of the adjacent right-of-way along Harper Avenue from the Original Project Area (the "Amended 53rd Street Project Area"). Excluding these parcels will encourage redevelopment of these parcels beyond the goals and objectives of the 53rd Street Redevelopment Plan. Section 11-74.5-5(c) of the Act provides that:

Changes which are not included in the following list may be made without further hearing, provided that the municipality give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2 of the Act, and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall occur not later than ten (10) days following the adoption by ordinance of such changes.

1. Add additional parcels to a redevelopment project area; or
2. Substantially affect the general land uses proposed in the redevelopment plan; or
3. Substantially change the nature of the redevelopment project; or
4. Increase the total estimated redevelopment project cost set out in the redevelopment plan by more than five percent (5%) after an adjustment for inflation is taken into account; or





5. Add additional redevelopment project costs to the itemized list of redevelopment project costs as set forth in the redevelopment plan; or
6. Increase the number of low- or very low-income households to be displaced from the redevelopment project area, provided that the total displacements will not exceed ten (10) inhabited residential units.

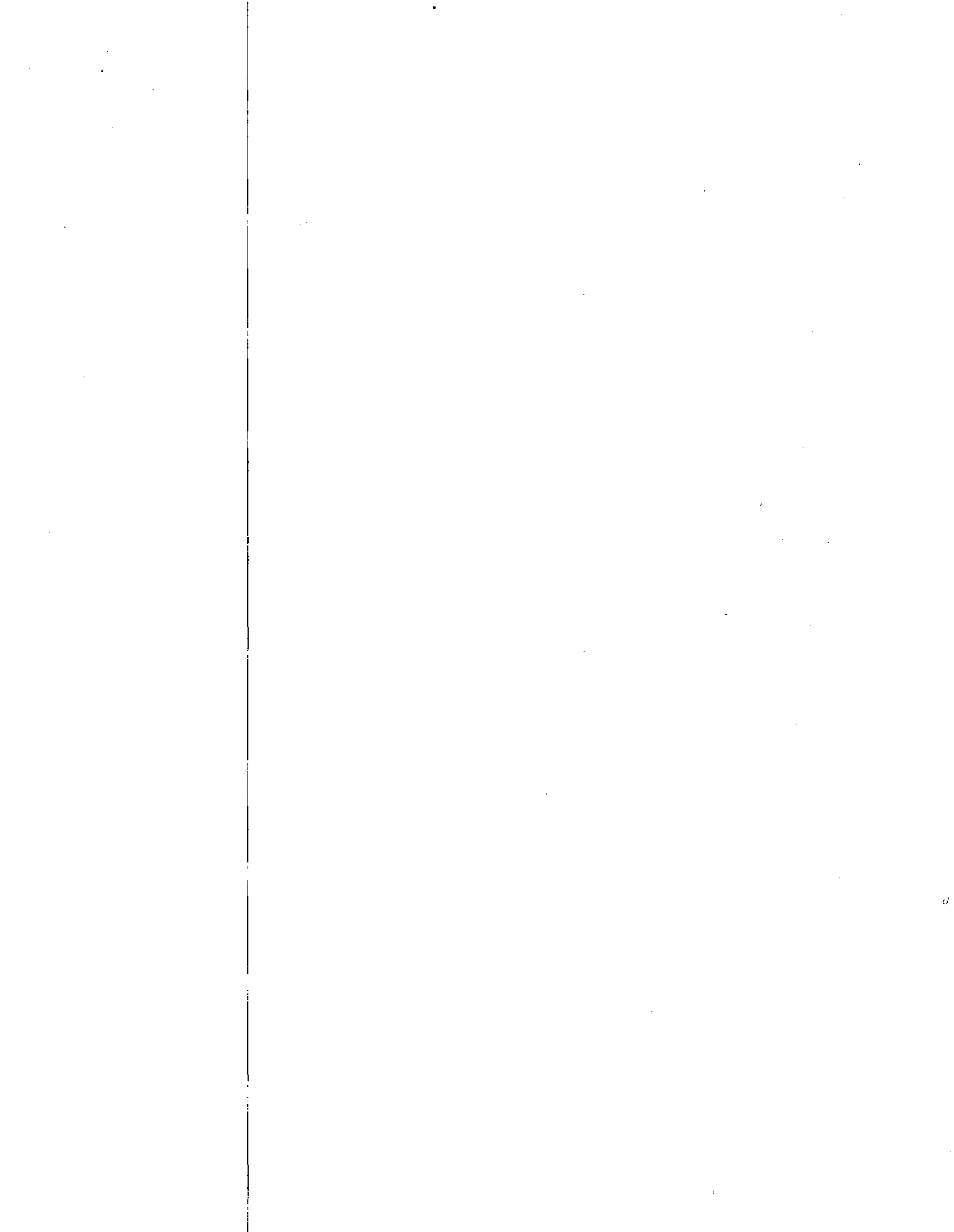
The area of land to be excluded from the Original Project Area in the Amended 53rd Street Project Area is generally described as follows:

The area generally bounded by Hyde Park Boulevard on the north, Lake Park Avenue on the east, the northern boundary of Property Index Numbers ("PINs") 20-11-405-010-0000 and 20-11-405-003-0000 on the south, and the west side of Harper Avenue on the west (the "Excluded Area").

The following PINs from the Original Plan are to be excluded from the Amended 53rd Street Project Area:

- 20-11-405-008-0000
- 20-11-405-009-0000

To accomplish the removal of the Excluded Area from the Original Project Area, the changes detailed below are made to the Original Plan and follow the format of the Original Plan. All revised maps are included immediately after the detailed description of changes to the Original Plan.



## 1. Executive Summary

In Section 1, the following is inserted after paragraph one:

The Original Project Area was established by the City of Chicago in 2001 and included a total of eighty three and a half (83.5) acres. In 2012, the City desires to amend the 53<sup>rd</sup> Street Plan to exclude approximately 2.25 acres of land consisting of two (2) improved parcels and adjacent right of way along Harper Avenue (the "Excluded Area") in order to create Redevelopment Area boundaries that will encourage further development in the community. Within this Amended 53<sup>rd</sup> Street Tax Increment Financing Redevelopment Project and Plan ("Amended 53<sup>rd</sup> Street Plan"), all references to the "Project Area" or "53<sup>rd</sup> Street RPA" shall be understood to mean the "Original Project Area". All references in this Amended 53<sup>rd</sup> Street Plan to "Amended 53<sup>rd</sup> Street Project Area" shall be understood to mean the area excluding the Excluded Area. All references to the "Original Project Area" shall be understood to mean the eighty three and a half (83.5) acres originally designated in 2001. The Amended Project Area which depicts the Excluded Area proposed for removal is illustrated in **Revised Map 1. Community Context Map**.

The Department of Housing and Economic Development finds that the Eligibility Study that is part of the 53<sup>rd</sup> Street Plan is not materially affected adversely by the removal of the two (2) parcels, as all the qualifying factors necessary for the approval of the 53<sup>rd</sup> Street Plan were found to be meaningfully present and reasonably distributed throughout the improved portion of the Original Project Area, and all the qualifying factors necessary for the approval of the 53<sup>rd</sup> Street Plan, as defined by the Act, were found to be meaningfully present and reasonably distributed throughout the improved portion of the Amended 53<sup>rd</sup> Street Project Area. Therefore, this document updates and replaces facts and figures describing the Original Project Area with facts and figures describing the Amended 53<sup>rd</sup> Street Project Area in 2001. Where it has not been possible to do so accurately, references to the Original Project Area remain.

Additionally, this amendment of the 53<sup>rd</sup> Street Plan will not result in the displacement of any residents from any inhabited units. Therefore, a housing impact study need not be completed pursuant to Section 11-74.4-3(n)(5) of the Act.

In Section 1, the second sentence of the second paragraph is removed and replaced with the following:

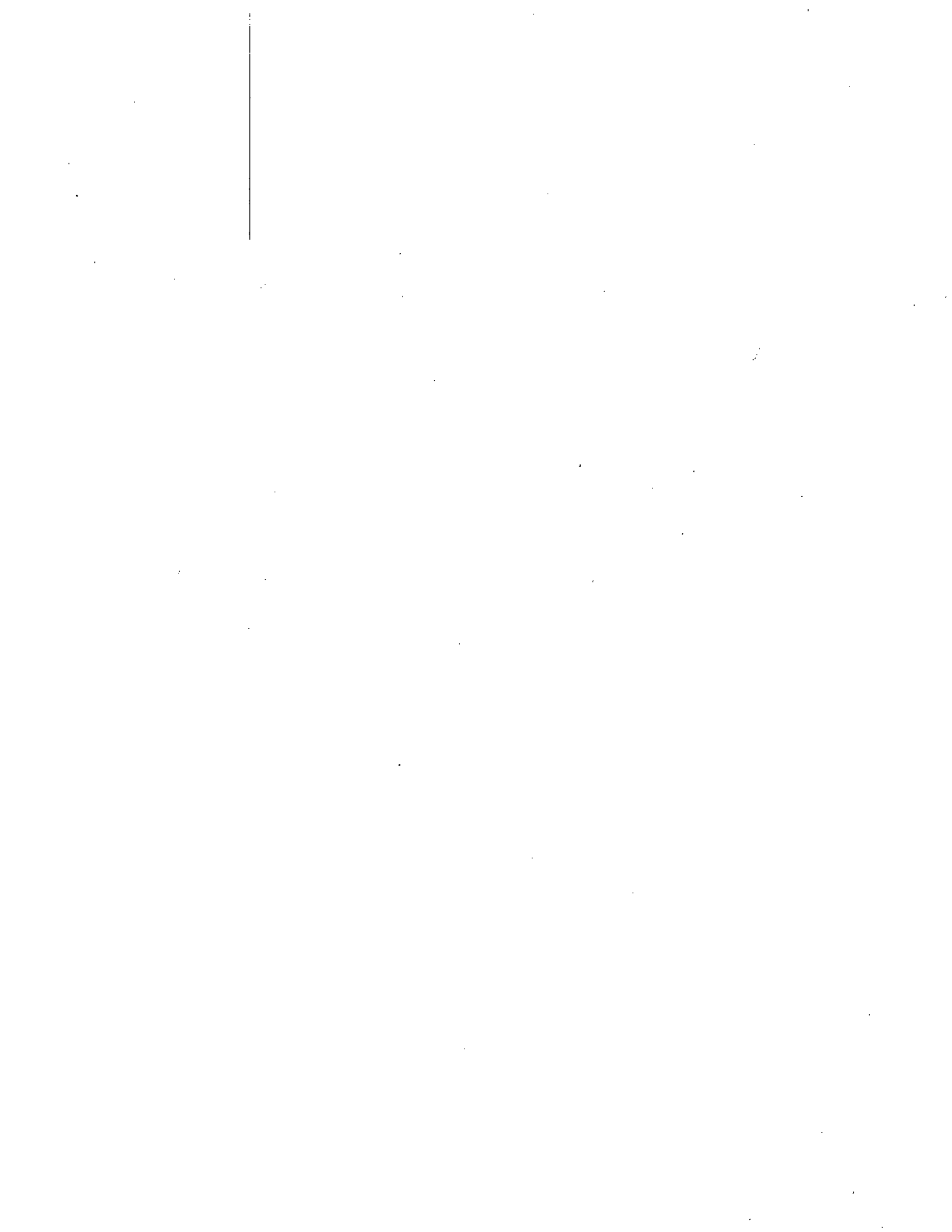
It consists of 185 tax parcels and 60 buildings on 24 blocks and contains approximately 81.25 acres of land.

### **Determination of Eligibility**

The Amended 53rd Street Project Area conforms to the determination of eligibility as set forth in the Original Plan.

### **Redevelopment Plan Goal, Objectives, and Strategies**

The Amended 53rd Street Project Area conforms to the Redevelopment Plan Goals, Objectives, and Strategies as set forth in the Original Plan.



**Required Findings**

The Amended 53rd Street Project Area conforms to the required findings as set forth in the Original Plan.

The fifth sentence in the third paragraph of the Required Findings subsection should be removed and replaced with the following:

The compound annual growth rate of EAV for the Amended 53<sup>rd</sup> Street Project Area was only 2.30% between 1994 and 1999.

Paragraphs four, five, six, and seven contain references to building permit data from 1995 to 2000 that cannot be accurately edited to reflect the removal of the two parcels. In the absence of original data for the Excluded Area, JRG assessed the eligibility of the Amended 53<sup>rd</sup> Street Project Area under the most rigorous circumstances. In this case, it is assumed that no building permit activity occurred in the Excluded Area. This assumption does not cause any change in the statements or conclusions drawn in this section, with the exception of the statistical reference to the number of buildings included in the Amended 53<sup>rd</sup> Street Project Area (in the second sentence of paragraph seven).

The second sentence in the seventh paragraph of the Required Findings subsection should be removed and replaced with the following:

Approximately two-thirds of the total value of building permits in the last five years were issued for only three (3) of the 60 buildings in the Amended 53rd Street Project Area, two of which are schools.

**2. Introduction**

All references to Maps throughout this Amended 53<sup>rd</sup> Street Plan should be replaced by "Revised Map" followed by the appropriate map number (for example: "Map 1" should be replaced by "Revised Map 1").

**The Study Area**

The second paragraph should be replaced by the following:

The community context of the Amended 53<sup>rd</sup> Street Project Area is detailed on Revised Map 1.

The first sentence of the third paragraph should be removed and replaced by the following:

The Amended 53rd Street Project Area consists of approximately 185 tax parcels and 60 buildings on 24 blocks and contains approximately 81.25 acres of land.

The second to last sentence of the third paragraph should be removed and replaced by the following:

The Amended 53rd Street Project Area extends north along both sides of Lake Park Avenue to approximately 50<sup>th</sup> Street, except that the parcels at the southwest corner of the intersection of Lake Park Avenue and Hyde Park Boulevard are not included in the Amended 53rd Street Project Area.

Map 1 Community Context Map should be replaced by Revised Map 1 – Community Context Map.

Map 2 Boundary Map should be replaced by Revised Map 2 – Amended Boundary Map .

**History of Area**

The Amended 53rd Street Project Area conforms to the historical information as set forth in the Original Plan.

**Existing Land Use**

Map 3 Existing Land Use Map should be replaced by Revised Map 3 – Existing Land Use Map.

**3. Eligibility Analysis**

The following is inserted before the first paragraph of this section:

In 2012, the City desires to amend the 53<sup>rd</sup> Street Tax Increment Financing Redevelopment Plan and Project to exclude the Excluded Area, comprising approximately 2.25 acres of improved land. Excluding this area will enhance the redevelopment potential both inside and outside the Amended 53<sup>rd</sup> Street Project Area, as it may encourage redevelopment of the removed parcels. The Department of Housing and Economic Development finds that the Eligibility Study is not affected adversely by the removal of the 2.25 acres, as all the qualifying factors necessary for the approval of the 53<sup>rd</sup> Street Plan were found to be meaningfully present and reasonably distributed throughout the improved portion of the Original Project Area and all the qualifying factors necessary for the approval of the 53<sup>rd</sup> Street Plan, as defined by the Act, were found to be meaningfully present and reasonably distributed throughout the improved portion of the Amended 53<sup>rd</sup> Street Project Area. In order to accurately represent the conclusions drawn and analysis conducted by S.B. Friedman & Company in this Eligibility Report, the tables and figures relating to the Original Project Area have not been edited to reflect the exclusion of these 2.25 acres except where otherwise noted below.

**Provisions of the Illinois Tax Increment Allocation Redevelopment Act**

The Amended 53rd Street Project Area conforms to the Provisions of the Illinois Tax Increment Allocation Redevelopment Act as set forth in the Original Plan.

**Eligibility Factors for Improved Areas**

The Amended 53rd Street Project Area conforms to the Eligibility Factors For Improved Areas as set forth in the Original Plan.

**Factors For Vacant Land**

The Amended 53rd Street Project Area conforms to the Eligibility Factors For Vacant Land as set forth in the Original Plan.

**Methodology Overview and Determination of Eligibility**

The following sentence should replace the third sentence of the first paragraph:

Our survey of the area established that there are 60 buildings within the Amended 53rd Street Project Area.

**Conservation Area Findings**

Paragraph three should be replaced by the following:

Taking into account information obtained from architectural characteristics, building configurations, information from the Cook County Assessor's Office, structure base maps and the historic development patterns within the community, we have established that of the 60 buildings, 46 buildings (77%) within the Amended 53rd Street Project Area are 35 years of age or older.

Sentence two of paragraph seven should be deleted and replaced with the following:

Two (2) out of every three (3) full or partial blocks (67%) included within the Amended 53<sup>rd</sup> Street Project Area exhibit structures below minimum code standards to a major extent and over half of the buildings (53%) have been cited for code violations in the past five years.

Sentence one of paragraph eight should be replaced by the following:

The excessive land coverage among the buildings also is significant and well-distributed throughout the area: 18 (30%) of 60 buildings are characterized by this blighting condition.

On line 6 of Table 1, the "XX" should be removed from the column for "Below Minimum Code" and instead should be blank, and the "X" should be removed from the column for "Deleterious Land Use or Layout" and replaced with "XX."

Map 4A – Conservation Factor Map Age should be deleted and replaced by Revised Map 4A, Conservation Factor Map Age.

Map 4B -- Conservation Factor Map Structures Below Minimum Code should be deleted and replaced by Revised Map 4B, Conservation Factor Map - Structures Below Minimum Code.

Map 4C -- Conservation Factor Map Inadequate Utilities should be deleted and replaced by Revised Map 4C, Conservation Factor Map Inadequate Utilities.

Map 4D -- Conservation Factor Map Excessive Land Coverage should be deleted and replaced by Revised Map 4D, Conservation Factor Map Excessive Land Coverage.

Map 4E -- Conservation Factor Map Lack of Growth in EAV should be deleted and replaced by Revised Map 4E, Conservation Factor Map Lack of Growth in EAV.



### 1. Lack of Growth in Equalized Assessed Value

Table 2 should be replaced by the following Amended Table 2:

**TABLE 2: Percent Change in Annual Equalized Assessed Valuation (EAV)**

	Percent Change in EAV	Percent Change in EAV	Percent Change in EAV	Percent Change in EAV	Percent Change in EAV
	1994 - 1995	1995 - 1996	1996 - 1997	1997 - 1998	1998 - 1999
Amended 53rd Street RPA	5.54%	-5.21%	7.27%	1.72%	2.64%
Hyde Park Township (balance of)	-0.31%	1.01%	8.63%	1.15%	3.57%
City of Chicago (balance of)	0.96%	1.27%	8.40%	1.77%	4.17%

### 2. Structures Below Minimum Code

Paragraph one contains references to quantities of code violation data between 1995 and 2000 that cannot be accurately edited to reflect the removal of the two parcels. In the absence of original building code violation data for the Excluded Area, JRG assessed the eligibility of the Amended 53<sup>rd</sup> Street Project Area under the most rigorous circumstances. The most rigorous assumption is that eleven of the 42 building code violations in the Original Project Area occurred in the Excluded Area. This assumption causes the following changes to this section:

Sentences one and two of paragraph one should be replaced by the following:

Based on data provided by the City of Chicago Department of Buildings, 31 code violation citations have been issued for 31 different buildings within the Amended 53<sup>rd</sup> Street Project Area between 1995 and the beginning of 2000. The 31 code violation citations have implicated 52% of the buildings and two (2) out of every three (3) blocks (67%) within the Amended 53<sup>rd</sup> Street Project Area between 1995 and the beginning of 2000.

Paragraph two should be deleted and replaced with the following:

This eligibility factor was found to be present to a meaningful extent on 67% of the blocks within the Amended 53<sup>rd</sup> Street Project Area.

### 3. Excessive Land Coverage

Sentence two of paragraph one should be replaced with the following:

Eighteen of the 60 buildings (30%) within the Amended 53rd Street Project Area exhibited problem conditions which warranted the finding of this factor to be present on

more than one (1) out of every three (3) blocks (42%) within the Amended 53rd Street Project Area.

**4. Inadequate Utilities**

The Amended 53rd Street Project Area conforms to the Inadequate Utilities factor as set forth in the Original Plan.

**Minor Supporting Factors**

The Amended 53rd Street Project Area conforms to the Minor Supporting Factors as set forth in the Original Plan.

**1. Deterioration**

The first sentence of paragraph one should be deleted and replaced with the following:

Sixteen of the 60 buildings (27%) within the Amended 53<sup>rd</sup> Street Project Area demonstrate a significant level of deterioration.

The third paragraph should be deleted and replaced with the following:

Although this factor was not considered to be present to a major extent for the Amended 53<sup>rd</sup> Street Project Area as a whole, the combination of buildings with some amount of deterioration and surface improvements with deterioration was found to be present to a meaningful extent on 46% of the blocks within the Amended 53<sup>rd</sup> Street Project Area.

**2. Deleterious Land Use or Layout**

The last sentence of paragraph one should be replaced with the following:

While this factor was not found to be present for many individual buildings (six out of 60 buildings), it was found to be present to a meaningful extent on seven (29%) of the 24 blocks in the Amended 53<sup>rd</sup> Street Project Area, mostly around the intersection of 53rd Street and Lake Park Avenue.

**3. Obsolescence**

The first two sentences of paragraph one should be deleted and replaced with the following:

Obsolescence, either functional, economic, or some combination of both, was documented for eight of the 60 buildings (13%) within the Amended 53<sup>rd</sup> Street Project Area. One (1) out of every five (5) blocks exhibits some type of obsolescence.

The third paragraph should be deleted and replaced with the following:

This eligibility factor is present to a meaningful extent on 21% of the blocks within the Amended 53<sup>rd</sup> Street Project Area.

#### **4. Redevelopment Project & Plan**

##### **Redevelopment Needs of the Amended 53rd Street RPA**

The Amended 53rd Street Plan conforms to redevelopment needs as set forth in the Original Plan.

##### **Goals, Objectives and Strategies**

The Amended 53rd Street Plan conforms to goals, objectives and strategies as set forth in the Original Plan.

##### **Redevelopment Plan Elements**

The Amended 53rd Street Plan conforms to redevelopment plan elements as set forth in the Original Plan.

##### **Future Land Use**

The Amended 53rd Street Plan conforms to the proposed future land uses as set forth in the Original Plan.

Map 5 – Proposed Land Use Map should be deleted and replaced by Revised Map 5, Proposed Land Use Map.

##### **Housing Impact and Related Matters**

The Amended 53rd Street Plan conforms to the findings of the housing impact and related matters as set forth in the Original Plan.

#### **5. Financial Plan**

##### **Eligible Costs**

The Amended 53rd Street Plan, including subsequent Revision Number 4 to the Original Plan which increased the budget to \$26,624,220, as authorized on March 12, 2012 by the City Council of Chicago and as presented below conforms to the eligible costs as set forth in the Original Plan.

Table 3.  
Estimated Tax Increment Financing Eligible Costs  
Revised March 2012

Project Improvements	Original 2001 Plan Estimated Project Costs	Amended for CPI 2012 Plan Estimated Project Costs
Public Works or Improvements	\$11,900,000	\$15,841,411
Rehabilitation Costs	\$3,000,000	\$3,993,634
Property Assembly: including site preparation and environmental remediation	\$500,000	\$665,605
Professional Services/Administration	\$500,000	\$665,605
Relocation (Commercial)	\$350,000	\$465,924
Job Training	\$1,500,000	\$1,996,816
Interest Costs	\$1,500,000	\$1,996,816
Day Care	\$750,000	\$998,409
<b>TOTAL REDEVELOPMENT COSTS:</b>	<b>\$20,000,000</b>	<b>\$26,624,220</b>

#### Estimated Redevelopment Project Costs

The Amended 53rd Street Plan conforms to the estimated redevelopment project costs as set forth in the Original Plan.

#### Phasing and Scheduling of the Redevelopment

The Amended 53rd Street Plan conforms to the phasing and scheduling of the redevelopment as set forth in the Original Plan.

#### Sources of Funds to Pay Costs

The Amended 53rd Street Plan conforms to sources of funds to pay costs as set forth in the Original Plan.

#### Issuance of Obligations

The Amended 53rd Street Plan conforms to the issuance of obligations as set forth in the Original Plan.

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

The second sentence in the first paragraph should be removed and replaced with:

The 1999 EAV of all taxable parcels in the Amended 53<sup>rd</sup> Street Project Area is approximately \$20,916,553.

**Anticipated Equalized Assessed Valuation**

The Amended 53rd Street Plan conforms to the anticipated equalized assessed valuation as set forth in the Original Plan.

**6. Required Findings and Tests**

**Lack of Growth and Private Investment**

The second to last sentence in paragraph two should be removed and replaced with the following:

The compound annual growth rate of EAV for the Amended 53<sup>rd</sup> Street Project Area was only 2.30% between 1994 and 1999.

Paragraphs three, four, and five contain references to building permit data from 1995 to 2000 that cannot be accurately edited to reflect the removal of the two parcels. In the absence of original building permit data for the Excluded Area, JRG assessed the eligibility of the Amended 53<sup>rd</sup> Street Project Area under the most rigorous circumstances. In this case the most rigorous assumption is that no building permits were issued in the Excluded Area in the period from 1995 to early 2000. This assumption does not cause any change in the statements, conclusions or findings in this section.

**But for ....**

The Amended 53rd Street Plan conforms to the "but for" findings as set forth in the Original Plan.

**Conformance to the Plans of the City**

The Amended 53rd Street Plan conforms to the conformance to the plans of the City as set forth in the Original Plan.

**Dates of Completion**

The Amended 53rd Street Plan conforms to the dates of completion as set forth in the Original Plan.

**Financial Impact of the Redevelopment Project**

The Amended 53rd Street Plan conforms to the financial impact of the redevelopment project as set forth in the Original Plan.

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

The Amended 53rd Street Plan conforms to the Demand on Taxing District Services and Program to Address Financial and Service Impact findings as set forth in the Original Plan.

Map 6 Community Facilities Map should be deleted and replaced by Revised Map 6, Community Facilities Map (included below after the description of changes to the Plan).

**7. Provisions for Amending Action Plan**

The Amended 53rd Street Plan conforms to the provisions for amending action plan as set forth in the Original Plan.

**8. Commitment to Fair Employment Practices and Affirmative Action Plan**

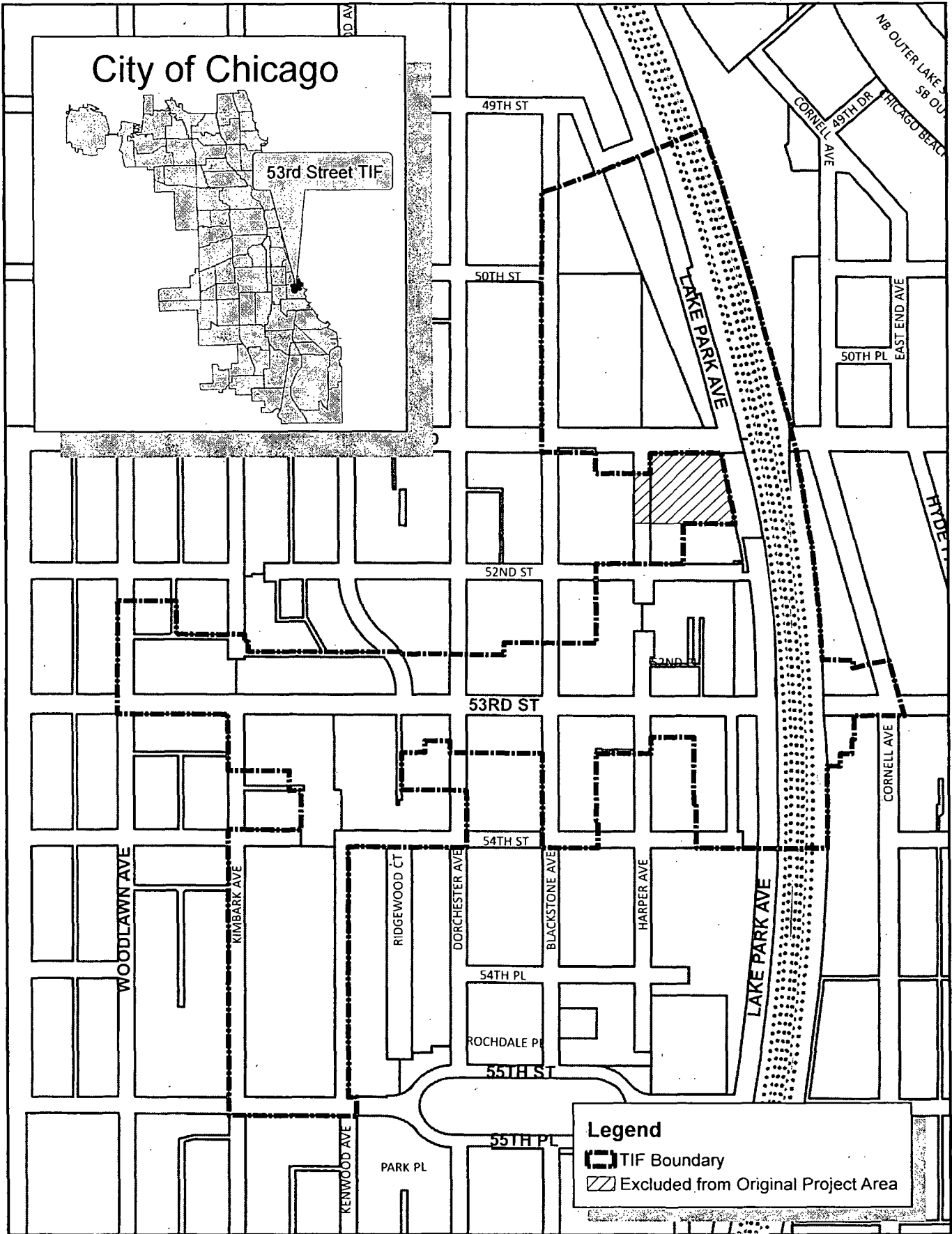
The Amended 53rd Street Plan conforms to the commitment to fair employment practices and affirmative action plan as set forth in the Original Plan.

**Appendix 1: Boundary and Legal Description (Chicago Guarantee Survey Co.)**

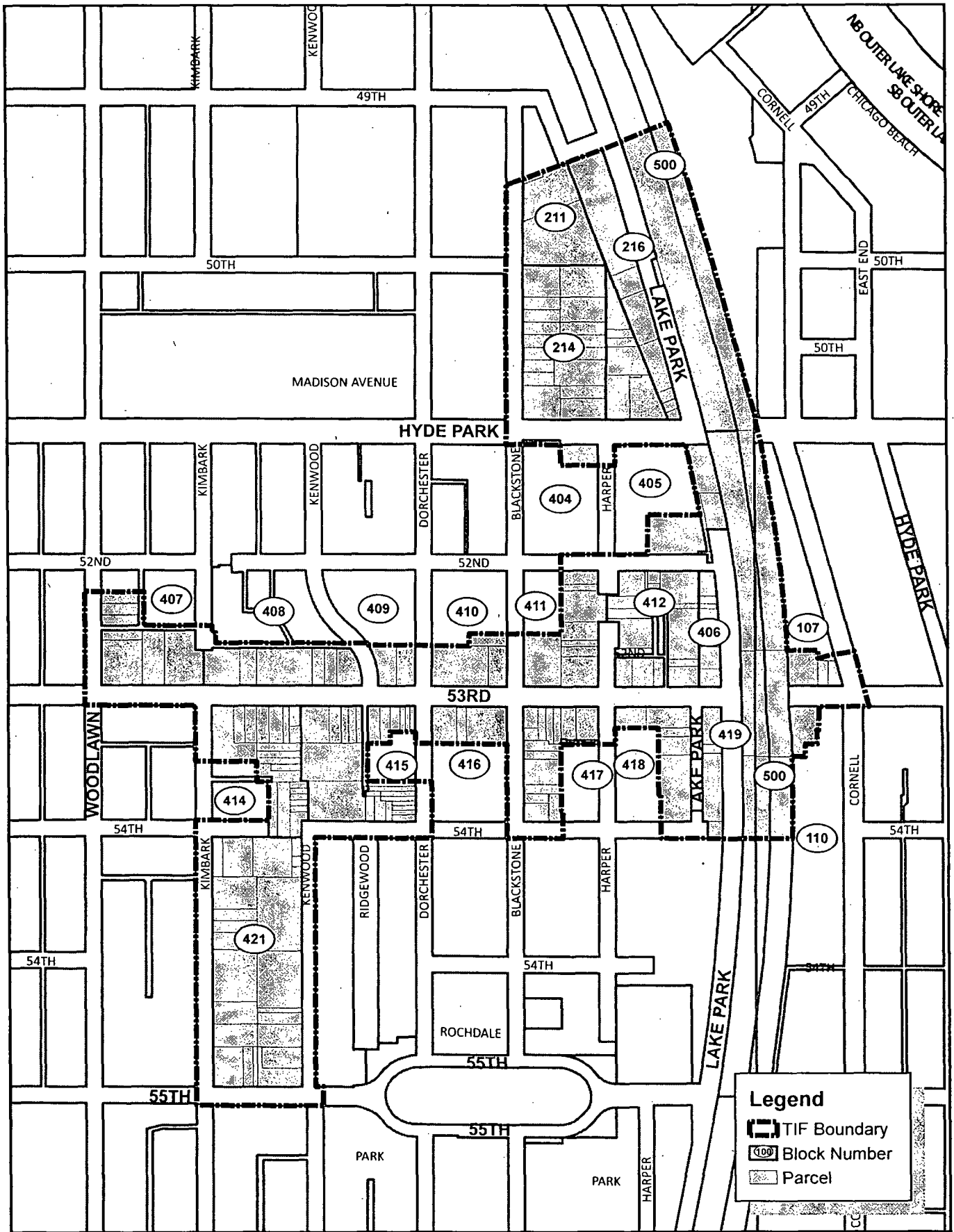
Appendix 1 should be removed and replaced with Amended Appendix 1: Amended Boundary and Legal Description.

**Appendix 2:  
Summary of EAV (By PIN)**

Appendix 2 should be removed and replaced with Amended Appendix 2: Summary of EAV by Permanent Index Number (PIN). Said Amended Appendix 2 reflects the 1999 Certified Initial EAV by PIN for the 53<sup>rd</sup> Street TIF RPA with the removal of the two PINs from the Excluded Area. The Amended Base EAV is \$20,916,553.

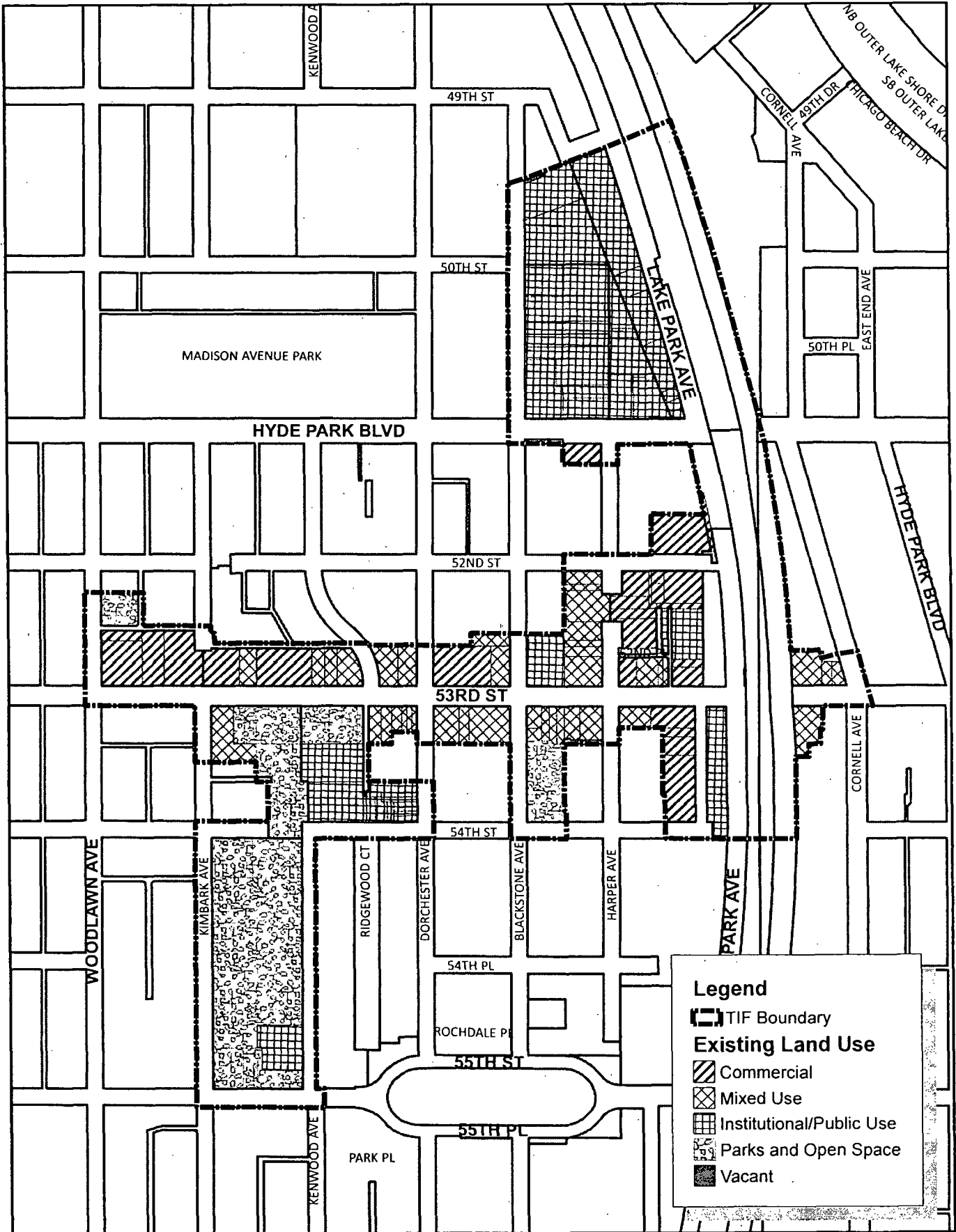


Revised Map 1: **Community Context Map**  
**53RD STREET TAX INCREMENT FINANCING DISTRICT**

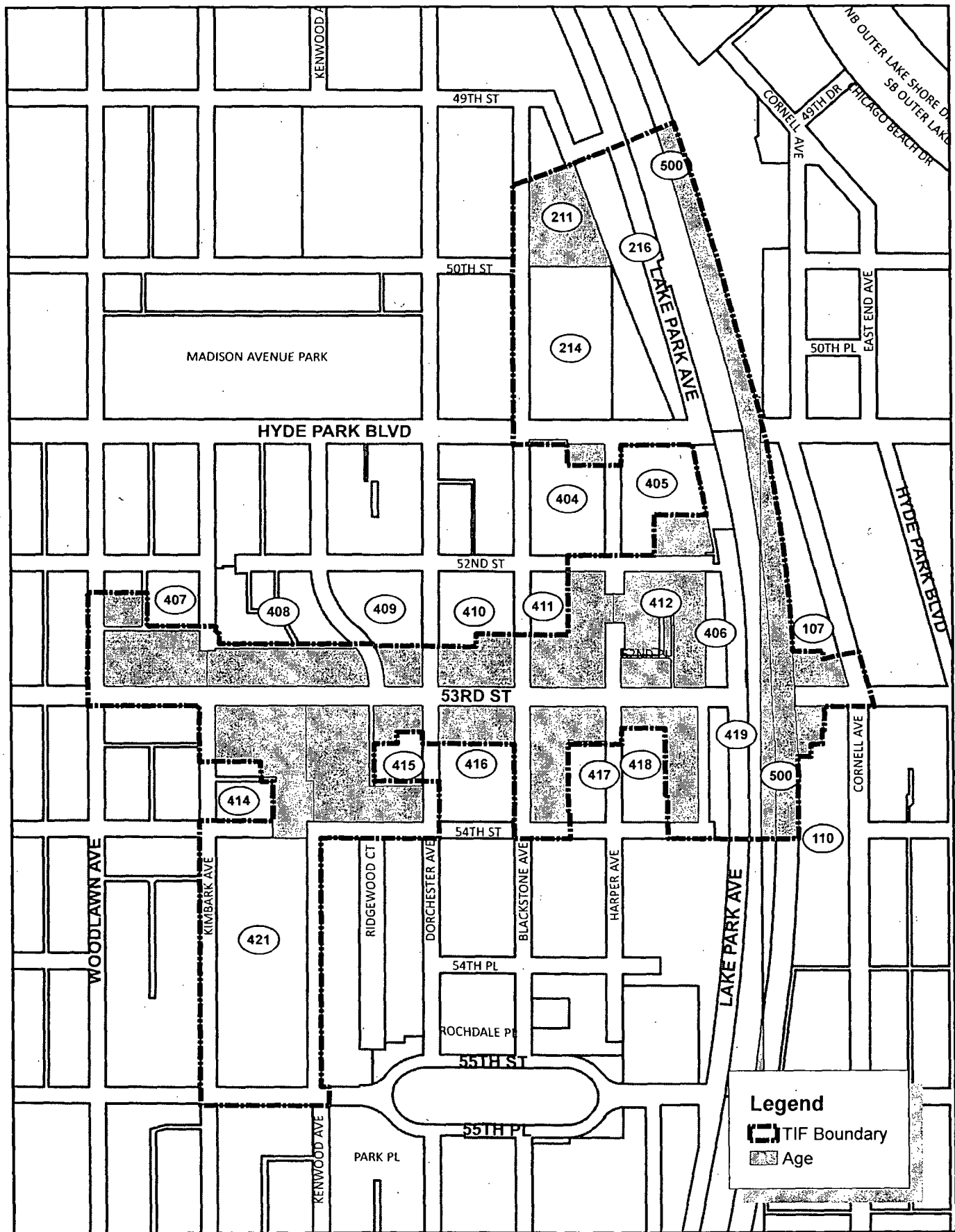


Revised Map 2: Amended Boundary Map  
 53RD STREET TAX INCREMENT FINANCING DISTRICT

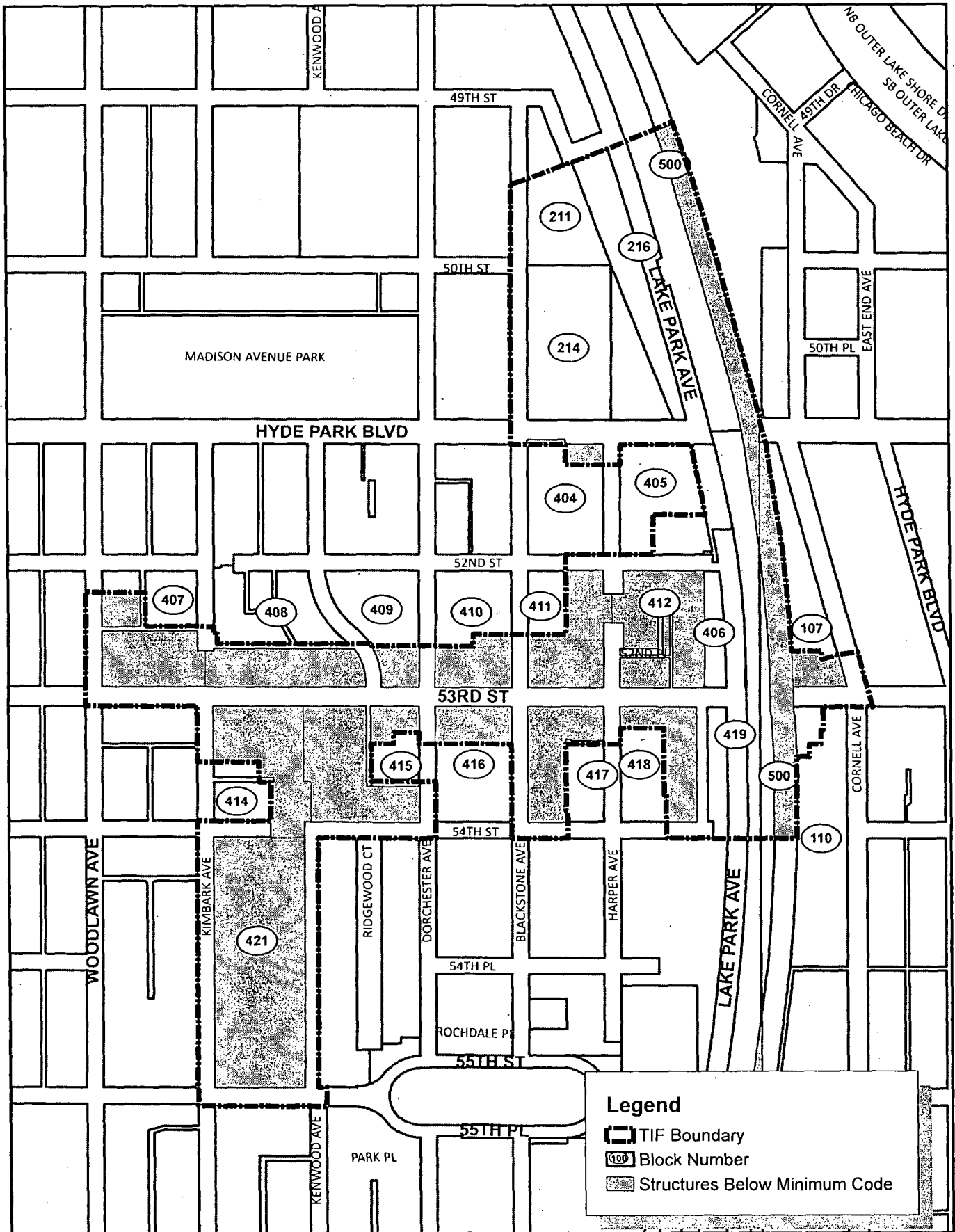




Revised Map 3: Existing Land Use  
 53RD STREET TAX INCREMENT FINANCING DISTRICT

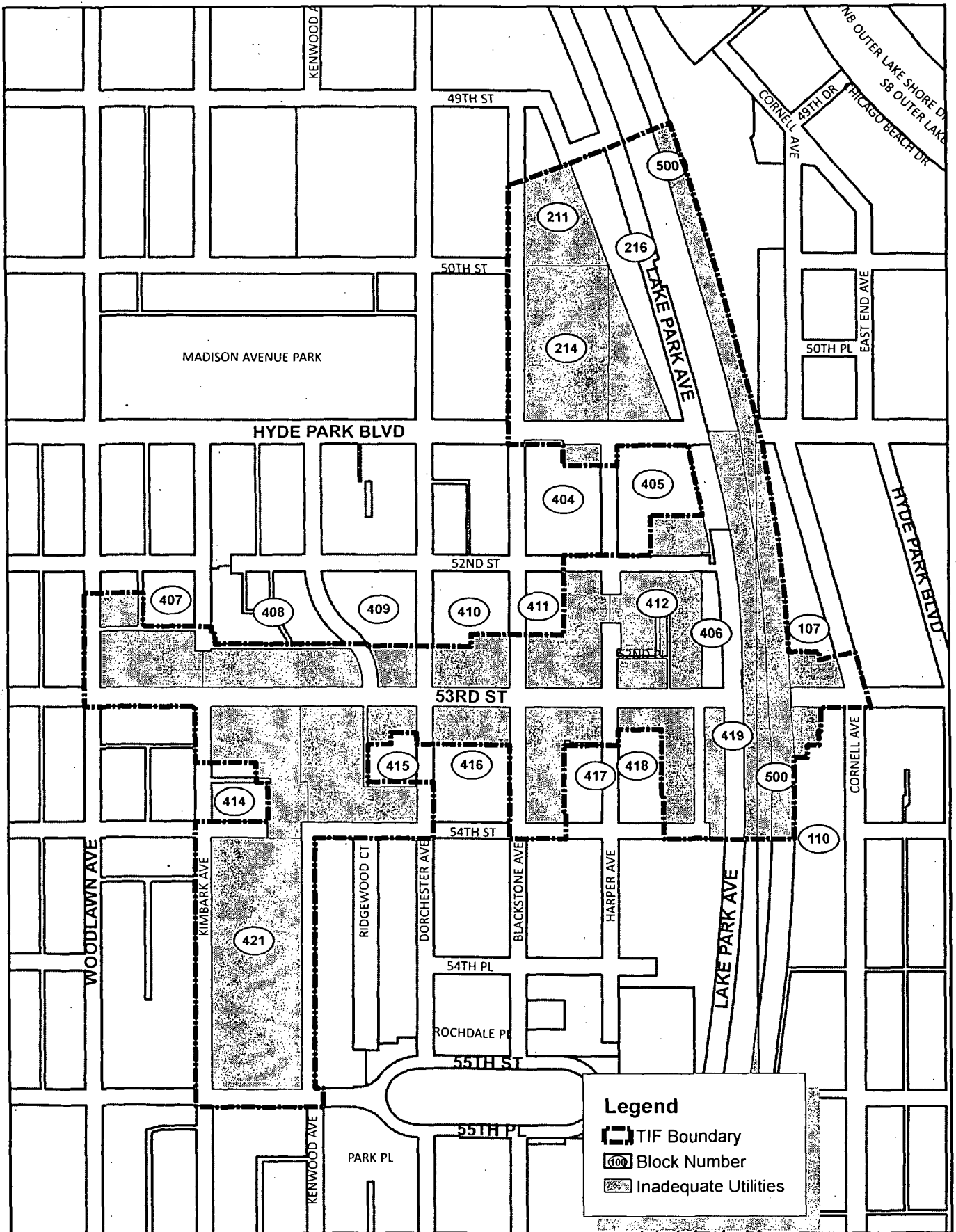


Revised Map 4A: Conservation Factors Map - Age  
 53RD STREET TAX INCREMENT FINANCING DISTRICT






Revised Map 4B: Conservation Factor Map - Structures Below Minimum Code  
 53RD STREET TAX INCREMENT FINANCING DISTRICT



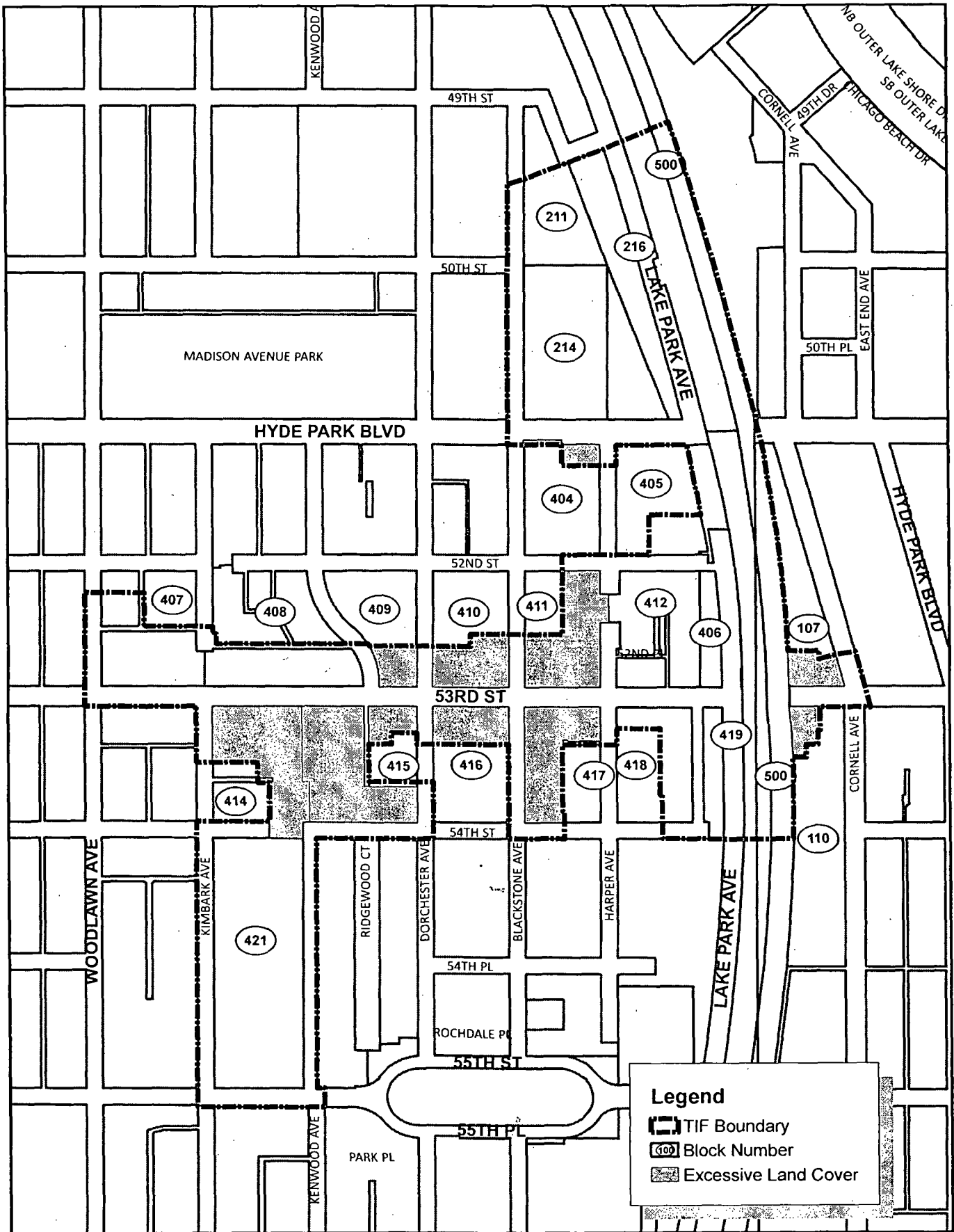


**Legend**

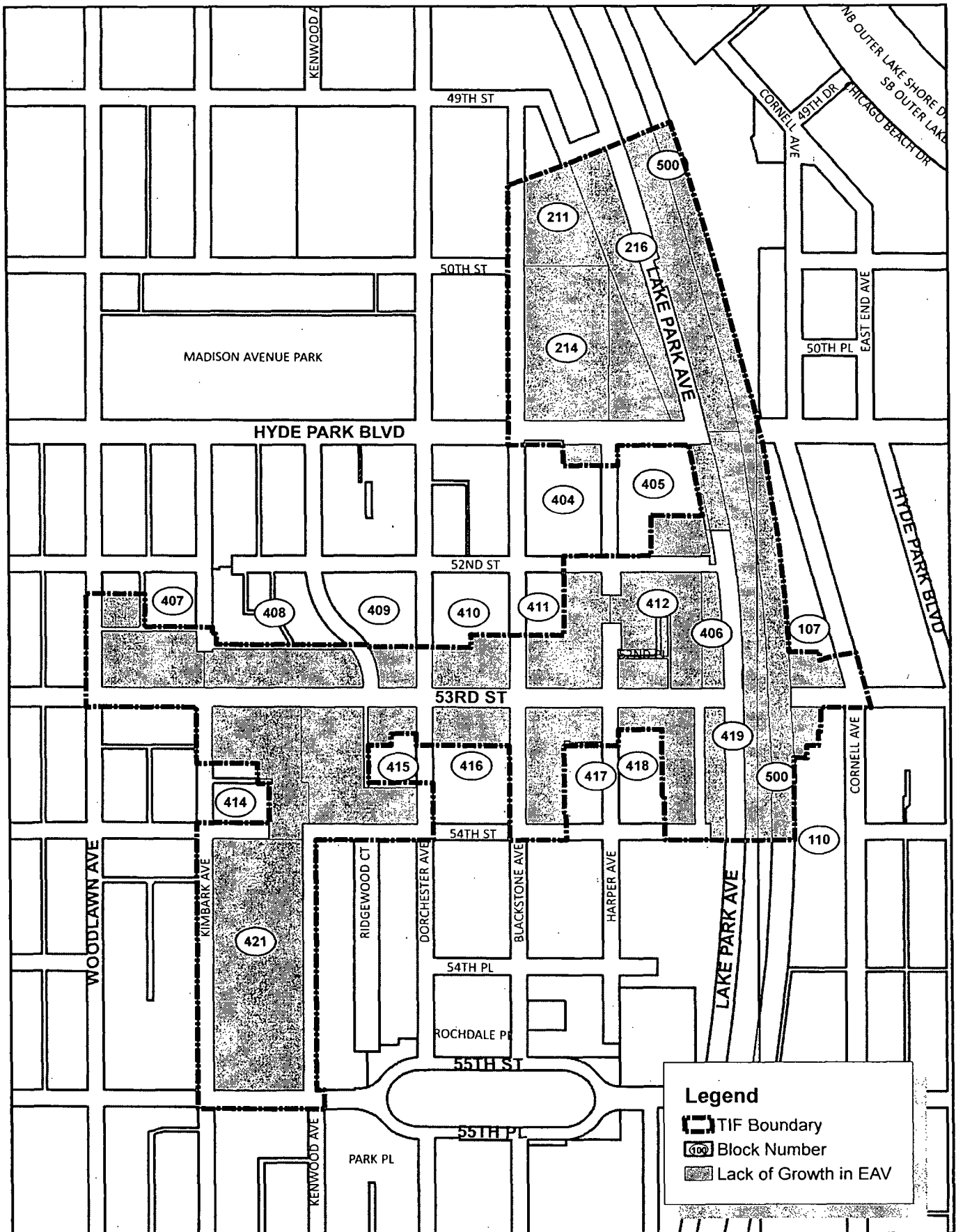
-  TIF Boundary
-  Block Number
-  Inadequate Utilities

Revised Map 4C: Conservation Factor Map - Inadequate Utilities  
 53RD STREET TAX INCREMENT FINANCING DISTRICT





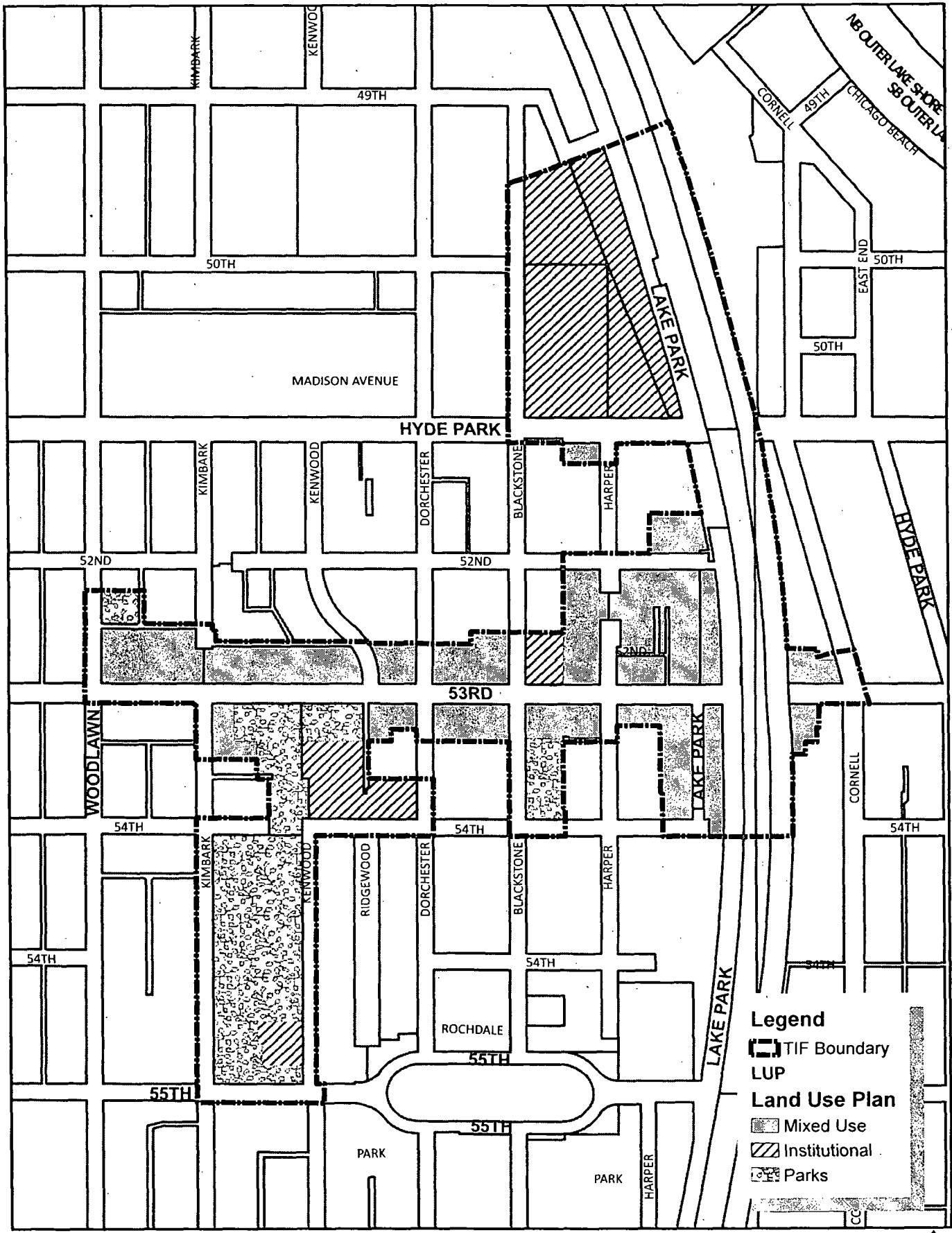
Revised Map 4D: Conservation Factor Map - Excessive Land Coverage  
 53RD STREET TAX INCREMENT FINANCING DISTRICT



Revised Map 4E: Conservation Factor Map - Lack of Growth in EAV  
 53RD STREET TAX INCREMENT FINANCING DISTRICT

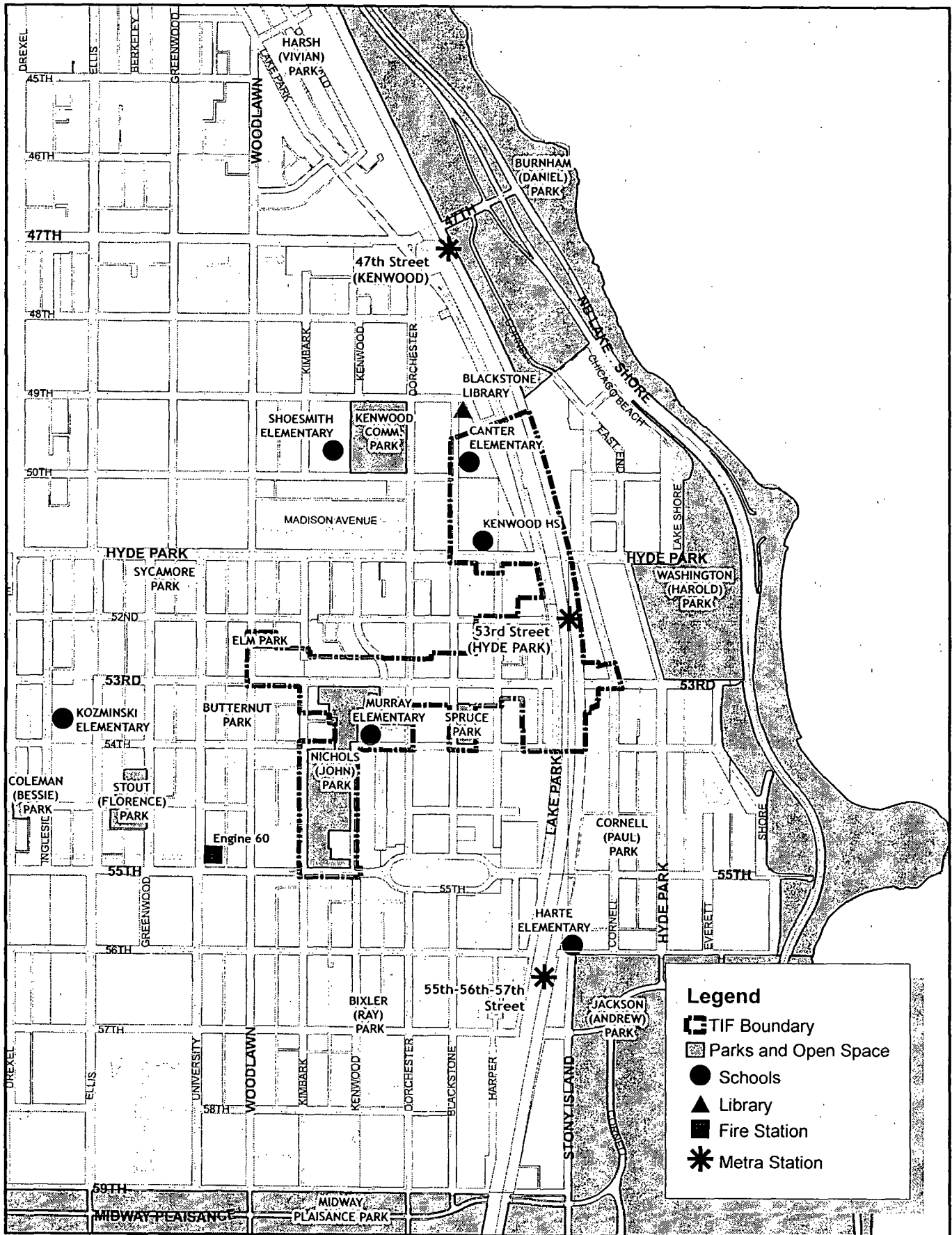
Prepared by: Johnson Research Group





Revised Map 5: Proposed Land Use Map  
 53RD STREET TAX INCREMENT FINANCING DISTRICT





Revised Map 6: Community Facilities Map  
 53RD STREET TAX INCREMENT FINANCING DISTRICT





**AMENDED APPENDIX 1: AMENDED BOUNDARY AND LEGAL DESCRIPTION**

**AMENDED 53RD STREET TIF DISTRICT**

ALL THAT PART OF SECTIONS 11 AND 12 IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST HYDE PARK BOULEVARD WITH THE WEST LINE OF SOUTH BLACKSTONE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH BLACKSTONE AVENUE TO THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY LINE OF LOT 5 IN BLOCK 5 IN HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY EXTENSION AND THE NORTHWESTERLY LINE OF LOT 5 IN SAID BLOCK 5 IN HYDE PARK TO THE SOUTHWESTERLY LINE OF SOUTH LAKE PARK AVENUE BEING ALSO THE NORTH LINE OF THE PARCEL BEARING PIN 20-11-211-013;

THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF VACATED LAKE PARK AVENUE TO THE NORTHWEST CORNER OF THAT PART OF LOT 4 IN BLOCK 6 IN SAID HYDE PARK HERETOFORE DEDICATED AS PUBLIC RIGHT OF WAY;

THENCE NORTHEASTERLY ALONG THE NORTH LINE OF THAT PART OF LOT 4 IN BLOCK 6 IN SAID HYDE PARK HERETOFORE DEDICATED AS PUBLIC RIGHT OF WAY, SAID NORTH LINE BEING ALSO THE NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-11-216-066, AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EASTERLY LINE OF THAT PART OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY BEARING PIN 20-11-500-006;

THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF THAT PART OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY BEARING PIN 20-11-500-006 TO THE SOUTH LINE OF LOT 10 IN BLOCK 17 IN HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART

OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF LOT 10 IN BLOCK 17 IN HYDE PARK TO THE EAST LINE OF LOT 12 IN SAID BLOCK 17 IN HYDE PARK;

THENCE SOUTH ALONG SAID EAST LINE OF LOT 12 IN BLOCK 17 IN HYDE PARK TO THE SOUTH LINE OF LOT 1 IN CHARLES G. ROSE'S LOT 1, A SUBDIVISION OF PARTS OF LOT 10 AND 11 IN BLOCK 17 IN HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF LOT 1 IN CHARLES G. ROSE'S LOT 1, AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EASTERLY LINE OF SOUTH CORNELL AVENUE;

THENCE SOUTH ALONG SAID EASTERLY LINE OF SOUTH CORNELL AVENUE TO THE SOUTH LINE OF EAST 53RD STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 53RD STREET TO A LINE 94.57 FEET WEST OF AND PARALLEL WITH THE WEST LINE OF SOUTH CORNELL AVENUE, SAID LINE BEING ALSO THE WEST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-12-110-034;

THENCE SOUTH ALONG SAID LINE 94.57 FEET WEST OF AND PARALLEL WITH THE WEST LINE OF SOUTH CORNELL AVENUE, A DISTANCE OF 92.70 FEET, TO A NORTH LINE OF SAID PARCEL OF PROPERTY BEARING PIN 20-12-110-034;

THENCE WEST ALONG SAID NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-12-110-034, A DISTANCE OF 9.60 FEET TO THE SOUTHERLY MOST WEST LINE OF SAID PARCEL OF PROPERTY BEARING PIN 20-12-110-034;

THENCE SOUTH ALONG SAID SOUTHERLY MOST WEST LINE OF SAID PARCEL OF PROPERTY BEARING PIN 20-12-110-034 TO THE NORTH LINE OF LOT 5 IN BLOCK 33 IN AFORESAID HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTH

LINE OF LOT 5 BEING ALSO THE NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-12-110-002;

THENCE WEST ALONG SAID NORTH LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-12-110-002 TO THE WEST LINE THEREOF;

THENCE SOUTH ALONG SAID WEST LINE OF THE PARCEL OF PROPERTY BEARING PIN 20-12-110-002 TO THE NORTH LINE OF LOT 6 IN SAID BLOCK 33 IN HYDE PARK;

THENCE WEST ALONG SAID NORTH LINE OF LOT 6 IN BLOCK 33 IN HYDE PARK TO THE EAST LINE OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY BEARING PIN 20-12-500-003;

THENCE SOUTH ALONG SAID EAST LINE OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY BEARING PIN 20-12-500-003 TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF EAST 54TH STREET, AS SAID 54TH STREET IS OPENED AND LAID OUT IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE SOUTH LINE OF EAST 54TH STREET, AS SAID 54TH STREET IS OPENED AND LAID OUT IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO THE SOUTHERLY EXTENSION OF A LINE 120 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF BLOCK 31 IN HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND ALONG A LINE 120 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF BLOCK 31 IN HYDE PARK TO THE SOUTH LINE OF LOT 7 IN SAID BLOCK 31 IN HYDE PARK;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 7 IN BLOCK 31 IN HYDE PARK TO A LINE 128 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF BLOCK 31 IN HYDE PARK;

THENCE NORTH ALONG SAID LINE 128 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF BLOCK 31 IN HYDE PARK TO THE NORTH LINE OF THE SOUTH 15 FEET OF LOT 2 IN SAID BLOCK 31 IN HYDE PARK;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 15 FEET OF LOT 2 IN SAID BLOCK 31 IN HYDE PARK AND ALONG THE NORTH LINE OF THE SOUTH 15 FEET OF LOT 17 IN BLOCK 31 IN HYDE PARK TO THE EAST LINE OF SOUTH HARPER AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH HARPER AVENUE TO THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 4 IN BLOCK 30 IN HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTH LINE OF LOT 4 BEING ALSO THE SOUTH LINE OF THE ALLEY SOUTH OF EAST 53RD STREET;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE NORTH LINE OF LOT 4 IN BLOCK 30 IN HYDE PARK TO THE WEST LINE OF SAID LOT 4;

THENCE SOUTH ALONG SAID WEST LINE OF SAID LOT 4, AND ALONG THE WEST LINE OF LOTS 5, 6, 7, 8 AND 9 IN SAID BLOCK 30 TO SOUTH LINE OF THE NORTH 16 FEET OF SAID LOT 9 IN BLOCK 30 IN HYDE PARK;

THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 16 FEET OF SAID LOT 9 IN BLOCK 30 IN HYDE PARK TO THE EAST LINE OF THE WEST 5 FEET OF SAID LOT 9 IN BLOCK 30 IN HYDE PARK;

THENCE SOUTH ALONG SAID EAST LINE OF THE WEST 5 FEET OF LOT 9 IN BLOCK 30 IN HYDE PARK AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF EAST 54TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 54TH STREET TO THE WEST LINE OF SOUTH BLACKSTONE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH BLACKSTONE AVENUE TO THE NORTH LINE OF LOT 4 IN BLOCK 29 IN HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID NORTH LINE OF LOT 4 IN BLOCK 29 IN HYDE PARK AND ALONG THE NORTH LINE OF LOT 15 IN SAID BLOCK 29 IN HYDE PARK AND ALONG THE WESTERLY EXTENSION THEREOF TO THE WEST LINE OF SOUTH DORCHESTER AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH DORCHESTER AVENUE TO THE NORTH LINE OF THE SOUTH 50 FEET OF LOTS 1, 2 AND THE EASTERLY 4 FEET OF LOT 3, ALL IN BLOCK 28 IN KIMBARK'S ADDITION TO HYDE PARK, A SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 50 FEET OF LOTS 1, 2 AND THE EASTERLY 4 FEET OF LOT 3, ALL IN BLOCK 28 IN KIMBARK'S ADDITION TO HYDE PARK TO THE WEST LINE OF SAID EASTERLY 4 FEET OF LOT 3;

THENCE SOUTH ALONG SAID WEST LINE OF THE EASTERLY 4 FEET OF LOT 3 IN BLOCK 28 IN KIMBARK'S ADDITION TO HYDE PARK TO THE NORTH LINE OF LOT 13 IN SAID BLOCK 28 IN HYDE PARK;

THENCE WEST ALONG SAID NORTH LINE OF LOT 13 IN BLOCK 28 IN KIMBARK'S ADDITION TO HYDE PARK TO THE WEST LINE OF SAID LOT 13, SAID WEST LINE OF LOT 13 BEING ALSO THE EAST LINE OF THE ALLEY WEST OF SOUTH DORCHESTER AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY WEST OF SOUTH DORCHESTER AVENUE TO THE SOUTH LINE OF LOT 16 IN SAID BLOCK 28 IN KIMBARK'S ADDITION TO HYDE PARK;

THENCE EAST ALONG SAID SOUTH LINE OF LOT 16 IN BLOCK 28 IN KIMBARK'S ADDITION TO HYDE PARK AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EAST LINE OF SOUTH DORCHESTER AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH DORCHESTER AVENUE TO THE SOUTH LINE OF EAST 54TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 54TH STREET TO THE EAST LINE OF SOUTH KENWOOD AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH KENWOOD AVENUE TO THE SOUTH LINE OF EAST 55TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 55TH STREET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 41 IN BLOCK 29 IN AFORESAID KIMBARK'S ADDITION TO HYDE PARK, SAID EAST LINE OF LOT 41 BEING ALSO THE WEST LINE OF SOUTH KIMBARK AVENUE;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND ALONG THE WEST LINE OF SOUTH KIMBARK AVENUE TO THE NORTH LINE OF EAST 54TH STREET;

THENCE EAST ALONG SAID THE NORTH LINE OF EAST 54TH STREET TO THE EAST LINE OF THE WESTERLY 15 FEET OF LOT 19 IN BLOCK 27 IN AFORESAID KIMBARK'S ADDITION TO HYDE PARK;

THENCE NORTH ALONG SAID EAST LINE OF THE WESTERLY 15 FEET OF LOT 19 IN BLOCK 27 IN KIMBARK'S ADDITION TO HYDE PARK TO THE NORTH LINE OF SAID LOT 19, SAID NORTH LINE OF LOT 19 BEING ALSO THE SOUTH LINE OF THE ALLEY NORTH OF EAST 54TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF THE ALLEY NORTH OF EAST 54TH STREET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 12 IN SAID BLOCK 27 IN KIMBARK'S ADDITION TO HYDE PARK;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF LOT 12 AND ALONG THE EAST LINE OF LOT 11, BOTH IN BLOCK 27 IN KIMBARK'S ADDITION TO HYDE PARK TO THE NORTH LINE OF SAID LOT 11;

THENCE WEST ALONG SAID NORTH LINE OF LOT 11 IN BLOCK 27 IN KIMBARK'S ADDITION TO HYDE PARK AND ALONG THE WESTERLY EXTENSION THEREOF TO THE WEST LINE OF SOUTH KIMBARK AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH KIMBARK AVENUE TO THE SOUTH LINE OF EAST 53RD STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 53RD STREET TO THE WEST LINE OF SOUTH WOODLAWN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH WOODLAWN AVENUE TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN BLOCK 25 IN AFORESAID KIMBARK'S ADDITION TO HYDE PARK;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE OF LOT 7 IN BLOCK 25 IN KIMBARK'S ADDITION TO HYDE PARK AND ALONG THE EASTERLY EXTENSION THEREOF TO THE WEST LINE OF LOT 5 IN SAID BLOCK 25 IN KIMBARK'S ADDITION TO HYDE PARK, SAID WEST LINE OF LOT 5 BEING ALSO THE EAST LINE OF THE ALLEY EAST OF SOUTH WOODLAWN AVENUE;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 IN BLOCK 25 IN KIMBARK'S ADDITION TO HYDE PARK TO THE SOUTH LINE OF SAID LOT 5, SAID SOUTH LINE OF SAID LOT 5 BEING ALSO THE NORTH LINE OF THE ALLEY NORTH OF EAST 53RD STREET;

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY NORTH OF EAST 53RD STREET AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EAST LINE OF SOUTH KIMBARK AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH KIMBARK AVENUE TO THE SOUTH LINE OF LOT 19 IN BLOCK 24 IN KIMBARK'S ADDITION TO HYDE PARK;

THENCE EAST ALONG SAID SOUTH LINE OF LOT 19 IN BLOCK 24 IN KIMBARK'S ADDITION TO HYDE PARK TO THE EAST LINE OF SOUTH KIMBARK AVENUE;

THENCE SOUTH ALONG SAID EAST LINE OF SOUTH KIMBARK AVENUE TO THE SOUTH LINE OF LOT 18 IN SAID BLOCK 24 IN KIMBARK'S ADDITION TO HYDE PARK, SAID SOUTH LINE OF LOT 18 BEING ALSO THE NORTH LINE OF THE ALLEY NORTH OF EAST 53RD STREET;

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY NORTH OF EAST 53RD STREET AND ALONG THE EASTERLY EXTENSION THEREOF TO THE EASTERLY LINE OF SOUTH KENWOOD STREET;

THENCE SOUTH ALONG SAID EASTERLY LINE OF SOUTH KENWOOD STREET TO THE NORTH LINE OF LOT 12 IN BLOCK 23 IN KIMBARK'S ADDITION TO HYDE PARK;

THENCE EAST ALONG SAID NORTH LINE OF LOT 12 IN BLOCK 23 IN KIMBARK'S ADDITION TO HYDE PARK AND ALONG THE NORTH LINE OF LOTS 13 AND 14 IN SAID IN BLOCK 23 IN KIMBARK'S ADDITION TO HYDE PARK TO THE WEST LINE OF SOUTH DORCHESTER AVENUE;

THENCE EAST ALONG A STRAIGHT LINE TO THE SOUTHWEST CORNER OF LOT 13 IN BLOCK 22 IN HYDE PARK, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 11, AND THE NORTH PART OF THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, ALL IN TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 13 IN BLOCK 22 IN HYDE PARK TO THE EAST LINE THEREOF;

THENCE NORTH ALONG SAID EAST LINE OF LOT 13 IN BLOCK 22 IN HYDE PARK TO THE SOUTH LINE OF LOT 5 IN SAID BLOCK 22 IN HYDE PARK;

THENCE EAST ALONG SAID SOUTH LINE OF LOT 5 IN BLOCK 22 IN HYDE PARK AND ALONG THE EASTERLY EXTENSION THEREOF AND ALONG THE SOUTH LINE OF LOT 14 IN BLOCK 21 IN HYDE PARK TO THE WEST LINE OF LOT 5 IN SAID BLOCK 21 IN HYDE PARK;

THENCE NORTH ALONG SAID WEST LINE OF LOT 5 IN BLOCK 21 IN HYDE PARK AND ALONG THE WEST LINE OF LOTS 4, 3, 2 AND 1 IN SAID BLOCK 21 IN HYDE PARK AND ALONG THE NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF EAST 52ND STREET;

THENCE EAST ALONG SAID NORTH LINE OF EAST 52ND STREET TO THE EAST LINE OF LOT 8 IN BLOCK 15 IN CORNELL'S RESUBDIVISION OF BLOCKS 15 AND 16 OF HYDE PARK, IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID EAST LINE OF LOT 8 IN CORNELL'S RESUBDIVISION AND ALONG THE EAST LINE OF LOTS 9 AND 10 IN SAID CORNELL'S RESUBDIVISION TO THE NORTH LINE OF SAID LOT 10;

THENCE EAST ALONG THE NORTH LINE OF LOT 5 IN CORNELL'S RESUBDIVISION AND ALONG THE EASTERLY EXTENSION OF SAID LOT 5 TO THE EASTERLY LINE OF VACATED SOUTH LAKE PARK AVENUE VACATED BY ORDINANCE PASSED BY THE CITY COUNCIL OF THE CITY OF CHICAGO ON AUGUST 25, 1966;

THENCE NORTHERLY ALONG THE EASTERLY LINE OF VACATED SOUTH LAKE PARK AVENUE AFORESAID TO THE SOUTH LINE OF HYDE PARK BOULEVARD AS WIDENED;

THENCE WEST ALONG THE SOUTH LINE OF HYDE PARK BOULEVARD AS WIDENED TO THE EAST LINE OF SOUTH HARPER AVENUE;

THENCE SOUTH ALONG THE EAST LINE OF SOUTH HARPER AVENUE TO THE INTERSECTION WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 2 IN BLOCK 14 IN AFORESAID HYDE PARK;

THENCE WEST ALONG THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 2 AFORESAID TO THE SOUTHEAST CORNER OF LOT 2 IN BLOCK 14 IN AFORESAID HYDE PARK;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 2 IN BLOCK 14 IN HYDE PARK TO THE WEST LINE THEREOF;

THENCE NORTH ALONG SAID WEST LINE OF LOT 2 IN BLOCK 14 IN HYDE PARK AND ALONG THE WEST LINE OF LOT 1 IN SAID BLOCK 14 IN HYDE PARK TO THE SOUTH LINE OF EAST HYDE PARK BOULEVARD;

THENCE WEST ALONG SAID SOUTH LINE OF EAST HYDE PARK BOULEVARD TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 12 IN



BLOCK 9 IN AFORESAID HYDE PARK, SAID EAST LINE OF LOT 12 BEING ALSO THE WEST LINE OF SOUTH BLACKSTONE AVENUE;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION TO THE POINT OF BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST HYDE PARK BOULEVARD WITH THE WEST LINE OF SOUTH BLACKSTONE AVENUE;

ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

**Amended Appendix 2 - Summary of EAV by Permanent Index Number (PIN)  
Amended 53rd Street Redevelopment Project Area**

	PIN	1999 Equalized Assessed Value (EAV)
1	20-11-211-012-0000	\$ -
2	20-11-211-013-0000	\$ 4,015
3	20-11-211-014-0000	\$ -
4	20-11-214-001-0000	\$ -
5	20-11-214-002-0000	\$ -
6	20-11-214-003-0000	\$ -
7	20-11-214-004-0000	\$ -
8	20-11-214-005-0000	\$ -
9	20-11-214-006-0000	\$ -
10	20-11-214-007-0000	\$ -
11	20-11-214-008-0000	\$ -
12	20-11-214-009-0000	\$ -
13	20-11-214-010-0000	\$ -
14	20-11-214-011-0000	\$ -
15	20-11-214-012-0000	\$ -
16	20-11-214-013-0000	\$ -
17	20-11-214-014-0000	\$ -
18	20-11-214-015-0000	\$ -
19	20-11-214-016-0000	\$ -
20	20-11-214-017-0000	\$ -
21	20-11-215-001-0000	\$ -
22	20-11-215-002-0000	\$ -
23	20-11-215-003-0000	\$ -
24	20-11-215-004-0000	\$ -
25	20-11-215-005-0000	\$ -
26	20-11-215-006-0000	\$ -
27	20-11-215-007-0000	\$ -
28	20-11-216-050-0000	\$ -
29	20-11-216-051-0000	\$ -
30	20-11-216-052-0000	\$ -
31	20-11-216-059-0000	\$ -
32	20-11-216-060-0000	\$ -
33	20-11-216-061-0000	\$ -
34	20-11-216-062-0000	\$ 28,012
35	20-11-216-066-0000	\$ -
36	20-11-216-068-0000	\$ -
37	20-11-404-005-0000	\$ 260,077
38	20-11-405-010-0000	\$ 577,634
39	20-11-406-018-0000	\$ -
40	20-11-406-022-0000	\$ -
41	20-11-406-024-0000	\$ -
42	20-11-406-025-0000	\$ -
43	20-11-406-026-0000	\$ 4,004

**Amended Appendix 2 - Summary of EAV by Permanent Index Number (PIN)  
Amended 53rd Street Redevelopment Project Area**

	PIN	1999 Equalized Assessed Value (EAV)
44	20-11-406-027-0000	\$ 1,006
45	20-11-406-028-0000	\$ -
46	20-11-406-029-0000	\$ -
47	20-11-406-031-0000	\$ 58,225
48	20-11-406-033-0000	\$ 44,693
49	20-11-406-034-0000	\$ 25,640
50	20-11-406-035-0000	\$ 16,579
51	20-11-407-002-0000	\$ -
52	20-11-407-003-0000	\$ -
53	20-11-407-004-0000	\$ -
54	20-11-407-028-0000	\$ 113,689
55	20-11-407-029-0000	\$ 169,325
56	20-11-407-030-0000	\$ 220,711
57	20-11-407-031-0000	\$ 343,330
58	20-11-408-024-0000	\$ 538,376
59	20-11-408-032-0000	\$ 258,735
60	20-11-408-033-0000	\$ 69,079
61	20-11-408-034-0000	\$ 397,330
62	20-11-408-036-0000	\$ 345,436
63	20-11-408-058-0000	\$ 479,750
64	20-11-409-018-0000	\$ 300,151
65	20-11-409-019-0000	\$ 296,728
66	20-11-410-020-0000	\$ 1,393,057
67	20-11-410-023-0000	\$ 24,551
68	20-11-410-024-0000	\$ 1,506,705
69	20-11-411-012-0000	\$ 283,568
70	20-11-411-013-0000	\$ 58,524
71	20-11-411-018-0000	\$ 602,569
72	20-11-411-019-0000	\$ 61,873
73	20-11-411-020-0000	\$ 117,931
74	20-11-411-021-0000	\$ 1,025,890
75	20-11-411-022-0000	\$ -
76	20-11-411-023-0000	\$ 240,081
77	20-11-412-013-0000	\$ 28,057
78	20-11-412-017-0000	\$ 1,008,267
79	20-11-412-024-0000	\$ -
80	20-11-412-030-0000	\$ 588,398
81	20-11-412-033-0000	\$ -
82	20-11-412-034-0000	\$ -
83	20-11-412-036-0000	\$ 87,731
84	20-11-412-037-0000	\$ 91,998
85	20-11-412-038-0000	\$ 206,652
86	20-11-412-039-0000	\$ 176,241

**Amended Appendix 2 - Summary of EAV by Permanent Index Number (PIN)  
Amended 53rd Street Redevelopment Project Area**

	<b>PIN</b>	<b>1999 Equalized Assessed Value (EAV)</b>
87	20-11-412-042-0000	\$ 243,497
88	20-11-412-043-0000	\$ 13,163
89	20-11-412-044-0000	\$ 10,233
90	20-11-412-049-1001	\$ 163,159
91	20-11-412-049-1002	\$ 44,605
92	20-11-412-049-1003	\$ 44,605
93	20-11-412-049-1004	\$ 358,604
94	20-11-412-049-1005	\$ 298,835
95	20-11-412-050-0000	\$ 113,993
96	20-11-412-051-0000	\$ 6,522
97	20-11-412-052-0000	\$ 6,522
98	20-11-414-001-0000	\$ 191,232
99	20-11-414-002-0000	\$ -
100	20-11-414-003-0000	\$ -
101	20-11-414-004-0000	\$ -
102	20-11-414-005-0000	\$ -
103	20-11-414-006-0000	\$ -
104	20-11-414-007-0000	\$ -
105	20-11-414-008-0000	\$ -
106	20-11-414-010-0000	\$ -
107	20-11-414-011-0000	\$ -
108	20-11-414-012-0000	\$ -
109	20-11-414-013-0000	\$ -
110	20-11-414-014-0000	\$ -
111	20-11-414-019-0000	\$ -
112	20-11-414-020-0000	\$ -
113	20-11-414-021-0000	\$ -
114	20-11-414-022-0000	\$ -
115	20-11-414-023-0000	\$ -
116	20-11-414-024-0000	\$ -
117	20-11-414-025-0000	\$ -
118	20-11-414-027-0000	\$ -
119	20-11-415-001-0000	\$ -
120	20-11-415-002-0000	\$ -
121	20-11-415-006-0000	\$ -
122	20-11-415-007-0000	\$ -
123	20-11-415-008-0000	\$ 347,936
124	20-11-415-009-0000	\$ 149,658
125	20-11-415-010-0000	\$ 135,266
126	20-11-415-011-0000	\$ 67,382
127	20-11-415-012-0000	\$ 67,929
128	20-11-415-013-0000	\$ 54,746
129	20-11-415-016-0000	\$ 58,499

**Amended Appendix 2 - Summary of EAV by Permanent Index Number (PIN)  
Amended 53rd Street Redevelopment Project Area**

	PIN	1999 Equalized Assessed Value (EAV)
130	20-11-415-017-0000	\$ 6,178
131	20-11-415-018-0000	\$ -
132	20-11-415-021-0000	\$ -
133	20-11-415-022-0000	\$ -
134	20-11-415-023-0000	\$ -
135	20-11-415-024-0000	\$ -
136	20-11-415-025-0000	\$ -
137	20-11-415-026-0000	\$ -
138	20-11-415-029-0000	\$ -
139	20-11-415-030-0000	\$ -
140	20-11-415-031-0000	\$ -
141	20-11-415-032-0000	\$ -
142	20-11-415-033-0000	\$ -
143	20-11-416-001-0000	\$ -
144	20-11-416-002-0000	\$ 180,609
145	20-11-416-010-0000	\$ 671,401
146	20-11-417-001-0000	\$ 258,841
147	20-11-417-002-0000	\$ 185,833
148	20-11-417-003-0000	\$ 112,892
149	20-11-417-004-0000	\$ 116,868
150	20-11-417-005-0000	\$ 122,222
151	20-11-417-006-0000	\$ -
152	20-11-417-007-0000	\$ -
153	20-11-417-010-0000	\$ -
154	20-11-417-012-0000	\$ -
155	20-11-417-014-0000	\$ 328,710
156	20-11-417-015-0000	\$ 334,305
157	20-11-417-022-0000	\$ -
158	20-11-417-023-0000	\$ -
159	20-11-417-024-0000	\$ -
160	20-11-418-001-0000	\$ 440,877
161	20-11-418-005-0000	\$ 2,246,042
162	20-11-418-006-0000	\$ 44,384
163	20-11-418-007-0000	\$ 162,934
164	20-11-418-008-0000	\$ 232,398
165	20-11-419-041-0000	\$ -
166	20-11-419-042-0000	\$ 39,255
167	20-11-419-046-0000	\$ -
168	20-11-419-050-0000	\$ 53,834
169	20-11-419-051-0000	\$ 33,870
170	20-11-419-052-8001	\$ -
171	20-11-419-052-8003	\$ -
172	20-11-421-001-0000	\$ -

**Amended Appendix 2 - Summary of EAV by Permanent Index Number (PIN)  
Amended 53rd Street Redevelopment Project Area**

	<b>PIN</b>	<b>1999 Equalized Assessed Value (EAV)</b>
173	20-11-421-009-0000	\$ -
174	20-11-421-010-0000	\$ -
175	20-11-421-011-0000	\$ -
176	20-11-421-019-0000	\$ -
177	20-11-421-045-0000	\$ -
178	20-11-421-053-0000	\$ -
179	20-11-421-059-0000	\$ -
180	20-11-421-061-0000	\$ -
181	20-11-421-062-0000	\$ -
182	20-11-421-063-0000	\$ -
183	20-11-421-064-0000	\$ -
184	20-11-421-065-0000	\$ -
185	20-11-421-066-0000	\$ -
186	20-11-421-067-0000	\$ -
187	20-11-421-068-0000	\$ -
188	20-11-421-069-0000	\$ -
189	20-11-421-070-0000	\$ -
190	20-11-421-071-0000	\$ -
191	20-11-421-072-0000	\$ -
192	20-11-421-073-0000	\$ -
193	20-11-421-074-0000	\$ -
194	20-11-421-075-0000	\$ -
195	20-11-500-005-6001	\$ -
196	20-11-500-005-6002	\$ 26,176
197	20-11-500-006-0000	\$ -
198	20-12-107-015-0000	\$ 362,049
199	20-12-107-017-0000	\$ 19,068
200	20-12-107-018-0000	\$ 70,051
201	20-12-107-019-0000	\$ 191,911
202	20-12-110-033-0000	\$ 244,841
203	20-12-110-040-0000	\$ -
204	20-12-110-043-0000	\$ -
205	20-12-500-002-0000	\$ -
206	20-12-500-004-0000	\$ -
	<b>Total EAV</b>	<b>\$ 20,916,553</b>

**EXHIBIT B**

**Partial Prepayment Agreement**

**PARTIAL PREPAYMENT AGREEMENT**

THIS PARTIAL PREPAYMENT AGREEMENT (this "Agreement"), dated this 7th day of September, 2012, is entered into by and among The City of Chicago, an Illinois municipal corporation, by and through its Department of Housing and Economic Development (the "City"), 1525 HP LLC, an Indiana limited liability company ("1525"), CJUF III Harper Court LLC, a Delaware limited liability company ("Harper Court"), Lake Park Associates, Inc., an Illinois corporation ("Lake Park") (Harper Court and Lake Park collectively, "Developer"), and MB Financial Bank, N.A., a national banking association ("MB"). The City, 1525, Harper Court, Lake Park and MB are referred to jointly as the "Parties."

**RECITALS**

**WHEREAS**, the City Council of the City of Chicago (the "City Council") adopted Tax Increment Allocation Financing for the 53<sup>rd</sup> Street Redevelopment Project Area on January 10, 2001 (the "53<sup>rd</sup> Street TIF"); and

**WHEREAS**, Developer is in the process of constructing a mixed-use commercial, office and retail project on an approximately 2.75 acre parcel generally bounded by East 53<sup>rd</sup> Street, East 52<sup>nd</sup> Street, South Harper Avenue and South Lake Park Avenue (the "Harper Property"). Developer has conveyed a .5 acre parcel of land (the "Hotel Parcel") originally comprising a portion of the Harper Property under the Harper Court RDA (as defined below) to Smart Hotels/Olympia LLC, a Delaware limited liability company, on August 10, 2012 for the development of a hotel, which Hotel Parcel was separated from the Harper Court RDA; and

**WHEREAS**, 1525 proposes to construct a mixed-use retail and residential project (the "CHP Project") on a 2.08 acres parcel generally located at the southwest corner of Hyde Park Boulevard and Lake Park Avenue (the "CHP Property"); and

**WHEREAS**, the Harper Property and the CHP Property are located in the 53<sup>rd</sup> Street TIF; and

**WHEREAS**, the City and Developer entered into that certain Harper Court Redevelopment Agreement on October 20, 2011 and recorded in the Office of the Cook County Recorder of Deeds on October 21, 2011 (the "Harper Court RDA"); and

**WHEREAS**, the Harper Court RDA provided in pertinent part that City Financing would be provided to Developer in the principal amount not to exceed Twenty Million Forty-Five Thousand Dollars (\$20,045,000) for the payment of a portion of the TIF-Funded Improvements, of which Twelve Million Dollars (\$12,000,000) would be provided by a tax-exempt note of the City designated "Tax Increment Allocation Revenue Note (53<sup>rd</sup> Street Redevelopment Project), Tax-Exempt Series 2011A-1 (the "City Note A"); and

**WHEREAS**, the Developer sold City Note A to MB pursuant to that certain Note Purchase Agreement dated as of October 20, 2011 by and between the Developer and MB (the "Note Purchase Agreement"); and

**WHEREAS**, the Developer has a claim against all Incremental Taxes in the 53<sup>rd</sup> Street TIF, which is subordinate to Prior TIF Financing; and



**WHEREAS**, 1525 seeks City TIF assistance to construct the CHP Project; and proposes removing the CHP Property from the 53<sup>rd</sup> Street TIF and creating a new TIF; and

**WHEREAS**, the City intends to introduce an ordinance at City Council to remove the CHP Property from the 53<sup>rd</sup> Street TIF (the "Amendment Ordinance"); and

**WHEREAS**, the CHP Property will generate certain increment over the life of the remaining 53<sup>rd</sup> Street TIF (the "CHP Increment"), and the Parties have agreed upon the dollar amount representing the 2012 net present value of the CHP Increment (the "CHP Increment Payment"); and

**WHEREAS**, in accordance with the terms hereof, 1525 has agreed to pay the CHP Increment Payment in the manner described herein, which amount shall be applied as a partial prepayment of the principal outstanding amount of the City Note A upon the terms and conditions described herein; and

**NOW, THEREFORE**, on the terms and conditions set forth below, the Parties agree as follows:

#### **AGREEMENTS**

**Section 1. Incorporation of Recitals.** The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

**Section 2. Definitions.** Unless otherwise specified herein, all capitalized terms used herein shall have the meanings specified in the Note Purchase Agreement.

**Section 3. Purposes and Intent.** The purpose and intent of this Agreement is to set forth the agreements among the Parties with respect to (i) the removal (the "Removal") of the CHP Property from the 53<sup>rd</sup> Street TIF, and (ii) the payment by 1525 of the CHP Increment Payment, which amount shall be deposited and applied in accordance with the terms of this Agreement.

**Section 4. Amendment and Restatement of the City Note A.** Each of the City, MB and Developer acknowledge and agree that the City Note A shall be amended and restated to reflect the terms of the transaction set forth in this Agreement contemporaneously with the Removal and the application of the CHP Increment Payment by MB, and such amended and restated City Note A shall be assigned to MB in a manner consistent with the assignment and delivery of the original City Note A contemplated by the Note Purchase Agreement. The Parties shall cause to be delivered to MB and the City such additional deliveries, including, without limitation, legal opinions, as MB or the City may reasonably request in connection with such amendment and restatement, so long as the same substantially are consistent with the deliverables required in connection with the original assignment of the original City Note A under the Note Purchase Agreement. At the time of such amendment and restatement, MB shall surrender the original City Note A to Harper Court and the City for destruction.

**Section 5. CHP Increment Payment.**

(a) The Parties agree that the 2012 net present value of the CHP Increment is equal to \$250,250, and that such amount of \$250,250 shall constitute the CHP Increment Payment.

(b) 1525 shall deposit 100% of the CHP Increment Payment in immediately available funds with a third party escrow agent (which for purposes of this Agreement may be MB) reasonably acceptable to MB and the City, pursuant to an escrow agreement (the "Escrow Agreement") that is acceptable in all

respects to MB and the City and that expressly contains the provisions set forth in subsection (c) below, not later than five (5) Business Days prior to the date of the earliest meeting of the City Council of the City at which the Amendment Ordinance is scheduled to be considered for approval by said City Council. 1525 hereby agrees to pay all costs and expenses of the Escrow Agent, if any, with respect to the establishment and maintenance of the Escrow Agreement.

(c) The Escrow Agreement (i) shall be delivered and effective at the earliest convenience of the Parties, but in no event later than the Business Day prior to the date by which 1525 shall deposit the CHP Increment Payment in accordance with said Section 5(b), (ii) shall establish a non-interest bearing account to be held by the escrow agent party thereto and shall provide that the CHP Increment Payment on deposit in the escrow fund established by the Escrow Agreement shall be used solely for the purposes provided in this Agreement, and (iii) shall provide that the sole condition to the release of the CHP Increment Payment by the escrow agent to MB shall be the delivery by the City to said escrow agent of a copy (which may be sent by email) of the Amendment Ordinance which has been signed by the Mayor and the Corporation Counsel of the City, such signatures demonstrating the effectiveness of the Amendment Ordinance.

(d) Upon the release of the CHP Increment Payment by the escrow agent to MB pursuant to the Escrow Agreement, MB shall apply the CHP Increment Payment, without further action on behalf of any of the Parties, to repay a corresponding amount of the principal amount outstanding of the City Note A.

#### **Section 6. Consents.**

(a) MB hereby consents to the prepayment of City Note A in the amount of the CHP Increment Payment.

(b) Subject to the conditions further set forth in this sentence, MB hereby consents to the Removal, provided that in no event shall the Removal occur prior to (i) the Effective Date of this Agreement or (ii) the receipt by the escrow agent of the CHP Increment Payment in accordance with Section 5 above, and the application of such CHP Increment Payment for the purposes set forth in Section 5 above.

(c) MB, the City and Developer each also agree that the definition of an Event of Taxability in the Note Purchase Agreement shall be modified by adding the following to the end thereof “; and (C) the execution and delivery of that certain Partial Prepayment Agreement entered into on or about September 7, 2012 and any and all documents, replacement notes, allonges, etc., in connection therewith, and the receipt of the CHP Increment Payment (as defined in such Partial Prepayment Agreement) by Purchaser, and the application thereto to principal and/or interest under the Note.”

**Section 7. City Consent and Action.** The City shall consent to the removal of the CHP Property from the 53<sup>rd</sup> Street TIF and agrees to expeditiously introduce the Amendment Ordinance at City Council and cause such Amendment Ordinance to be executed and delivered by the Mayor and the Corporation Counsel of the City.

**Section 8. 1525 and Harper Court Representations and Warranties.** To induce the City and MB to enter into this Agreement, 1525 and Harper Court represents and warrants as follows (but solely to the extent referenced in each such representation and warranty):

8.1 Incorporation of Representations and Warranties from Note Purchase Agreement. Harper Court represents and warrants that its representations and warranties contained in the Note Purchase Agreement (other than in Section 5.01, which is revised to reflect that Harper Court is duly organized and validly existing under Delaware law and qualified to do business in the State of Illinois, and other than Sections 5.08 and 5.10(a), which are specifically excluded from this Section 8.1). Harper Court further discloses that it has conveyed the Hotel Parcel and is no longer the owner thereof. In addition, MB acknowledges that for purposes of the foregoing first sentence of this Section, the reference in the last sentence of Section 5.09 of the Note Purchase Agreement to "this Agreement" shall be deemed amended to include this Agreement.

8.2 Incorporation of Representations and Warranties from Harper Court RDA. Harper Court represents and warrants that, to the best of its knowledge and belief, its representations and warranties contained in the Harper Court RDA with respect only to Harper Court, are true and correct in all material respects at and as of the Effective Date (except to the extent specifically made with regard to a particular date in which case such representations and warranties shall be true and correct as of such date). Harper Court further discloses that it has conveyed the Hotel Parcel and is no longer the owner thereof.

8.3 Absence of Default. That as of the date hereof, (i) to the best of its actual knowledge and belief, no event has occurred and is continuing which would constitute a "Default" or "Event of Default" under the Note Purchase Agreement or the Harper Court RDA with respect only to Harper Court, after taking into account the entering into of this Agreement and it has received no written notice of a "Default" or "Event of Default" under any Related Document, and (ii) to the best of its actual knowledge and belief, no Event of Taxability or Determination of Taxability has occurred.

8.4 Power and Authority. 1525 and Harper Court, each as to itself, has the requisite corporate power and authority to execute, deliver and perform the terms and provisions of this Agreement, and has taken all necessary corporate action to authorize the execution, delivery and performance by it of this Agreement.

8.5 Binding Obligation. This Agreement has been duly executed and delivered by such Party, and constitutes the legal, valid and binding obligation of such Party enforceable against it in accordance with its terms, except as the enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether enforcement is sought in equity or at law).

**Section 9. Representations and Warranties of Lake Park.** To induce the City and MB to enter into this Agreement, Lake Park represents and warrants as follows

9.1 Incorporation of Representations and Warranties. Its representations and warranties contained in the Harper Court RDA with respect only to Lake Park, are true and correct in all material respects at and as of the Effective Date (except to the extent specifically made with regard to a particular date in which case such representations and warranties shall be true and correct as of such date).

9.2 Absence of Default. That as of the date hereof, (i) to the best of its actual knowledge and belief, no event has occurred and is continuing which would constitute a

“Default” or “Event of Default” with respect to the performance of any of Lake Park’s obligations under the Harper Court RDA after taking into account the entering into of this Agreement and (ii) Lake Park has received no written notice of a “Default” or “Event of Default” by Lake Park under the Harper Court RDA.

9.3 Power and Authority. It has the requisite corporate power and authority to execute, deliver and perform the terms and provisions of this Agreement, and has taken all necessary corporate action to authorize the execution, delivery and performance by it of this Agreement.

9.4 Binding Obligation. This Agreement has been duly executed and delivered by Lake Park, and constitutes the legal, valid and binding obligation of Lake Park enforceable against it in accordance with its terms, except as the enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally and general principles of equity (regardless of whether enforcement is sought in equity or at law).

**Section 10. Delivery of Opinion.** On or prior to the date of amendment and restatement of the City Note A, MB, Developer and the City shall have received an executed opinion from Schiff Hardin as tax-exempt note counsel dated the date of such amendment and restatement, as to the continuing exemption of interest from federal and State income taxation with respect to the City Note A, which opinion shall be in form and substance reasonably satisfactory to MB, Developer and the City, and in connection with the foregoing, 1525 hereby agrees to pay tax-exempt note counsel’s fees and expenses incurred in connection with the transactions contemplated by this Agreement (and shall promptly pay such fees and expenses within five (5) days of receiving an invoice for such fees and expenses from tax-exempt note counsel).

**Section 11. Conditions Precedent to the Effectiveness of this Agreement.** This Agreement shall become effective as of September 7, 2012 (the “Effective Date”), so long as:

11.1 each of the Parties shall have duly executed and delivered this Agreement, and an execution copy thereof shall have been delivered to MB; and

11.2 all other legal matters pertaining to the execution and delivery of this Agreement shall be reasonably satisfactory to MB, as evidenced by MB’s execution and delivery of this Agreement.

**Section 12. Notices.** All notices, requests, demands, directions and other communications (collectively “notices”) under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first class mail or overnight delivery and shall be deemed received as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the next Business Day; and (iii) if by facsimile, when confirmation of receipt is obtained. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

If to the City:                      City of Chicago  
   Department of Housing and Economic Development  
   121 North LaSalle Street, Room 1000  
   Chicago, Illinois 60602  
   Attention: Commissioner

And

City of Chicago  
Department of Finance  
33 North LaSalle, Room 600  
Chicago, Illinois 60602  
Attention: Chief Financial Officer

With a copy to:

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

If to Harper Court: CJUF III Harper Court LLC  
c/o Vermillion Development  
Two Prudential Plaza  
180 North Stetson, Suite 3500  
Chicago, Illinois 60601  
Attention: Dave Cocagne

If to Lake Park: Lake Park Associates, Inc.  
5801 Ellis Avenue  
Chicago, Illinois 60637  
Attention: James Hennessy

If to MB: MB Financial Bank, N.A.  
800 W. Madison St., 3rd Floor  
Chicago, IL 60607  
Attention: John Sassaris and Kenneth Holub  
Facsimile: (312) 279-0175

With a copy to:

Winston & Strawn LLP  
35 West Wacker Drive  
Chicago, IL 60601-9703  
Attention: Kay McNab, Esq.  
Facsimile: (312) 558-5700

If to 1525: Antheus Capital  
32 North Dean Street, 2<sup>nd</sup> Floor  
Englewood, New Jersey 07631  
Attention: Eli Ungar

and

Silliman Group  
5240 S Hyde Park  
Chicago, Illinois 60615  
Attention: Peter Cassel

With a copy to:

Neal & Leroy, LLC  
203 North LaSalle Street, Suite 2300  
Chicago, Illinois 60601  
Attention: Carol D. Stubblefield

**Section 13. Governing Law; Consent to Jurisdiction and Venue; Service of Process; Waiver of Jury Trial.**

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

(b) EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE OF ILLINOIS AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN CHICAGO, ILLINOIS. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE OF ILLINOIS AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS AGREEMENT.

(c) EACH PARTY HERETO WAIVES ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE PURCHASER TO ENTER INTO THIS AGREEMENT AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE SELLER AND THE PURCHASER IS MADE IN RELIANCE UPON SUCH WAIVER. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

The covenants and waivers made pursuant to this Section 12 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

**Section 14. Prior Understandings.** This Agreement and the other Related Documents supersede all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

**Section 15. Duration.** All representations and warranties of the Parties contained herein or made in connection herewith shall survive the making of and shall not be waived by the execution and delivery of this Agreement or the other Related Documents or any investigation by MB or the City. All covenants and agreements of any Party contained herein shall continue in full force and effect from and after the date hereof until the City Note A shall have been paid in full.

**Section 16. Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

**Section 17. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. None of the Parties may assign its rights or obligations under this Agreement without the prior consent of MB. MB may assign its rights solely in accordance with its assignment of the City Note A pursuant to the terms of the Note Purchase Agreement.


**Section 18. Fees and Expenses.** 1525 hereby agrees to pay MB's, Developer's and the City's fees and expenses (including outside and internal counsel legal fees) and any other fees incurred in connection with the transactions contemplated by this Agreement (and shall promptly pay such fees and expenses of counsel within five (5) days of receiving an invoice for such fees and expenses from MB's counsel, or from the City, Harper Court or Lake Park, as the case may be).

**[SIGNATURES ON THE FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the undersigned have caused this Partial Prepayment Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

**CJUF III HARPER COURT LLC**, a Delaware limited liability company

By: Harper Court Partners, LLC, an Illinois limited liability company, Administrative Member


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

Name: Jonathan H. Zitzman

Its: Manager



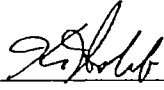
**LAKE PARK ASSOCIATES, INC.,** an Illinois  
corporation

By: 

Name: Nimalan Chinniah

Its: President

MB FINANCIAL BANK, N.A.

By: 

Name: Ken Howes


Its: VP

**1525 HP LLC**

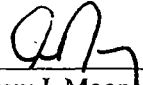
**By: AL-1525 HP LLC, an Indiana limited  
liability company  
Its: Manager**

By: 

Name: Eti Wenger

Its: 

**CITY OF CHICAGO, an Illinois municipal  
corporation**

By:  \_\_\_\_\_  
Andrew J. Mooney  
Commissioner, Department of Housing  
and Economic Development



FIN.

PS

OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

September 12, 2012

TO THE HONORABLE, THE CITY COUNCIL  
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith ordinances amending various TIF districts.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Mayor

53<sup>rd</sup> Street TIF Amendment #1



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CHICAGO October 31, 2012

**To the President and Members of the City Council:**

**Your Committee on Finance having had under consideration**

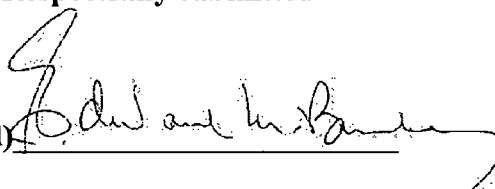
An ordinance authorizing an Amendment to the 53<sup>rd</sup> Street Tax Increment Financing  
Redevelopment Plan and Project.

O2012-5616

**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 members of the committee with \_\_\_\_\_ dissenting vote(s).  
Alderman Burke abstains from voting pursuant to Rule 14.

**Respectfully submitted**

(signed) 

**Chairman**





- c. street location (as near as practicable);
- d. maps of the Amended Area (including boundary maps).

SECTION 3. The Removed Area. Exhibit A (Amendment Number 1 dated September 6, 2012) which is attached hereto and incorporated herein contains the following information concerning the Removed Area:

- a. a general description thereof;
- b. list of property identification numbers (P.I.N.s).

SECTION 4. Approval Of The Amendment. The City hereby approves Amendment Number 1 pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act. Except as amended hereby, the Redevelopment Plan, as previously amended, shall remain in full force and effect.

SECTION 5. Authority. The City designates the Prepayment as an approved revenue source consistent with Section 5/11-74.4-7 of the Act for payment of a portion of the principal of and/or interest on the City Note. The Mayor, the Chief Financial Officer, the Comptroller, the City Clerk or any Deputy Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to take all appropriate actions to execute and deliver on behalf of the City an amendment, modification or replacement to the City Note reflecting such terms as are consistent with the terms of this Ordinance (so long as such amendment, modification or replacement does not affect the tax-exempt status of the City Note) and such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance.

SECTION 6. Invalidity Of Any Section. If any provision of this ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 7. Supersedes. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

APPROVED  
*[Signature]*  
CORPORATION COUNSEL

APPROVED  
*[Signature]*  
10/31/12  
Mayor