

AGENDA
SPECIAL PLANNING, BUILDING AND ZONING COMMITTEE
Village of Hoffman Estates
January 21, 2019

Immediately Following the Village Board Meeting

Members:	Gary Stanton, Chairman	Anna Newell, Trustee
	Karen Arnet, Vice-Chairman	Gary Pilafas, Trustee
	Karen Mills, Trustee	Michael Gaeta, Trustee
		William McLeod, Mayor

I. Roll Call

NEW BUSINESS

1. Request approval of an Amended and Restated Development Agreement with Hoffman Estates Acquisitions LLC for redevelopment of the former AT&T corporate campus.
2. Request approval of an Ordinance approving:
 - a. A TIF Redevelopment Agreement for the Lakewood Center Redevelopment Project.
 - b. Issuance of TIF Notes.

II. Adjournment

(Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at www.hoffmanestates.org and/or in person in the Village Clerk's office).

The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance, call the ADA Coordinator at 847/882-9100.

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Request approval of an Amended and Restated Development Agreement with Hoffman Estates Acquisitions LLC for redevelopment of the former AT&T corporate campus

MEETING DATE: January 21, 2019

COMMITTEE: Special Planning, Building and Zoning

FROM: *M, K.* Mark Koplin/Kevin Kramer/Arthur Janura

PURPOSE: Request approval of an Amended and Restated Development Agreement with Hoffman Estates Acquisitions LLC for redevelopment of the former AT&T corporate campus.

BACKGROUND: The Village has been working with Somerset Development since 2017 on the possibility of Somerset acquiring, and then redeveloping, the 150 acre vacant AT&T campus which includes 1.6 million square feet of vacant office space.

Somerset envisions a repurposed mixed use development, or MetroBurb.

The Village Board previously approved rezoning the entire site to C-MU (Commercial-Mixed Use (September 4, 2018), a Concept Plan (May 14, 2018), and a Development Agreement (May 14, 2018). Each of the actions were key to Somerset's continuing interest and commitment to this project.

DISCUSSION: On May 14, 2018, the Village Board approved a simple Development Agreement with the developer. The initial Development Agreement expires in 18 months and anticipates a longer agreement. That addressed the proposed development more comprehensively. On September 4, 2018, the Village Board approved the rezoning of the AT&T property to C-MU (Commercial-Mixed Use).

Redevelopment of the existing buildings is addressed in a separate Redevelopment Agreement that also provides for TIF funding. The attached Development Agreement addresses only the residential portions of the overall project that are outside, but adjacent to, the TIF redevelopment area. Highlights of the Development Agreement include the following:

- ◆ This agreement only becomes effective upon the developer purchasing the AT&T property by June 2, 2019.

DISCUSSION: (Cont'd)

- ◆ This agreement applies only to the residential portion of the site.
- ◆ The concept plan (previously approved by the Village Board) is again attached. The concept plan is unchanged, and the exhibit shows the residential areas bordered with a heavy line.
- ◆ The residential units are called out specifically in the agreement. The number and type of units are as previously approved, but with the flexibility to increase the number of townhomes by 8%, with a corresponding decrease in apartments. However, the total maximum number of dwelling units is still 550.
- ◆ Exhibits - Two exhibits are attached showing a Legal Description and the Concept Site Plan (originally presented at the May 2, Planning and Zoning Commission meeting, modified as described above).

The balance of the agreement is standard language found in most Development Agreements.

RECOMMENDATION:

Approval of an Amended and Restated Development Agreement with Hoffman Estates Acquisitions LLC for redevelopment of the former AT&T corporate campus.

Attachment

cc: Ralph Zucker (Somerset Development)
Ken Gold (Somerset Development)
Larry Woodard (Miller Canfield)

**AMENDED AND RESTATED
DEVELOPMENT AGREEMENT BETWEEN THE
VILLAGE OF HOFFMAN ESTATES AND
HOFFMAN ESTATES ACQUISITIONS LLC**

THIS AMENDED AND RESTATED DEVELOPMENT AGREEMENT (“Agreement”), dated this ____ day of January, 2019 (“Effective Date”), is made by and between the VILLAGE OF HOFFMAN ESTATES, Cook and Kane Counties, Illinois, an Illinois municipal corporation and home rule unit of local government (the “Village”), and HOFFMAN ESTATES ACQUISITIONS LLC, a Delaware limited liability company, and successor owners of record (collectively the “Developer”). The Village and Developer are each hereinafter referred to as a “Party” and collectively as the “Parties”.

RECITALS

WHEREAS, the Village is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois and is a “home rule unit” under Section 6(a) of Article VII of the 1970 Constitution; and

WHEREAS, the Village has the authority to promote the health, safety and welfare of the Village and its inhabitants, to encourage private development in order to enhance the local tax base, create employment and ameliorate blight, and to enter into contractual agreements with third persons to achieve these purposes; and

WHEREAS, Developer, as assignee of SOMERSET DEVELOPMENT, L.L.C., a New Jersey limited liability Company, has a contract to purchase the Lakewood Campus as legally described on **Exhibit A** to this Agreement (“Residential Site” shall be the property description in Exhibit A or any portion of such property); and

WHEREAS, the Parties desire that development of the Residential Site occur as soon as practicable; and

WHEREAS, Developer has agreed to purchase the Residential Site and redevelop the site in accordance with the Concept Residential Site Plan (“Concept Residential Site Plan”) approved by the Village on May 14, 2018 attached hereto and incorporated herein as **Exhibit B** and made a part hereof; and

WHEREAS, it is necessary for the successful completion of the Project (as defined herein) that the Village enter into this Agreement with the Developer to provide for the development of the Property and construction of the Project, thereby implementing and bringing to completion the Plan; and

WHEREAS, the President and Board of Trustees of the Village have determined that the Developer's Plan for the Residential Site suits the needs of the Village and that it is in the best interest of the Village to amend and restate that certain Development Agreement Between the Village of Hoffman Estates and Hoffman Estates Acquisitions LLC dated May 14, 2018 which was previously approved on May 14, 2018 in furtherance of that Plan, as amended ("Prior Agreement").

WHEREAS, this Agreement will only become effective if the Developer becomes the owner of the Residential Site on or before June 2, 2019.

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **Recitals.** The foregoing recitals and the findings therein are material to this Agreement and are hereby incorporated into this Agreement as if fully set forth herein.
2. **Term.** This Agreement shall become effective upon Developer becoming owner of record of the Residential Site by June 2, 2019 and shall terminate on December 31, 2023. If this Agreement does not become effective, it will not change any of the terms of the Prior Agreement.
3. **Land Use.** The Parties acknowledge that the Residential Site is currently zoned as Commercial Mixed-Use District with the Mixed-Use Option ("Current Zoning"), pursuant to Section 9-8-3, et seq., of the Hoffman Estates Village Code ("Code"). The Parties acknowledge that the Developer intends to perform the following improvements to the Residential Site, or any portion thereto, which are in conformance with the Current Zoning and that the Village agrees the Residential Site, or any portion thereto, may be developed with residential units according to

the Plan. Without limiting the generality of the foregoing sentences, the Developer intends to construct:

± 380 multifamily units

10-20% studios

50-70% one-bedrooms

10-30% two-bedrooms

± 170 townhouses

50% two-bedroom and 50% three-bedroom townhouses

The number of multifamily units and the number of townhouses may vary by ± eight percent (8%), but the total number of dwelling units shall not exceed 550.

4. **Village Actions.** Village shall work to expedite processing of all site plan applications, master sign plans, and permits as required by Code relating to the Residential Site.

5. **Developer Actions:**

a. Developer shall develop Residential Site in substantial accordance with the Plan depicted on **Exhibit B**.

b. Developer shall comply with Village Code and exercise reasonable discretion when working with the school and park districts within this jurisdiction to determine property donations related to all residential units constructed on Residential Site.

c. Developer shall comply with all water, sewer and other utility fees which may result from the increased development of the Residential Site.

6. **Developer Rights:**

a. Developer shall be subject to all Village imposed impact fees for the Residential Site.

b. Village will reasonably cooperate with Developer and consider the subdivision of the Residential Site.

7. **Acknowledgment.** The Parties acknowledge that the Plan and the other plans and exhibits attached as exhibits to this Agreement are conceptual in nature

and will be subject to further modification and refinement during the formal site plan approval process.

8. **Assignability.** This Agreement is assignable to any fee title owner of record of the Residential Site without the Village's consent. Otherwise, any assignment of this Agreement must obtain the Village's consent, which consent shall not be unreasonably withheld, conditioned or delayed.

9. **Time is of the Essence.** Time is of the essence of this Agreement.

10. **Developer's Representations and Warranties.** The Developer represents and warrants that:

a. It is a duly organized and validly existing Limited Liability Company under the laws of the State of Delaware, and duly authorized to conduct business in the State of Illinois. The Developer has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement and this Agreement has been duly executed and delivered by authorized members of the Developer and is legally binding upon and enforceable against the Developer in accordance with its terms.

b. The Developer is not a party to any contract or agreement or subject to any charter, operating agreement, article of organization or other limited liability company restriction which materially and adversely affects its business, property or assets, or financial condition. Neither the execution and delivery of this Agreement nor compliance with the terms of this Agreement will conflict with, or result in, any breach of the terms, conditions or restrictions of, or constitute a default under, or result in any violation of, or result in, the creation of any liens upon the properties or assets of the Developer pursuant to, the operating agreement or articles of incorporation of the Developer, any award of any arbitrator or any agreement (including any agreement with members), instrument, order, judgment, decree, statute, law, rule or regulation to which the Developer is subject.

c. There is no action, suit, investigation or proceeding pending, or to the knowledge of the Developer, threatened against or affecting the Developer, at law or in equity, or before any court, arbitrator, or administrative or governmental body, nor has the Developer received notice in respect of, nor does it have any knowledge of, any default with respect to any judgment, order, writ, injunction, or decree of any court, governmental authority or arbitration board or tribunal, which in either case might reasonably be expected to result in any material adverse change in the business, condition (financial or otherwise) or operations of the Developer or the ability of the Developer to perform its obligations under this Agreement.

d. The execution, delivery, and performance of this Agreement have been duly authorized by all requisite corporate action.

e. The Developer has filed all federal, state and other income tax returns which, to the knowledge of the officers of the Developer, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles. The Developer knows of no proposed additional tax or assessment against it by any governmental authority that would be reasonably likely to have a material adverse effect on the business, condition (financial or otherwise) or operations of the Developer.

11. **Village Representations and Warranties.** The Village represents and warrants that:

a. The Village is a municipal corporation under the laws of the State of Illinois with power and authority under its home rule powers and the Act to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

b. To the best of its knowledge and belief, the execution of this Agreement and the consummation of the transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any agreement, contract, lease, mortgage, indenture, deed of trust or other instrument to which the Village is a party, nor violate any federal, state or local ordinance or statute.

c. There is no action, suit or proceeding pending, or to the knowledge of the Village threatened, against or affecting the Village, at law or in equity, or before any governmental authority which, if adversely determined, would impair the Village's ability to perform its obligations under this Agreement.

d. All actions of the President and Board of Trustees of the Village required to be taken to authorize execution of this Agreement have been validly and duly taken in accordance with law and the officers of the Village signing this Agreement have been duly authorized to execute this Agreement on behalf of the Village.

12. **Entire Agreement; Successors and Assigns; Amendments.** This Agreement, and the Exhibits attached to it contain the entire agreement between the Parties in connection with these transactions, and there are no oral or parole agreements, representations or inducements existing between the Parties relating to these transactions which are not expressly set forth in this Agreement and covered by this Agreement. This Agreement may not be modified except by a written agreement signed by all of the Parties or their successors in interest, and in the case of the Village, shall require the adoption of an ordinance or resolution by the President and Board of Trustees of the Village approving such amendment. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement, their respective heirs, legal representatives, administrators, successors, successors in interest and assign.

13. **Governing Law; Interpretation; Partial Invalidity.** This Agreement shall be governed by the laws of the State of Illinois. The captions, section numbers and article numbers appearing in this Agreement are inserted only as a matter of

convenience and do not define, limit, construe or describe the scope or intent of such paragraphs or articles of this Agreement nor in any way affect this Agreement. The invalidity of any provision of this Agreement or portion of a provision shall not affect the validity of any other provision of this Agreement or the remaining portions of the applicable provision.

14. **Notices.** All notices, demands, requests, consents, approvals or other instruments required or permitted to be given under this Agreement shall be in writing and shall be executed by the Party or an officer, agent or attorney of the Party, and shall be deemed to have been effective as of the date of actual delivery, if by messenger delivery, on the date of transmission if transmitted via facsimile during normal business hours (9:00 a.m. to 5:00 p.m.), or as of the third (3rd) day from and including the date of posting, if deposited in the United States mail, postage prepaid, registered or certified mail, addressed as follows (or to such other address as may be designated from time to time by either Party by written notice to the other:

If to the Developer: Ralph Zucker
Somerset Development
101 Crawfords Corner Road
Holmdel, NJ 07733

Ken Gold
Somerset Development
101 Crawfords Corner Road
Holmdel, NJ 07733

With a copy to: Larry Woodard
Miller, Canfield, Paddock and Stone P.L.C.
225 W. Washington Street, Suite 2600
Chicago, IL 60606

Michael Bruno
Giordano Halleran & Ciesla
125 Half Mile Road, Suite 300
Red Bank, NJ 07701

If to the Village: Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, IL 60169
Attn: Village Clerk

With a copy to: Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, IL 60169
Attn: Corporation Counsel

Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, IL 60169
Attn: Village Manager

15. **Recourse.** Except as provided in this Agreement, no recourse under or upon any obligation, covenant or agreement contained in this Agreement or for any claim based thereon or otherwise in respect thereof shall be had against the direct or indirect officers, members, shareholders, managers, partners, beneficial owners, agents and employees of either Party for any reason.

16. **Village's Representative Not Individually Liable.** No member, official, or employee of the Village shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the Village or for any amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement.

17. **Municipal Limitation.** All commitments or obligations of the Village undertaken pursuant to this Agreement shall be limited to the extent that such obligations are within its powers as a municipal corporation.

18. **Costs.** Any cost and expense incurred by either Party with regard to the preparation of this Agreement shall be borne exclusively to such Party with no right to reimbursement from the other except as provided in this Agreement.

19. **No Joint Venture.** Nothing contained in this Agreement is intended by the Parties to create a joint venture between the Parties. It is understood and agreed that this Agreement does not provide for the joint exercise by the Parties of any activity,

function or service, nor does it create a joint enterprise, nor does it constitute either Party as an agent of the other for any purpose whatsoever.

20. **Counterparts.** This Agreement may be executed in several counterparts and by each Party on a separate counterpart, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute but one and the same instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the Party against whom enforcement is sought.

21. **Authority to Execute.** Each Party to this Agreement warrants and represents that its signatory to this Agreement is a duly authorized representative of that Party, with full power and authority to agree to this Agreement, and all terms herein, on behalf of that Party.

22. **Exhibits.** The following exhibits are attached hereto and made a part hereof or incorporated herein by reference and made a part hereof:

Exhibit A – Legal Description of Residential Site – Residential Only

Exhibit B – Concept Residential Site Plan

23. **Jury Trial Waiver.** Each Party irrevocably waives its right to a jury trial in any action or proceeding arising out of or relating to this Agreement or the transactions relating to its subject matter

IN WITNESS WHEREOF, the Parties to this Agreement have set their hands and seals to this Agreement on the date and year first above written:

VILLAGE:

VILLAGE OF HOFFMAN ESTATES
an Illinois home rule municipality

By: _____
William D. McLeod
Village President

Date: _____

ATTEST:

By: _____
Village Clerk

Date: _____

DEVELOPER:

HOFFMAN ESTATES ACQUISITIONS LLC
a Delaware limited liability company

By: Somerset-TCG Hoffman JV LLC
A Delaware limited liability company
Its Sole Member

By: Somerset Development LLC
A New Jersey limited liability company
Its Managing Member

By: _____
Raphael Zucker
Its Managing Member

Date: _____

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On _____, 20__ William D. McLeod, as Village President, and Bev Romanoff, as Village Clerk, of the Village of Hoffman Estates, Cook County, Illinois, a municipal corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of the Village of Hoffman Estates, for the uses and purposes therein set forth.

Given under my hand and official seal this ___ day of _____, 20__.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On _____, 20__, _____, as _____ of HOFFMAN ESTATES ACQUISITIONS LLC, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of the Village of Hoffman Estates, for the uses and purposes therein set forth.

Given under my hand and official seal this ___ day of _____, 20__.

Notary Public

**EXHIBIT A
LEGAL DESCRIPTION OF
EXISTING SITE (RESIDENTIAL ONLY)**

EXHIBIT A

PARCEL 1: (THE CENTER, NORTH PARCEL)

THAT PART OF THE SOUTH 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST ¼ OF SAID SECTION 36; THENCE SOUTH 00 DEGREES, 15 MINUTES, 15 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION, 1,248.01 FEET; THENCE SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 67.00 FEET TO THE WEST LINE OF HUNTINGTON BOULEVARD (ALSO KNOWN AS FREEMAN ROAD), AND THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 90 DEGREES, 00 MINUTES 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 1,258.57 FEET TO THE INTERSECTION WITH A NONTANGENT CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 250.00 FEET, FOR AN ARC LENGTH OF 29.49 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 31 DEGREES, 08 MINUTES, 10 SECONDS WEST, AN A CHORD LENGTH OF 29.47 FEET TO A POINT OF TANGENCY; THENCE SOUTH 34 DEGREES, 30 MINUTES, 56 SECONDS WEST, 90.47 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY ALONG A CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 39.50 FEET, FOR AN ARC LENGTH OF 59.72 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 08 DEGREES, 48 MINUTES, 10 SECONDS EAST, AND A CHORD LENGTH OF 54.20 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 458.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 67 DEGREES, 10 MINUTES, 15 SECONDS WEST, AND A CHORD LENGTH OF 453.10 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AND A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE WESTERLY ALONG A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.50 FEET, FOR AN ARC LENGTH OF 196.69 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, AND A CHORD LENGTH OF 166.77 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AN A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 458.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD

BEARING OF SOUTH 67 DEGREES, 10 MINUTES, 15 SECONDS WEST, AND A CHORD LENGTH OF 453.10 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHERLY ALONG A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 39.50 FEET FOR AN ARC LENGTH OF 59.73 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 08 DEGREES, 48 MINUTES, 10 SECONDS EAST, AND A CHORD LENGTH OF 54.20 FEET TO A POINT OF TANGENCY; THENCE NORTH 34 DEGREES, 30 MINUTES, 56 SECONDS WEST, 88.89 FEET TO A POINT OF CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 264.00 FEET, FOR AN ARC LENGTH OF 23.04 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 32 DEGREES, 00 MINUTES, 55 SECONDS WEST, AND A CHORD LENGTH OF 23.03 FEET TO A POINT 1,255.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES THERETO, THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION; THENCE SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 1,401.14 FEET TO THE EAST LINE OF EAGLE WAY, SAID EAST LINE BEING 40 FEET EAST OF, AS MEASURED AT RIGHT ANGLES THERETO, THE WEST LINE OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 36; THENCE NORTH 00 DEGREES, 24 MINUTES, 17 SECONDS EAST ALONG THE EAST LINE OF SAID EAGLE WAY, 1,195.03 FEET TO THE SOUTH LINE OF LAKEWOOD BOULEVARD, SAID SOUTH LINE BEING 60.00 FEET SOUTH OF AS MEASURED AT RIGHT ANGLES THERETO, THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION 36, THENCE NORTH 90 DEGREES, 00 MINUTES, 00 SECONDS EAST ALONG THE SOUTH LINE OF SAID LAKEWOOD BOULEVARD, 3,815.45 FEET TO AN ANGLE POINT IN SAID LAKEWOOD BOULEVARD; THENCE SOUTH 44 DEGREES, 52 MINUTES, 20 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF HUNTINGTON BOULEVARD, 35.28 FEET TO AN ANGLE POINT IN SAID HUNTINGTON BOULEVARD; THENCE SOUTH 00 DEGREES, 15 MINUTES, 15 SECONDS WEST ALONG THE WEST LINE OF SAID HUNTINGTON BOULEVARD, 1,163.01 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS

PARCEL 2 (THE CENTER, SOUTH PARCEL)

THAT PART OF THE SOUTH 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 36; THENCE SOUTH 00 DEGREES, 15 MINUTES, 15 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION, 1,248.01 FEET; THENCE SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 67.00 FEET TO THE WEST LINE OF HUNTINGTON BOULEVARD (ALSO KNOWN AS FREEMAN ROAD); THENCE CONTINUING SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 1,258.57 FEET TO THE INTERSECTION WITH A NON-TANGENT CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 250.00 FEET FOR AN ARC LENGTH OF 29.49 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 31 DEGREES, 08 MINUTES, 10 SECONDS WEST, AND A CHORD LENGTH OF 29.47 FEET

TO A POINT OF TANGENCY; THENCE SOUTH 34 DEGREES, 30 MINUTES, 56 SECONDS WEST, 90.47 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY ALONG A CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 39.50 FEET FOR AN ARC LENGTH OF 59.72 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 08 DEGREES, 48 MINUTES, 10 SECONDS EAST, AND A CHORD LENGTH OF 54.20 FEET TO A POINT OF REVERSE CURVE, AND THE POINT OF BEGINNING; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 458.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 67 DEGREES, 10 MINUTES, 15 SECONDS WEST, AND A CHORD LENGTH OF 453.10 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AND A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE WESTERLY ALONG A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.50 FEET, FOR AN ARC LENGTH OF 196.69 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, AND A CHORD LENGTH OF 166.77 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AND A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 1,252.05 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 41 DEGREES, 06 MINUTES, 37 SECONDS WEST, AND A CHORD LENGTH OF 1,147.36 FEET TO A POINT OF TANGENCY; THENCE SOUTH 00 DEGREES, 00 MINUTES, 00 SECONDS WEST, 475.08 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 40.00 FEET FOR AN ARC LENGTH OF 8.63 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 06 DEGREES, 10 MINUTES, 53 SECONDS WEST, AND A CHORD LENGTH OF 8.61 FEET TO THE NORTH LINE OF CENTRAL ROAD, SAID NORTH LINE BEING 65.00 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES THERETO, THE SOUTH LINE OF SAID SECTION 36; THENCE SOUTH 89 DEGREES, 48 MINUTES, 12 SECONDS EAST ALONG THE NORTH LINE OF SAID CENTRAL ROAD, 151.21 FEET TO AN ANGLE POINT IN THE NORTH LINE OF SAID CENTRAL ROAD, SAID ANGLE POINT ALSO BEING ON THE WEST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION; THENCE SOUTH 89 DEGREES, 47 MINUTES, 37 SECONDS EAST ALONG THE NORTH LINE OF SAID CENTRAL ROAD, 1,598.69 FEET TO A POINT 970.11 FEET WEST OF THE WEST LINE OF SAID HUNTINGTON BOULEVARD AS MEASURED ALONG THE NORTH LINE OF SAID CENTRAL ROAD; THENCE NORTHERLY ALONG A NON-TANGENT CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 30.00 FEET, FOR AN ARC LENGTH OF 15.59 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 14 DEGREES, 53 MINUTES, 30 SECONDS WEST, AND A CHORD LENGTH OF 15.42 FEET TO A POINT OF TANGENCY; THENCE NORTH 00 DEGREES, 00 MINUTES, 00

SECONDS EAST, 475.02 FEET TO A POINT OF CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 793.70 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 26 DEGREES, 03 MINUTES, 38 SECONDS WEST, AND A CHORD LENGTH OF 766.62 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

BUT EXCEPTING AND REMOVING THEREFROM THE FOLLOWING:

THAT PART OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN AND ALSO PART OF FRACTIONAL SECTIONS 5 AND 6, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

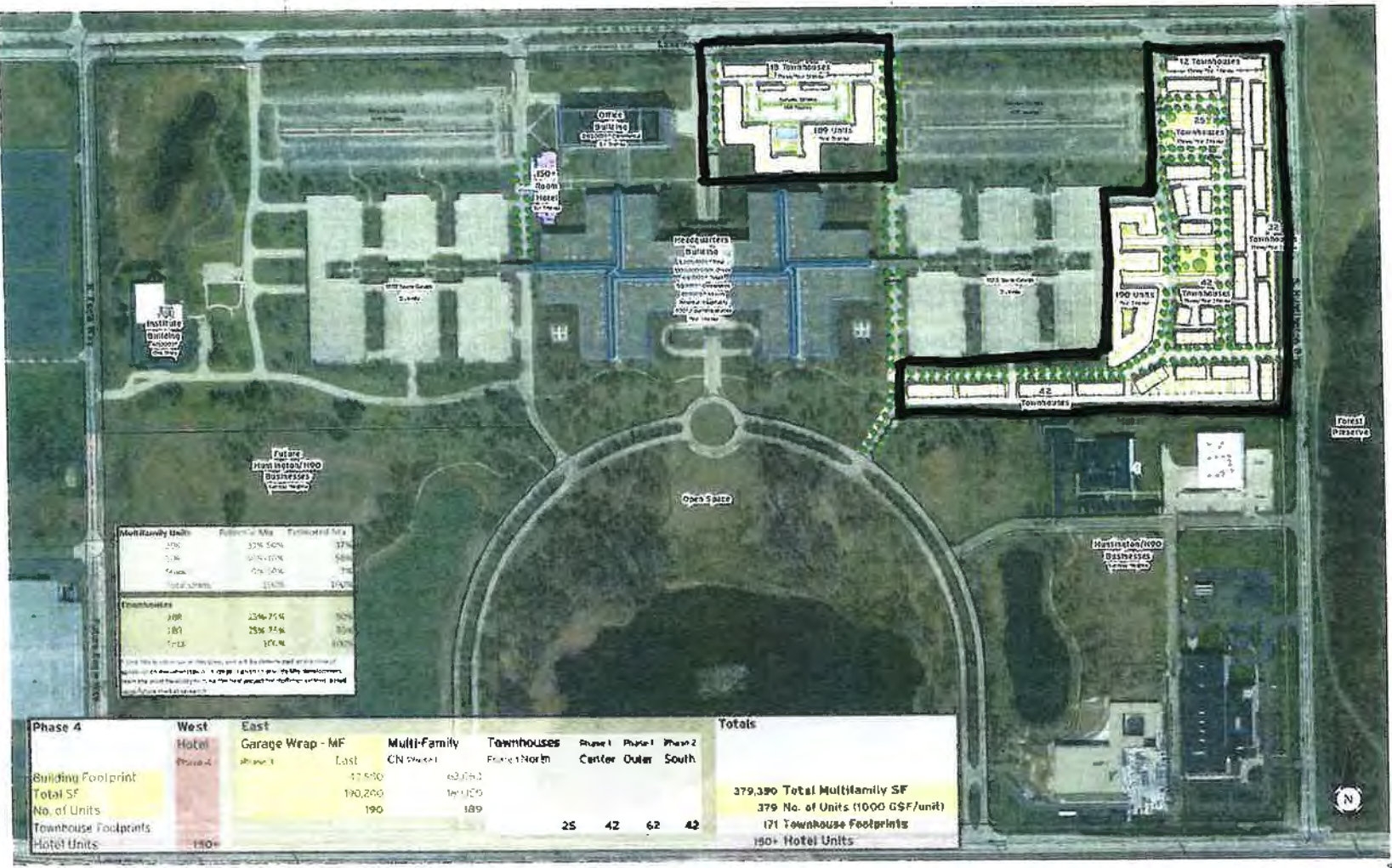
COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 36; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, 416.33 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 500.95 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 195.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 558.00 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 710.00 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 36; THENCE SOUTH 00 DEGREES 17 MINUTES 58 SECONDS WEST ALONG SAID WEST LINE, 189.05 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 8.80 FEET; THENCE SOUTHWESTERLY 29.49 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 250.00 FEET (CHORD BEARS SOUTH 31 DEGREES 08 MINUTES 10 SECONDS WEST, 29.47 FEET); THENCE SOUTH 34 DEGREES 30 MINUTES 56 SECONDS WEST, 90.47 FEET; THENCE SOUTHERLY 59.72 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 39.50 FEET (CHORD BEARS SOUTH 08 DEGREES 48 MINUTES 10 SECONDS EAST, 54.20 FEET); THENCE SOUTHEASTERLY 793.70 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 872.50 FEET (CHORD BEARS SOUTH 26 DEGREES 03 MINUTES 38 SECONDS EAST, 766.62 FEET); THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 475.02 FEET; THENCE SOUTHEASTERLY 15.59 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET (CHORD BEARS SOUTH 14 DEGREES 53 MINUTES 30 SECONDS EAST, 15.42 FEET) TO A POINT ON THE NORTH LINE OF CENTRAL ROAD; THENCE SOUTH 00 DEGREES 12 MINUTES 23 SECONDS WEST, 115.00 FEET TO A POINT ON THE SOUTH LINE OF CENTRAL ROAD; THENCE NORTH 89 DEGREES 47 MINUTES 37 SECONDS WEST ALONG THE SOUTH LINE OF CENTRAL ROAD, 1598.68 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 12 SECONDS WEST ALONG THE SOUTH LINE OF CENTRAL ROAD, 151.20 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 48 SECONDS EAST, 115.00 FEET TO A POINT ON THE NORTH LINE OF CENTRAL ROAD; THENCE NORTHERLY 8.63 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET (CHORD BEARS NORTH 06 DEGREES 10 MINUTES 53 SECONDS EAST, 8.61 FEET); THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 475.08 FEET; THENCE NORTHEASTERLY 793.70 FEET ALONG A

CURVE TO THE RIGHT HAVING A RADIUS OF 872.50 FEET (CHORD BEARS NORTH 26 DEGREES 03 MINUTES 38 SECONDS EAST, 766.61 FEET); THENCE NORTHERLY 59.73 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 39.50 FEET (CHORD BEARS NORTH 08 DEGREES 48 MINUTES 10 SECONDS EAST, 54.20 FEET); THENCE NORTH 34 DEGREES 30 MINUTES 56 SECONDS WEST, 88.89 FEET; THENCE NORTHWESTERLY 23.03 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 264.00 FEET (CHORD BEARS NORTH 32 DEGREES 00 MINUTES 55 SECONDS WEST, 23.03 FEET); THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 1481.14 FEET TO A POINT ON THE WEST LINE OF EAGLE WAY; THENCE NORTH 00 DEGREES 24 MINUTES 17 SECONDS EAST ALONG THE WEST LINE OF EAGLE WAY, 1315.03 FEET TO THE INTERSECTION WITH THE NORTH LINE OF LAKEWOOD BLVD EXTENDED WESTERLY; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE NORTH LINE OF LAKEWOOD BLVD, 2107.35 FEET; THENCE SOUTH 00 DEGREES 17 MINUTES 58 SECONDS WEST, 550.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 564.04 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 36; THENCE NORTH 00 DEGREES 17 MINUTES 58 SECONDS EAST, 550.00 FEET TO A POINT ON THE NORTH LINE OF LAKEWOOD BLVD; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 899.15 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 60.00 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

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EXHIBIT B
Concept Residential Site Plan

EXHIBIT B
Concept Site Plan



Multifamily Units	Future/1000	Estimated SF
150	328,500	37%
100	219,000	58%
50	109,500	75%
Total Units	507	100%

Townhouses	Future/1000	Estimated SF
189	236,750	62%
100	126,750	33%
100	126,750	33%

*Based on 1000 sq ft per unit. Future/1000 is based on 1000 sq ft per unit. Estimated SF is based on 1000 sq ft per unit. Total SF is based on 1000 sq ft per unit.

Phase 4	West		East		Multi-Family CN West	Townhouses Phase 1 North	Phase 1 Center	Phase 1 Outer	Phase 2 South	Totals
	Hotel Phase 4	Garage Wrap - MF Phase 1	East	West						
Building Footprint				47,650	62,061					379,380 Total Multifamily SF
Total SF				190,250	189,129					379 No. of Units (1000 GSF/unit)
No. of Units				190	189					171 Townhouse Footprints
Townhouse Footprints						25	42	62	42	150+ Hotel Units
Hotel Units	150+									

Scale: 1" = 100' (Not to Scale) | 1/4" = 100' (Not to Scale) | 1/8" = 100' (Not to Scale) | 1/16" = 100' (Not to Scale)



Phase

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Request approval of an Ordinance approving:
a. A TIF Redevelopment Agreement for the Lakewood Center Redevelopment Project
b. Issuance of TIF Notes

MEETING DATE: January 21, 2019

COMMITTEE: Special Planning, Building and Zoning

FROM: James Norris/Mark Koplin/Arthur Janura/Patricia Cross/
Douglas LaSota

REQUEST: Request approval of an Ordinance approving:
a. A TIF Redevelopment Agreement for the Lakewood Center Redevelopment Project
b. Issuance of TIF Notes

BACKGROUND: The Village has been working with Somerset Development since 2017 on the possibility of Somerset acquiring, and then redeveloping the 150 acre vacant AT&T campus which includes 1.6 million square feet of vacant office space. Somerset envisions a repurposed mixed use development, or Metroburbs.

The Village Board previously approved rezoning of the entire site to C-MU (Commercial-Mixed Use (August 20, 2018), a Concept Plan (May 14, 2018) and a Development Agreement (May 14, 2018). Each of the actions were key to Somerset's continuing interest and commitment to this project. An Amended and Restated Development Agreement for the residential portion of the project outside the TIF is also on the January 21, 2019, Special Planning, Building and Zoning Committee agenda. The TIF does not include the residential parcel and the TIF Redevelopment Agreement applies only to the commercial uses.

DISCUSSION: After evaluating various incentives to assist with a redevelopment of this magnitude, and determining that Tax Increment Financing (or TIF) was the best economic development tool for this proposed project, the Village encouraged Somerset to proceed with a TIF Eligibility Study and TIF Redevelopment Plan. That process will conclude on January 21, 2019, when three TIF Ordinances are presented to the Village Board for consideration. Drafts of those Ordinances were recommended for approval at the January 14, 2019 Planning, Building and Zoning Committee meeting. Adoption of a TIF for the vacant AT&T site requires the developer and the Village to enter into a Redevelopment Agreement, as provided for in the TIF statute. The agreement sets forth the amount of TIF reimbursement to the developer and provides for reimbursement of Village costs. A copy of the proposed Redevelopment Agreement is attached. An Ordinance is also attached that formally approves the Redevelopment Agreement, along with the TIF Notes.

DISCUSSION: (Cont'd)

As with the Barrington Square Town Center TIF, we are presenting draft TIF Notes attached to the Ordinance approving the Redevelopment Agreement. Since the Village is not providing any funding to the developer in advance, the developer will fund 100% of costs to redevelop the site and buildings upfront. It is likely that the developer will spend over \$100 million before receiving any TIF reimbursement. Such costs that are deemed TIF eligible will be submitted to the Village for approval, and then incorporated into a promissory note (TIF Notes) for repayment from future TIF incremental revenues if and when received. The Ordinance approves both the Redevelopment Agreement and the TIF Notes. A description of the key aspects of each follow.

Ordinance Adopting the Redevelopment Agreement and Authorizing Issuance of the TIF Note

Article I adopts the Redevelopment Agreement, incorporates the Recitals that state the relevant facts related to the creation of the TIF District, references the attached Redevelopment Agreement, and defines the terms, with some terms defined the same as in the Redevelopment Agreement.

Article II authorizes the Village to issue TIF Notes related to this project and sets the form of the TIF Notes. This section also sets the process for endorsing the Notes at occasions during the life of the TIF when project components are completed. The original TIF Note will be set in a not to exceed amount. While the actual value of the Note will increase over time, the developer is capped by the lesser of the \$53,767,000 of TIF eligible costs or 30% of total project costs (which includes both TIF eligible costs and those not TIF eligible). This ensures the developer invests capital over time to complete the project.

After TIF eligible costs are submitted, reviewed, and approved by the Village, the approved amount will be included in the TIF Notes. Because the developer will monetize (sell to investors) a portion of the TIF costs and repayment from TIF incremental revenues, there will be a Note A that will be monetized, and a Note B that will reside with the developer. The principal amount of Note A will be 80% of the total principal, with Note B at 20% of the principal. There will also be a Note C as discussed in Article IV of the Redevelopment Agreement (see below). Note C will have no initial principal established. State statute limits TIF Notes to a maximum of 20 years. Notes A and B will accrue interest on the principal until paid in full. The interest does not convert to principal, so the Village/TIF is not paying "interest on interest". The interest rate is set at 6.5% until stabilization (defined as 75% of the office space leased), and then a onetime adjustment may be requested by the developer, depending on the prime interest rate at that time.

Article III of the Ordinance stipulates that the TIF Note will only be paid from TIF revenues received by the Village, and is further constrained by the "pledged amount" (a defined term meaning those funds deposited by the Village to the Developer Account from the TIF fund).

The TIF fund is allocated (annually) according to the following priorities: 1) TIF defense costs (if any); 2) the developer account C (for developer tax recaptures - see Section IV of Redevelopment Agreement); 3) developer accounts A and B and the Village account (according to the percentages in the Redevelopment Agreement); 4) when TIF Note B is paid in full, the amount prescribed for Note B goes into development account A; and 5) when both Notes A and B are paid in full, such funds go into the Village account for any lawful purposes or for distribution to all taxing districts.

DISCUSSION: (Cont'd)

Article IV establishes the covenants related to the Ordinance, including the pledged amount.

Article V covers defaults.

Article VI covers miscellaneous items and provides for "subdevelopers" as another entity will likely acquire the hotel site and develop/own that property.

Exhibits. The Ordinance includes and attaches the Redevelopment Agreement (described below) and TIF Notes A, B, and C.

Lakewood Center Redevelopment Agreement

The Lakewood Center Redevelopment Agreement follows the format of previous Redevelopment Agreements approved for the Roselle Road TIF District, Barrington Square Town Center and the Ala Carte restaurants in the Barrington/Higgins TIF with modifications due to the specific and unique nature of the Lakewood Center project. A copy of the proposed Redevelopment Agreement is attached to this memo and the ten "Articles" or Sections contained in the agreement are summarized below.

Recitals - This Section includes a variety of Recitals that describe the TIF actions taken to date and references Exhibits and some definitions.

Article I incorporates the Recitals and defines various terms used in the agreement.

Article II - This Section provides for Mutual Assistance between the Parties and designates the developer as the exclusive developer of the Redevelopment Project Area (or RPA).

Article III - The developer will submit TIF eligible costs for components of the overall project to the Village for approval. Approved costs are tracked in TIF Notes A and B.

A TIF lasts for 23 years. The TIF commences with the adoption of the three required TIF Ordinances (on the January 21, 2019, Village Board agenda).

With the approval of the TIF Ordinances and the Redevelopment Agreement, Somerset (under an LLC set up for this project - Hoffman Estates Acquisitions LLC - the "Developer") will purchase the 150 acre AT&T site by June 2, 2019. After closing on the land/buildings, the developer has 120 days to obtain a permit to start the work. From that point on, redevelopment of the AT&T site and buildings will progress as "the market" dictates. With a favorable office market, the existing buildings could be leased and occupied in 5-7 years, with a hotel developed sometime within that timeframe. The residential development outside of the TIF will proceed independently, but likely in a similar timeframe.

Article IV - This portion of the Redevelopment Agreement is perhaps the most important as it provides for the use of future TIF funds generated from the redevelopment project. The developer projects total project costs of \$188 million or more, all of which will be fronted by the owner, with Eligible Redevelopment Project Costs defined as those meeting criteria in state statutes. The developer can be reimbursed for land acquisition, hard construction costs, as well as soft costs and financing costs related to the redevelopment.

DISCUSSION: (Cont'd)

The amount of the TIF incentive is based on the developer investing \$188 million in the property, existing buildings and making necessary interior and exterior improvements for a successful redevelopment, and then making a reasonable return on the investment (not including the hotel). Upon review of the project's financial pro forma, the incentive amount was derived. Should the developer achieve a superior return on the investment (more than 20% Yield on Cost), the developer will split those profits with the Village. This Offset Payment is calculated yearly after 75% of the existing office space is reoccupied.

To make this project viable, the developer requests reimbursement of up to \$53,767,000 of TIF eligible costs, plus interest. These costs would be submitted to the Village as each component of the overall project is completed (site work, interior demolition, buildout of office suites over time, buildout of first floor retail space, or defined portions thereof would all be separate components). Upon approval, these costs will be documented in TIF Notes A and B.

In order to qualify for reimbursement, the developer must submit copies of contracts, invoices, sworn statements by design professionals, waivers of lien, and proof of payment for the Village to review, then certify, and then reimburse when TIF revenues are generated.

Since reimbursement to the developer is structured with the developer fronting all project costs and being repaid over time as TIF revenues are generated, the Village will approve a promissory note (TIF Notes) that memorializes TIF expenses incurred and certified as eligible by the Village. Reimbursement will then occur over time, if and when TIF revenues are available.

Annually, incremental taxes received from Cook County will be deposited into the Lakewood TIF fund and then allocated into the Village account and developer accounts in accordance with Exhibit J. The Village receives 50% in the first four years and in the final ten years (which front loads the Village account and should cover a majority of Village costs over the 23 years). The Village receives 5% in those years in between.

Total increment projected over 23 years would cover the Village's projected costs plus the developer's costs, both with interest, and leave additional funds for unforeseen costs and/or declaring as surplus for distribution to all taxing districts.

The three TIF Notes (TIF Notes A, B, and C) are authorized by this Ordinance (described above).

Article V - This section requires the Village to abide by the TIF Note Ordinance, Exhibits, maintain the TIF fund, and allocate incremental taxes annually.

Article VI - Establishes developer responsibilities to pay property taxes, indemnifies the Village, and stipulates that they must maintain insurance. Further, the developer can assign their rights subject to Village approval.

DISCUSSION: (Cont'd)

As indicated above, the Ordinance provides for a third Note, TIF Note C. TIF Note C is a vehicle by which the developer may be reimbursed for a portion of any overpayment of property taxes. An important consideration for any municipality in implementing a TIF district is the potential impact of post-TIF property tax refunds. In a case involving the Village of Arlington Heights, that village was required to reimburse the Cook County Treasurer for post-TIF refund payments made by the Treasurer. In order to protect Hoffman Estates taxpayers and to avoid the possibility of post-TIF refunds, the Redevelopment Agreement provides that the developer is prohibited from appealing its property taxes in any manner that would entitle it to a refund.

As a substitute for the developer compromising these rights to appeal, the Redevelopment Agreement provides for a simplified, internal mechanism by which the developer can challenge an overassessment of its property taxes directly with the Village. If the developer establishes that the property taxes it paid were inflated, then the developer would be entitled to receive a portion of the overpayment back thru TIF Note C. The allocation of this payment would come before any other allocations of increment, ensuring that a refund, if any, is paid in full in the year that it is due. Similarly, the Village has the right to assert that the property taxes paid by the developer fell short of projections, in which case the principal of TIF Note B (as discussed above) would be reduced accordingly. This mechanism allows the developer to retain certain rights while protecting the Village from possible property tax refunds that would have otherwise been payable after the TIF expired and thereby required the Village to reimburse the Treasurer out of the General Fund.

Articles VII-X - The remaining sections are boilerplate legal language and include provisions for a default, remedies, representations and warranties, lenders, and general provisions. Of particular note, the Village can exercise its right (but not obligation) to force place insurance if the developer fails to do so, with such cost being deducted from the TIF Notes.

Exhibits - Fifteen exhibits are included and support the agreement. The Note Ordinance is attached to this agreement and will also be on the January 28, 2019, Village Board agenda for approval. Exhibit L shows the annual split of TIF revenues with front loading (4 years) to cover Village costs if the developer fails to pay (Section 704(e)).

FINANCIAL IMPACT:

TIF financing is based on the principle that new development or redevelopment will increase the tax base. That increase in the tax base, over time, generates additional property taxes. Those property taxes are directed to the TIF increment fund over the 23 year life of the TIF. Thus, the development itself generates a pool of money which can be used to pay for TIF eligible costs, and thus provide an incentive for the developer to invest \$188 million (not including the hotel) to redevelop this vacant site. Establishment of the TIF itself does not affect property taxes paid by other businesses or residents either adjacent to the TIF or throughout the Village.

RECOMMENDATION:

Request approval of an Ordinance approving:

- a. A Redevelopment Agreement for the Lakewood Center Redevelopment Project
- b. Issuance of TIF Notes

Attachment

cc: Ralph Zucker (Somerset Development)
Ken Gold (Somerset Development)
Larry Woodard (Miller Canfield)

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (“*Agreement*”), dated this ___ day of January, 2019 (“*Effective Date*”) is made by and between the **VILLAGE OF HOFFMAN ESTATES**, Cook and Kane Counties, Illinois, an Illinois municipal corporation and home rule unit of local government (the “*Village*”), and **HOFFMAN ESTATES ACQUISITIONS LLC**, a Delaware **limited liability company**, and its successor owners of record and permitted assigns (the “*Developer*”).

RECITALS

A. The Village is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois and is a “home rule unit” under Section 6(a) of Article VII of the 1970 Constitution.

B. The Village has the authority to promote the health, safety and welfare of the Village and its inhabitants, to encourage private development in order to enhance the local tax base, create employment and ameliorate blight, and to enter into contractual agreements with third persons to achieve these purposes.

C. The Village has the authority to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the “*Act*”).

D. In accordance with the Act, the Developer, as herein defined, prepared and the Village adopted the “Lakewood Center Redevelopment Project Area Tax Increment Financing District Eligibility Study and Redevelopment Plan and Project” dated October 25, 2018 (the “*Redevelopment Plan*”) concerning the area legally described in **Exhibit A** (the “*Redevelopment Project Area*” or the “*RPA*”).

E. The Redevelopment Project Area utilizing tax increment allocation financing under the Act shall include office, retail and hotel uses. There shall be no residential uses within the Redevelopment Project Area, with all residential uses confined to property owned by the Developer, but outside of the Redevelopment Project Area, as legally described in **Exhibit B** (the “*Residential Site*”).

F. The Corporate Authorities, after giving all notices required by law and after conducting all public hearings required by law, adopted the following ordinances on January 21, 2019: (1) Ordinance No. _____-2019 , *AN ORDINANCE approving a Tax Increment Redevelopment Plan and Project for the Lakewood Center Redevelopment Project Area in the Village of Hoffman Estates, Cook and Kane Counties, Illinois*; (2) Ordinance No. _____-2019, *AN ORDINANCE designating the Lakewood Center Redevelopment Project Area in the Village of Hoffman Estates, Cook and Kane Counties, Illinois a Redevelopment Project Area pursuant to the Illinois Tax Increment Allocation Redevelopment Act*; and (3) Ordinance No. _____-2019, *AN ORDINANCE adopting the use of Tax Increment Allocation Redevelopment Financing for the Lakewood Center Redevelopment*

Project Area in the Village of Hoffman Estates, Cook and Kane Counties, Illinois (collectively, the “*TIF Ordinances*”).

G. The Developer, as assignee of Somerset Development, LLC, a New Jersey limited liability company, has a contract to purchase the Lakewood Property consisting of RPA and Residential Site (the “*Lakewood Property*”).

H. The Developer has proposed certain building improvements, site improvements and infrastructure improvements (“*Improvements*”) to redevelop the RPA into a mixed use development as a phased redevelopment project as set forth in **Exhibit C** (“*Construction Schedule*”), in implementation of the Redevelopment Plan based on the Concept Site Plan which has been reviewed and approved by the Village, attached hereto as **Exhibit D** (“*Concept Site Plan*”).

I. The Village is desirous of having the RPA redeveloped in accordance with the Concept Site Plan based upon the phasing of the Project as depicted in **Exhibit D-1** (“*Phasing Site Plan*”) in order to serve the needs of the Village and the community in order to produce increased employment opportunities for area residents and increased tax revenues for the various taxing districts authorized to levy taxes within the Redevelopment Project Area.

J. In order to induce the Developer to rehabilitate and redevelop the Project, as described more particularly in this Agreement, and to construct the Project, as herein defined, the President and Board of Trustees of the Village have determined that it is in the best interest of the Village to make certain economic development incentives available to the Developer as provided in this Agreement.

K. But for the Village incentives as stated in this Agreement, the Developer could not complete the Project in the manner provided within this Agreement and the Project would not be developed by private enterprise without adoption of the incentives stated in this Agreement.

L. To facilitate the redevelopment of the Redevelopment Project Area, the Corporate Authorities will have adopted Ordinance No. _____-2019, entitled Authorizing the Execution of a Redevelopment Agreement and the Issuance of TIF Notes Respecting the Lakewood Center Redevelopment Project Area in the Village of Hoffman Estates, Illinois (Lakewood Center TIF District), the “*Note Ordinance*” substantially in the form attached hereto but excluding any exhibits referenced therein (**Exhibit E**), approving and authorizing the execution of this Agreement with the Developer and the execution and delivery to the Developer of three notes (collectively the “*TIF Notes*” and individually a “*TIF Note*”), upon certain conditions as provided in this Agreement, in a forms attached hereto as **Exhibit F-1**, **Exhibit F-2** and **Exhibit F-3** and such TIF Notes shall be in conformance with the terms and provisions set forth in this Agreement and in the Note Ordinance.

M. The Corporate Authorities, after due and careful consideration, find that the completion of the Project by the Developer and the financing of eligible redevelopment project costs solely through tax increment revenues and through the issuance of the TIF Notes described

herein, in each case pursuant to this Agreement, will be in furtherance of the Redevelopment Plan, increase employment opportunities within the Village, increase the assessed valuation of real estate situated within the Village, foster increased economic activity within the Village, increase the tax revenues realized by the Village and the various taxing districts authorized to levy taxes within the Redevelopment Project Area, and otherwise be in the best interests of the Village, and the health, safety, morals and welfare of its residents and taxpayers.

N. The Village finds that the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

O. This Agreement is binding on the Parties and on all successors of record of the RPA or any portion thereof and shall run with the land of the RPA or any portion thereof.

NOW, THEREFORE, in consideration of the premises and mutual promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I RECITALS PART OF AGREEMENT AND DEFINITIONS

The representations, covenants and recitation set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Article I. Unless otherwise stated in this Agreement, in addition to the terms defined in the Recitals, the capitalized terms in this Agreement shall have the meanings as ascribed to them below:

- (a) The “*Act*” as defined in the Recitals above.
- (b) “*Agreement*” as defined in the Recitals above.
- (c) “*Certificate of Completion*” means that certificate in the form attached to this Agreement as **Exhibit G** and as described in Section 304.
- (d) “*Change in Law*” means: (i) the enactment, adoption, promulgation or modification of any federal, state or local law, ordinance, code, rule or regulation; or (ii) the order or judgment of any federal or state court, administrative agency or other governmental body.
- (e) “*C-MU*” means the Commercial Mixed-Use District zoning ordinances adopted by the Corporate Authorities of the Village.
- (f) “*Component*” means a certain phase, segment or other divisible aspect of the Work, as defined herein, as reasonably determined by the Developer.

(g) “*Concept Site Plan*” means the site plan upon which has been reviewed and approved by the Village and upon which implementation of the Redevelopment Plan is based and attached hereto as **Exhibit D**.

(h) “*Construction Budget*” means the initial budget for the Project attached hereto as **Exhibit H**, as may be amended from time to time.

(i) “*Construction Plans*” means any plans and specifications as approved by the Village for the issuance of permits for any aspect of the Improvements as defined herein. To the extent that multiple Construction Plans are used for multiple phases or Components of the Project or multiple types of Improvements, the collective plans and specifications for the entire Project shall mean the Construction Plans.

(j) “*Construction Schedule*” means the schedule for implementing Improvements intended to redevelop the RPA into a mixed use development as a phased redevelopment project as set forth in **Exhibit C**.

(k) “*Corporate Authorities*” means the duly elected and serving Village President and the members of the Board of Trustees of the Village of Hoffman Estates.

(l) “*Developer*” means HOFFMAN ESTATES ACQUISITIONS LLC, a Delaware limited liability company, and its successor owners of record and permitted assigns as provided for in Section 606.

(m) “*Developer Account A*” means amounts annually set aside from the Fund, as defined herein, as provided for in Section 405, to be used solely to pay TIF Note A.

(n) “*Developer Account B*” means amounts annually set aside from the Fund, as defined herein as provided for in Section 405, to be used solely to pay TIF Note B.

(o) “*Developer Account C*” means amounts that may be set aside from the Fund, as defined herein as provided for in Section 405, to be used solely to pay TIF Note C.

(p) “*Developer Accounts*” mean collectively Developer Account A, Developer Account B and Developer Account C.

(q) “*Developer Affiliate*” means any entity controlled by, or under common control with Developer such that Somerset Development, LLC, a New Jersey limited liability company or one of its principals is either the manager or managing member or general partner or controlling partner or majority member or majority shareholder or majority partner in said affiliate entity or otherwise has the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities or rights, by contract, or otherwise.

(r) “*EAV*” means the equalized assessed value of the taxable lot, block, tract or parcel of real property as certified by the Cook County Clerk for property tax purposes.

(s) “*Effective Date*” as defined in the Recitals above.

(t) “*Eligible Redevelopment Project Costs*” as defined in Section 401(a).

(u) “*Estoppel Certificates*”, as defined in Section 1016.

(v) “*Event of Default*” as defined in Sections 701 and 702.

(w) “*Existing Buildings*” means the buildings (but not the parking structures) currently located on the RPA as of the Effective Date.

(x) “*Expiring Leases*”, as defined in Section 407(a)(i).

(y) “*Final Project Documents*” mean the Construction Plans for all Components of construction and for all types of Improvements in the RPA.

(z) “*Force Majeure*”, as defined in Section 306.

(aa) “*Fund*” means the special tax allocation fund for the Redevelopment Project Area consisting of the Incremental Taxes collected and paid to the municipal treasurer pursuant to the TIF Ordinance and known as the “2019 Lakewood Center Redevelopment Project Area Special Tax Allocation Fund”, as may be revised pursuant to the Act.

(bb) “*Improvements*” as defined in the Recitals above.

(cc) “*Income Threshold*”, as defined in Section 407(a).

(dd) “*Incremental Taxes*” means the incremental ad valorem taxes generated by the application of the tax increment financing to the Redevelopment Project Area in accordance with the Act, which are attributable to the increases in the then current EAV (as defined above) of the taxable lot, block, tract or parcel of all portions of the Redevelopment Project Area over and above the total Initial EAV, as defined herein, of the Redevelopment Project Area and includes any replacement, substitute or amended taxes.

(ee) “*Initial Appraisal*”, as defined in Section 601(g).

(ff) “*Initial EAV*” means the initial calendar year equalized assessed value of the RPA certified by the Cook County Clerk.

(gg) “*Initial Project Documents*” means the Redevelopment Plan, the Construction Schedule, the Concept Site Plan, the Phasing Site Plan (**Exhibit D-1**), the Construction Budget and any other documents prepared in connection with the Project prepared as of the Effective Date, as each may be amended or updated.

(hh) “*Interest Rate*” as defined in Section 404(a).

(ii) “*Lakewood Property*” as defined in the Recitals above.

(jj) “*Legal Requirements*” mean all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders.

(kk) “*Lender*” or “*Mortgage*” means any party holding a mortgage, deed of trust or similar lien or encumbrance on all or any part of Lakewood Property that secures a debt, loan, advance or extension of credit entered into by the Developer, its successor or any other party with any ownership or ground leasehold interest in the Lakewood Property.

(ll) “*Maximum Reimbursement Amount*” means that amount paid by the Village to Developer of the agreed upon Incremental Taxes, as further defined in Section 402.

(mm) “*Net Insurance Proceeds*” as defined in Section 604(d).

(nn) “*Net Operating Income*” means the Redevelopment Project Area Income, less Operating Expenses, each as defined in Section 407(a).

(oo) “*Note Ordinance*” as defined in the Recitals above.

(pp) “*Occupancy Appeal*” as defined in Section 601(b).

(qq) “*Occupancy Tax Delta*” as defined in Section 601(f).

(rr) “*Offset Payment*” as defined in Section 407(a).

(ss) “*Operating Expenses*”, as defined in Section 407(a)(iii).

(tt) “*Overall Costs*”, as defined in Section 407(a)(ii).

(uu) “*Party*” and “*Parties*”, means the Village and the Developer, individually and collectively.

(vv) “*Payment Periods*” means those four times during performance of this Agreement at which Developer will perform calculations to determine the Yield on Cost (as defined herein)

and whether an Offset Payment to the Village is due as provided in Section 407 of this Agreement, based upon the established benchmarked success of the Project.

(ww) “*Permitted Transfer*”, as provided in Section 606(d).

(xx) “*Phase Project Plans*” means those certain plans and specifications used for a particular Component of the Improvements or for a particular aspect of the Improvements.

(yy) “*Phasing Site Plan*” as defined in the Recitals above.

(zz) “*Pledged Amounts*” mean all money, securities, and funds at any time deposited or required to be deposited into all of the Developer Accounts collectively, regardless of whether such amounts are currently in the Developer Accounts.

(aaa) “*Project*” means the entire RPA and all buildings, infrastructure and improvements, both existing and to be performed under this Agreement, to redevelop the RPA into a mixed use development in accordance with the Concept Site Plan as a phased redevelopment project.

(bbb) “*Project Stabilization*” means that point at which seventy-five percent (75%) of the leasable area of the Existing Buildings intended to be used as office space in the RPA, as modified by approved building plans, is occupied and all occupants in such space are paying rent, as further defined in Section 407.

(ccc) “*Public Infrastructure*”, as defined in Section 405(b).

(ddd) “*Purchase Date*” means the date upon which Developer becomes the legal owner of record of the RPA.

(eee) “*Qualified Appraiser*”, as defined in Section 601(k).

(fff) “*Redevelopment Plan*” as defined in the Recitals above.

(ggg) “*Redevelopment Project Area*” or “*RPA*” as defined in the Recitals above.

(hhh) “*Redevelopment Project Area Income*”, as defined in Section 407(a)(i).

(iii) “*Request for Reimbursement*” means the Developer’s request to the Village in the form attached as **Exhibit I** for reimbursement of specific Eligible Redevelopment Project Costs, as stated in Section 401 of this Agreement.

(jjj) “*Residential Site*” as defined in the Recitals above.

(kkk) "*Revaluation*", as defined in Section 601(g).

(lll) "*Revaluation Market Value*", as defined in Section 601(g).

(mmm) "*Revaluation Party*", as defined in Section 601(g).

(nnn) "*Revalued Tax Amount*", as defined in Section 601(h).

(ooo) "*Second Appraisal*", as defined in Section 601(g).

(ppp) "*Start Date*" means that date on which the Developer will start the Work, not more than one hundred twenty (120) days after the Purchase Date.

(qqq) "*Subdeveloper*", as defined in Section 605.

(rrr) "*Target Property Taxes*", as defined in Section 601(f) and **Exhibit K**.

(sss) "*Tax Disbursement Schedule*" is the schedule of payments into the Village Account and Developer Accounts in **Exhibit J**, as more fully described in Section 405.

(ttt) "*Term*" as defined in Section 1017.

(uuu) "*Third Appraisal*", as defined in Section 601(g).

(vvv) "*TIF Notes*" and "*TIF Note*" as defined in the Recitals above.

(www) "*TIF Note A*" means TIF Note in the form attached as **Exhibit E-1** to this Agreement and more fully described in Section 404.

(xxx) "*TIF Note B*" means the TIF Note in the form attached as **Exhibit E-2** to this Agreement and more fully described in Section 404.

(yyy) "*TIF Note C*" means the TIF Note in the form attached as **Exhibit E-3** to this Agreement and more fully described in Section 404.

(zzz) "*TIF Ordinances*" as defined in the Recitals above.

(aaaa) "*Transfer Upon Stabilization*", as defined in Section 606(e).

(bbbb) "*Total Project Costs*" as defined in Section 401(a).

(cccc) "*Village*" as defined in the Recitals above.

(dddd) "*Village Account*" means amounts annually set aside from the Fund of the Incremental Taxes, as provided for in Section 405, to be used by the Village for any and all lawful purposes under the Act.

(eeee) "*Village Appeal*", as defined in Section 601(c).

(ffff) "*Village Appeal Delta*", as defined in Section 601(f).

(gggg) "*Village Tax Recapture*", as defined in Section 601(h).

(hhhh) "*Work*" means any design, engineering, planning, construction, demolition, excavation, refurbishment, labor or installation of materials in any way connected with the Improvements.

(iiii) "*Yield on Cost*" as defined in Section 407(a).

ARTICLE II MUTUAL ASSISTANCE; DESIGNATION OF DEVELOPER; PRIOR AGREEMENT

(a) The Village and the Developer agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications (and, in the Village's case, the adoption of such ordinances and resolutions), as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement. The Village agrees that it will not reduce or terminate the Redevelopment Project Area before the TIF Notes are paid in full or mature.

(b) The Village hereby designates Developer as the exclusive developer for the Project to construct or cause the construction of the Improvements and perform the Work in accordance with the Final Project Documents, Legal Requirements and the terms and conditions of this Agreement. The Village hereby represents to Developer that the Village has, to the best of its knowledge, taken in good faith, all necessary actions and has complied with all requirements of law necessary to authorize the Village to comply with this Agreement, including, without limitation, the requirements of the Act required for the designation of Developer as the exclusive developer for the Project, with the powers and rights conferred to Developer under this Agreement.

ARTICLE III REDEVELOPMENT PROJECT

Section 301. Start Date; Schedule; Permits; Construction Plans and Final Project Documents.

(a) Subject to Force Majeure, the Developer shall purchase the Lakewood Property no later than June 1, 2019 and obtain a permit to start the Work within one hundred twenty (120) days of the Purchase Date. Once the Start Date is established, the Construction Schedule shall

be updated to reflect the Start Date. The Construction Schedule is an estimate based on the Developer's actual current knowledge of the RPA and may be revised based upon Force Majeure events and property and market conditions.

(b) Prior to commencement of any construction of any Improvements, the Developer shall comply with all applicable Legal Requirements. The Village agrees not to oppose any such application pending before another governmental body or agency, provided such application is consistent with all Legal Requirements. Each Component and each of the Improvements may have separate Construction Plans. The Construction Plans may be approved for separate Components or separate Improvements of the Project. The Village shall provide assistance to Developer in reviewing and approving the Construction Plans, securing such permits based upon the Construction Plans and shall promptly issue all permits required to be issued by the Village, and agrees to sign other documents or plats which require execution by the Village, provided such permits, documents or plats comply with all Legal Requirements.

Section 302. Qualifying Uses. The Village acknowledges that the Project contemplated in the Initial Project Documents conforms to the current C-MU Commercial Mixed Use (with the Mixed Use Development Option) zoning of the RPA. During the Term of this Agreement, the Village agrees not to change the zoning designation from C-MU Commercial Mixed Use. The Developer shall be entitled to apply for, and the Village shall reasonably consider, variances and special uses for the Project, including without limitation, hotel and motel; yoga studios; personal services; and nursery school or day care center.

Section 303. Developer Designation; Construction

(a) The Developer may enter into one or more construction contracts to complete the Work. All construction contracts shall provide that recourse against the Village is limited to the Fund or to any mechanic's lien rights against the RPA. The Developer shall submit permit applications, copies of all construction contracts and final building and construction plans and specifications to the Village. The Developer shall have the right, at its election to (i) self-perform and/ or (ii) to cause any of the Developer Affiliates to perform work or provide labor or materials that constitute Eligible Redevelopment Project Costs (as defined herein), with such costs ultimately becoming incorporated into the TIF Notes as provided herein.

(b) Subject to the terms, conditions and provisions provided below, the Developer has the following general responsibilities (which are not all inclusive) for the planning, design, development, construction, and installation of the Work (with the technical assistance of such qualified outside consultants as the Developer, in its discretion, may retain):

- (i) Providing qualified field personnel for inspecting and reviewing the Work progress and construction of the Work, including final inspection and certification by the Developer that all Work, as constructed, conforms with the approved Final Project Documents;
- (ii) Providing documentation of Total Project Costs and Eligible Redevelopment Project Costs in accordance with Section 403;

- (iii) Providing, either alone or in conjunction with the Developer's advisers and consultants, the appropriate design and coordination of all planning and construction of the Work, including the directing and scheduling of construction, all field inspections, tests, surveys and other activities related to the Work; and,
- (iv) Securing all authorizations, permits and licenses, including those of a temporary nature, from any government or regulatory body as may be necessary for the construction and intended use of the Work.

Section 304. Certificate of Completion. Not later than ninety (90) days after completion of the Work for any particular Component of the Improvements, the Developer shall furnish a certificate in the form attached as **Exhibit E** so certifying completion of that Component to the Village. The Village shall, within thirty (30) days following delivery of the Certificate of Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Completion. Upon acceptance of the Certificate of Completion by the Village, the same shall constitute evidence of the satisfaction of the Developer's agreements and covenants to perform such Work.

Section 305. Utility Connections. Provided that the Developer complies with all requirements of general applicability promulgated by the Village or other governmental entity with jurisdiction for such connections and obtains all necessary approvals, the Village agrees to permit the Developer to connect to Village water lines and sanitary sewer lines. The Developer agrees that it will pay all fees or any fees imposed with respect to the RPA by the Metropolitan Water Reclamation District of Greater Chicago, Illinois EPA or any state government or entity with regulatory authority.

Section 306. Force Majeure. Time is of the essence of this Agreement; however, a Party shall not be deemed in material breach of this Agreement with respect to this Agreement and construction of the Project if such Party fails to timely perform the same and such failure is due in whole or in part to a Change in Law (so long as failure to perform lasts no longer than 180 days after the enactment of such law) unknown conditions of the Existing Buildings or RPA, war, acts of God, casualty, strikes, or shortage of materials, through no fault of such Party or other causes beyond the reasonable control of such Party (collectively "*Force Majeure*"). If one of the foregoing events shall occur or either Party shall claim that such an event shall have occurred, the Party to whom such claim is made shall investigate same and consult with the Party making such claim regarding the same and the Party to whom such claim is made shall grant an extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure, provided that the failure of performance was reasonably caused, in whole or in part, by such Force Majeure event.

Section 307. Village Cooperation. The Village agrees to cooperate with Developer in Developer's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity and upon request of Developer, will promptly execute any applications or

other documents (upon their approval by the Village) which Developer intends to file with such other governmental or quasi-governmental entities in respect of the Project. Further, the Village shall promptly respond to, and/or process, and consider reasonable requests of Developer for: foundation permits; shell and core, mechanical, electrical and plumbing permits; tenant improvement permits; driveway permits; or other permits necessary to construct the Project and perform the Work.

ARTICLE IV VILLAGE INCENTIVES AND TIF NOTES

Section 401. Total Project Costs: Eligible Redevelopment Project Costs.

(a) *“Total Project Costs”* shall mean the actual documented costs paid to third parties or Developer Affiliate and actually expended by or on behalf of the Developer or Developer Affiliate to construct and complete the Project and perform the Work within the Redevelopment Project Area in accordance with the Final Project Documents, including without limitation, hard construction costs and “soft costs” including, without limitation, insurance and bonding premiums, permit fees, appraisal, inspection, financing fees and loan interest costs paid to Project lenders, costs and fees paid on behalf of the Village in connection with the formation and administration of the Redevelopment Project Area, and professional fees for planning consultants, architects, engineers, designers, surveyors and attorneys, acquisition costs and any other costs or fees that may be included as “Redevelopment Project Costs” (as defined in the Act) or otherwise reimbursable under the Act. *“Eligible Redevelopment Project Costs”* shall mean those Total Project Costs which constitute “Redevelopment Project Costs” as defined in the Act or that may otherwise be repaid to the Developer under the Act and that are documented in accordance with Section 403. Without limiting the foregoing provisions, the consideration paid by Developer to acquire the RPA shall be deemed an Eligible Redevelopment Project Cost and counted as part of Total Project Costs. Eligible Redevelopment Project Costs include the cost of public or private improvements constructed by the Developer, any Developer Affiliate or any party acting at the direction of, by or on behalf of the Developer as part of the Project or improving the RPA.

(b) The Developer shall advance or caused to be advanced all funds, and pay or cause to be paid all costs, necessary to construct the Project eligible for reimbursement pursuant to this Agreement in connection with the Work.

(c) So long as performed pursuant to the Act, the Developer reserves the right to reallocate dollars between and among the Work and the line items that constitute the budget for the Work.

Section 402. Village TIF Incentive. Subject to the terms, conditions and limitations set forth in this Agreement, the Village agrees to provide a financial incentive to the Developer which shall consist of the reimbursement of all Eligible Redevelopment Project Costs in an amount not to exceed, the lesser of: (A) thirty percent (30%) of Total Project Costs plus interest at the Interest Rate (as defined in the TIF Notes), until fully paid; or, (B) Fifty-Three Million Seven Hundred Sixty-Seven Dollars (\$53,767,000), plus interest at the Interest Rate (as defined in the

TIF Notes) (the "*Maximum Reimbursement Amount*") as the total amount payable pursuant to the terms of the TIF Notes.

Section 403. Requests for Reimbursement.

(a) To request reimbursement of the specific Eligible Redevelopment Project Costs incurred under this Agreement, the Developer shall submit to the Village Manager after each Component is completed, the following documents:

- (i) A Request for Reimbursement in the form attached to this Agreement as **Exhibit I**, numbered consecutively, and setting forth the amount of Total Project Costs incurred to date, the amount of Eligible Redevelopment Project Costs incurred to date, and the specific Eligible Redevelopment Project Costs for which reimbursement is sought.
- (ii) At such time as any particular Component of the Work is complete, the Developer shall furnish to the Village redacted construction contracts with change orders, the general contractor's sworn statement and waivers of lien for the Component being submitted, covering the Work completed, together with waivers of lien from each subcontractor, together with the title company disbursement statement showing the payments made to such parties from the Developer's construction escrow or any other documentation reasonably required by the Village. The Developer shall furnish to the Village a copy of any escrow agreement in effect from time to time. For Work that is not construction, copies of contracts, invoices and proof of payment shall be submitted for consideration and approval.
- (iii) Bills, paid invoices and proof of payment for all Eligible Redevelopment Project Costs that are not paid through a construction escrow for the period covered by the Request for Reimbursement.
- (iv) At such time as the final application for payment is made by the general contractor for the Work in any particular Component, the Developer shall cause the architect of record to issue a certificate of payment indicating that based on the architect's evaluation of the Work and the data comprising the contractor's application for payment, that the Work has been completed and in accordance with the final Construction Plans. The Developer shall furnish a copy of such certificate of payment to the Village.

(b) All records with respect to the administration of the construction of the RPA shall be created and maintained in a manner reasonably satisfactory to the Village. The records will identify whether or not a particular item of cost constitutes an Eligible Redevelopment Project Cost and whether such item of cost is includable in Total Project Costs. The Village, acting by the Village Manager, shall have sixty (60) days after receipt of any Request for Reimbursement to approve or disapprove in writing, any of the expenditures as incurred and documented Eligible

Redevelopment Project Costs and Total Project Costs. If any Request for Reimbursement is disapproved, the Village shall provide a written explanation in sufficient detail as to why such request was disapproved. The final approval in whole or in part of each Request for Reimbursement shall be made by the Corporate Authorities. The inability of the Parties to reach agreement on the grounds for approval or disapproval of any Request for Reimbursement may be referred to mediation under Section 703.

(c) Reimbursement to Developer of Eligible Redevelopment Project Costs shall, provided same qualify under applicable law as reimbursable Eligible Redevelopment Project Costs, be on a “gross” basis and not be limited on a “line item” basis as such costs are set forth on the Construction Budget, subject to the Maximum Reimbursable Amount. By way of example but not limitation, if the actual cost of the site preparation/grading work exceeds the budgeted amount by \$500,000, the full amount of such costs, regardless of the budgeted amount, shall be subject to reimbursement without regard to the line item budgeted therefore on the Construction Budget (subject to the Maximum Reimbursement Amount).

Section 404. TIF Notes.

(a) The Village shall initially execute and deliver to the Developer three (3) promissory notes (the “*TIF Notes*”), in favor of the Developer. TIF Note A shall be in the form attached hereto as **Exhibit F-1** and the principal amount of TIF Note A shall be eighty percent (80%) of the Maximum Aggregate Principal Amount, as defined in the Note Ordinance. TIF Note A shall not be prepaid at any time by the Village.

(b) TIF Note B shall be in the form attached hereto as **Exhibit F-2** and the principal amount of the TIF Note B shall be twenty percent (20%) of the Maximum Aggregate Principal Amount. TIF Note B may be prepaid at any time by the Village.

(c) TIF Note C shall be in the form attached hereto as **Exhibit F-3** and initial principal amount shall be \$1.00 (and thereafter increased pursuant to the terms hereof). TIF Note C shall be used only for any payments due to the Developer pursuant to Section 601 of this Agreement and for no other purpose. TIF Note C shall be payable in full upon payment due thereunder, may be prepaid at any time and shall not bear interest.

(d) The TIF Notes will be authorized and issued pursuant to the Note Ordinance in the form set forth in **Exhibit E**, to reimburse and/or pay the Developer the Eligible Redevelopment Project Costs. In addition to the obligations under this Agreement, the TIF Notes, when executed and delivered by the Village, shall evidence the Village’s obligation to reimburse the Developer for Eligible Redevelopment Project Costs, if and when Incremental Taxes (as hereinafter defined) are available, on the terms and conditions stated in the TIF Notes.

(e) The TIF Notes shall be authorized upon passage of the Note Ordinance and execution of the TIF Notes by the Village. At the option of the Developer, the Issuance Date of TIF Note A and TIF Note B may be delayed for a period of up to twenty-four (24) months after TIF Note A and TIF Note B were authorized under the Note Ordinance. If the Developer does not authorize the issuance of TIF Note A and TIF Note B within twenty-four (24) months after the date TIF Note A and TIF Note B were authorized, each of TIF Note A and TIF Note B’s

Issuance Dates shall be deemed to be twenty-four (24) months after the date of passage of the Note Ordinance and execution of TIF Note A and TIF Note B.

Section 405. Payments into Village Account and Developer Account.

(a) In accordance with the Note Ordinance, all Incremental Taxes deposited into the Fund shall be distributed to the Developer Accounts and Village Account according to the percentages shown on the table in **Exhibit J**, until each TIF Note is paid in full or matures. After each TIF Note is paid in full or matures, all Incremental Taxes shall be deposited into the Village Account.

(b) In addition to any site infrastructure Improvements required to be performed by the Developer for the various Components of the Project, the Village desires to perform or arrange for a party to perform the following infrastructure improvements, including but not limited to (collectively "*Public Infrastructure*"):

- (i) On-site and off-site pedestrian and bicycle trails connecting to the Pace Barrington Road Transportation station at Barrington Road and to the Cook County Forest Preserve.
- (ii) Re-paving Lakewood Boulevard.
- (iii) Off-site traffic improvement as dictated by a future traffic study.
- (iv) Any other costs permissible by the Act.

All Public Infrastructure or any public improvements required by the Village shall be paid solely from the Village Account or the Village shall use the Village Account, or advance funds, to pay for all Public Infrastructure costs. With the Village's authorization, the Public Infrastructure may be performed by the Developer. If the Developer performs the Public Infrastructure, the Developer may apply reimbursement of the costs to perform the Public Infrastructure with such costs paid from the Village Account and shall not be deemed to be a repayment under the TIF Notes.

(c) In any year where the Village Account portion of the Fund exceeds annual costs, the Village may apply any excess to TIF costs previously incurred but not reimbursed. Any remaining TIF Funds in the Village Account may be used by the Village for any lawful TIF purposes, including property tax appeal refund payments.

Section 406. Audit. The Village shall perform an audit for the TIF (and a copy thereof shall be delivered to Developer) no later than one hundred eighty (180) days following the end of the Village's fiscal year and which audit shall contain (i) a reconciliation of the TIF administrative costs and the calculations for the Village Account as incurred; (ii) a calculation of the amount in the Fund; (iii) confirmation of the Pledged Amounts. The cost of the audit shall be an administrative cost of the TIF, paid from the Village Account and reimbursable as a redevelopment project cost pursuant to the Act.

Section 407. Offset Payments to Village. In an attempt to offset the payments to the Developer made by the Village upon the established benchmarked success of the Project within

the Redevelopment Project Area, the Developer agrees to pay to the Village an agreed-upon amount as provided in this Section 407 as follows:

(a) The Village shall be eligible to receive an Offset Payment upon the following events (“*Payment Periods*”):

Payment Period 1:	Upon seventy-five percent (75%) of the gross leasable area of all of the space within the currently Existing Buildings intended to be used as office is occupied and all occupants within such space are paying rent (without free rent or lease defaults) (collectively “ <i>Project Stabilization</i> ”). If Project Stabilization is not achieved by year 8 of the TIF, Developer shall calculate the Yield on Cost Offset Payment in year 8.
Payment Period 2:	The fifth (5 th) full calendar year after “Payment Period 1”
Payment Period 3:	The tenth (10 th) full calendar year after “Payment Period 1”
Payment Period 4:	The fifteenth (15 th) full calendar year after “Payment Period 1”

By April 30th of any calendar year following a Payment Period event, the Village may be eligible for an “Offset Payment” from the Developer. An “Offset Payment” shall be equal to twenty-five percent (25%) of the Net Operating Income (as defined herein) that is over and above the Income Threshold (as defined below) based upon the following formula:

$$\text{Yield on Cost} = \text{Net Operating Income} / \text{Overall Costs}$$

Within thirty days (30) of written request by the Village, the Developer shall make available for review by the Village or its representative, the Developer’s Yield on Cost and Offset Payment calculations and documents necessary to support the calculation thereof to the Village. If the Village and the Developer disagree as to the preceding calculations, the Parties will resolve the dispute in accordance with Section 703. If, and only if, the Yield on Cost for the Redevelopment Project Area as computed by the above formula (and based on the terms defined below) exceeds twenty percent (20%) (“*Income Threshold*”), then the Village is eligible for an annual Offset Payment for each Payment Period the Yield on Cost exceeds the Income Threshold equal to twenty-five percent (25%) of the remaining Net Operating Income received by the Developer that exceeds the Net Operating Income required to achieve a Yield on Cost in excess of the Income Threshold. The Redevelopment Project Area Income, Operating Expenses, Net Operating Income and Total Project Costs shall be annualized based upon the totals for all years prior to a particular Payment Period.

Notwithstanding any other provision to the contrary, the Offset Payments shall, both annually and in the aggregate, be limited to the total amount of principal payment paid by the Village to

the Developer under TIF Note B. In no instance shall the Offset Payments, either individually or in the aggregate, exceed the principal payment paid to the Developer under the TIF Note B. Developer shall make any Offset Payment by June 30th of the year any Offset Payment may be due. If the Village is due an Offset Payment and the Village has not received an Offset Payment by June 30th of any year, after sending demand to the Developer and Developer having not paid the Offset Payment within thirty (30) days of such demand, the Village shall have the right, but not the obligation, to reduce the amounts due to the Developer under TIF Note B equal to a dollar-for-dollar reduction in the outstanding amount equal to the Offset Payment owing to the Village. No principal reduction shall be from TIF Note A.

For purposes of this Section 407, the following terms shall have the following definitions:

- (i) “*Redevelopment Project Area Income*” means the gross income actually received by the Developer derived solely from the Redevelopment Project Area leases on a cash accounting basis annualized over the years prior to any Payment Period. Any leases in default or any accounts receivable or other amounts due but not actually received by the Developer shall not be included in any Redevelopment Project Area Income calculations. All calculations relating to the Yield on Cost shall be limited to only the investments, returns and property located solely within the Redevelopment Project Area. For purposes of example but not limitation, Redevelopment Project Area income shall not include amounts received from the sale of any or all of the Redevelopment Project Area, fees paid to develop any of the Redevelopment Project Area but shall include income received under the TIF Notes.

For leases in effect at the time of any Payment Period but which expire during the Payment Period (and the tenant has not exercised any option to renew or extend) (“*Expiring Leases*”), any income from any Expiring Leases shall be excluded from any income calculations. Any sale of property outside of the Redevelopment Project Area; any sale of all or any portion of the Residential Site; and, any sale of the property intended to be used for the hotel Component or the hotel Improvements (or sale of any rights to develop the Hotel Improvements) shall not be included in the Redevelopment Project Area Income (regardless if such component may be located within the Redevelopment Project Area) or in any computations for the Yield on Cost.

- (ii) “*Overall Costs*” mean all costs in any way associated with the Redevelopment Project Area, the construction or maintenance of the Redevelopment Project Area, the leasing, operation and of maintenance of the Redevelopment Project Area, including without limitation: any and all costs incurred within the Redevelopment Project Area in any way relating to: soft construction costs, architects fees, design fees; hard costs, construction costs, replacement costs and any costs for the replacement, refurbishment, renewal or reconstruction; development fees; any costs, fees or payments paid to any tenant for any tenant improvements or as otherwise required under any tenant lease; any costs of any vertical construction or new construction; land acquisition costs; costs paid and loan payments for any loans, financing, mortgages, mezzanine financing or other

debt incurred by the Developer or any Developer Affiliate; preferred returns, preferred payments or other inducement costs to any equity joint venture partners of the Developer; depreciation; loss of useful life of any capital component; capital expenditures or costs which are required to be capitalized by Developer pursuant to the then-applicable Internal Revenue Service regulations; and, any other costs that are not included in Operating Expenses (which is not to mean that Operating Expenses and Overall Costs are exclusive or that there is no duplication of Operating Expenses and Overall Costs). Any agent or Developer Affiliate can perform any task that would be included in the Overall Costs provided that such cost of the agent or Developer Affiliate is at prevailing market rates.

- (iii) “*Operating Expenses*” mean any expenses, regardless of the source, incurred within the Redevelopment Project Area to own, manage, operate and maintain the property within the Redevelopment Project Area, which shall include, without limitation: management costs and fees; insurance costs and fees; costs and losses due to vacancy; a market rate vacancy allowance real estate taxes, ad valorem taxes and any costs or fees associated with the payment or appeal of such taxes; costs and losses due to tenant default; legal fees in any way related to the Redevelopment Project Area; leasing commissions; credits, payments or amounts paid to tenants (for any reason); tenant improvements payments or allowances; free rent or rent reductions; payments for maintenance, repairs and non-capital replacements; utility costs; snow removal costs; and, any other costs not required to be capitalized by Developer pursuant to the then-applicable Internal Revenue Service regulations. Any agent or Developer Affiliate can perform any task that would be included in the Operating Expenses provided that such cost of the agent or Developer Affiliate is at prevailing market rates.
- (iv) “*Net Operating Income*” means the Redevelopment Project Area Income less the Operating Expenses.

ARTICLE V SPECIAL ALLOCATION FUND

Section 501. Maintenance of Fund.

- (a) The Village agrees to comply with the provisions of the Note Ordinance.
- (b) The Village agrees that until such time as this Agreement is terminated or all payments due under the TIF Notes have been made and the TIF Notes all expire by their terms, (i) the Village will not intentionally take any action or omit to take any action that will affect the continued existence of the Fund or the availability of monies deposited in the Fund to pay the principal amount of the TIF Notes, (ii) the Village will take all reasonable actions and submit all documents in a timely manner in order to receive all Incremental Taxes; (iii) the Village will direct the investments of amounts deposited into Fund in accordance with Illinois law; and (iv) the Village will comply with all annual reporting requirements set forth in the Act. If any governmental agency having jurisdiction over enforcement of the Act and the subject matter of

this Agreement shall determine that this Agreement is contrary to law or if the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the Village will, as its cost and expense (but subject to reimbursement as defense costs) defend the integrity of the Redevelopment Project Area and this Agreement. The Developer will fully cooperate with the Village in connection with the foregoing. If funds are not available in the Fund to reimburse the Village for its defense costs, then, in that event, the Developer and the Village shall share equally in the actual, out-of-pocket costs of such defense, which expenses, when paid by the Developer, shall be subject to reimbursement as an Eligible Redevelopment Project Cost.

(c) The Village shall be relieved from any claims, caused of action or liability and all holders of any of the TIF Notes shall forever waive any claims or causes of action against the Village relating to the Village's allocation of payments to Developer Account A as opposed to Developer Account B and vice versa. Nothing in this Section shall relieve the Village from payment under any of the TIF Notes themselves.

ARTICLE VI SPECIAL COVENANTS OF THE DEVELOPER

Section 601. Real Estate Taxes.

(a) The Developer agrees that it shall pay, or cause to be paid, when due, any and all real estate taxes and special assessments in respect to the RPA, together with all improvements on such parcel. The Developer will notify the Village's Director of Finance within fifteen (15) days of payment of property taxes. Failure to timely pay said taxes and/or special assessments by the end of the calendar year in which taxes are due shall constitute a monetary Event of Default, subject to the notice and cure provisions set forth in Article VII of this Agreement.

(b) For any assessment year during the Term of this Agreement, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the RPA in which the lowering of assessed value would entitle the petitioner to a refund of overpaid property taxes. By way of example, but not limitation, the Developer, any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall be prohibited from (i) requesting or filing for a certificate of correction, (ii) requesting or filing for a certificate of error, (iii) filing a tax objection complaint in circuit court, or (iv) filing a petition with the Property Tax Appeal Board. Notwithstanding the preceding, for any assessment year during the Term of this Agreement, the Developer or any agent, representative, assignee, transferee or successor in interest to the Developer may seek to lower the assessed value of all or any portion of the RPA with the Cook County Assessor or the Cook County Board of Review solely on the basis that the RPA is overassessed due to issues related to occupancy (collectively "*Occupancy Appeal*"). The Developer expressly agrees that this Agreement may be introduced into any proceeding as conclusive evidence that the Developer has waived its rights as provided in this Section 601(b).

(c) For any assessment year during the Term of this Agreement, neither the Village nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the

Village shall directly or indirectly, initiate, seek or apply for proceedings in order to increase the assessed value of all or any portion of the RPA in which the increasing of assessed value would require the owner or taxpayer of all or any portion of the RPA to make a payment for underpaid property taxes. By way of example, but not limitation, the Village, any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Village shall be prohibited from (i) requesting or filing for a certificate of correction, (ii) requesting or filing for a certificate of error, (iii) filing a tax objection complaint in circuit court, or (iv) filing a petition with the Property Tax Appeal Board. Notwithstanding the preceding, for any assessment year during the Term of this Agreement, the Village or any agent, representative, assignee, transferee or successor in interest to the Village may seek to increase the assessed value of all or any portion of the RPA with the Cook County Assessor or the Cook County Board of Review (collectively "*Village Appeal*"). The Village expressly agrees that this Agreement may be introduced into any proceeding as conclusive evidence that the Village has waived its rights as provided in this Section 601(c).

(d) The Parties agree that if either files any appeal or claim, whether permitted or prohibited by Section 601(b) or Section 601(c), then said Party shall provide notice of such claim or appeal, (in compliance with Section 1003), together with copies of all documents filed in connection with such claim or appeal to the non-filing Party within seven (7) days of the date of filing. The non-filing Party shall have the right to contest any such claim or appeal.

(e) With respect to the RPA or any portion thereof, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall seek or authorize any exemption from property taxation (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any assessment year during the Term of this Agreement.

(f) The Developer and Village agree that for the purpose of this Agreement, the projected property taxes of the RPA for the years noted ("*Target Property Taxes*") are indicated on column titled "Target Property Taxes" on **Exhibit K** attached hereto and incorporated herein by reference. If an Occupancy Appeal or Village Appeal is successful and the property taxes go above or below the Target Property Taxes, the difference shall be addressed as follows:

For Occupancy Appeals: If an Occupancy Appeal is successful and results in the real estate taxes for the RPA falling below the Target Property Taxes amount for the year in question, then the "*Occupancy Tax Delta*" shall be the difference in the amount in real estate taxes between the amounts due as a result of the Occupancy Appeal and the Target Property Taxes, and fifty percent (50%) of said Occupancy Tax Delta shall be credited to the Village as a dollar-for-dollar reduction to the principal amount of TIF Note B.

For Village Appeals: If a Village Appeal is successful and results in the real estate taxes for the RPA rising above the Target Property Taxes amount for the year in question, then the "*Village Appeal Delta*" shall be the difference in the amount of real estate taxes due as a result of the Village Appeal and the Target Property Taxes, and one hundred percent (100%) of the Village Appeal Delta shall be credited to the Developer as a dollar-for-dollar increase in the principal amount due under TIF Note C.

(g) To act as a substitute for the Developer or Village waiving its rights to appeal the RPA's assessed value as provided in Section 601(b) and Section 601(c), the Parties agree that a revaluation of the RPA ("*Revaluation*") may be initiated by the Party seeking the Revaluation ("*Revaluation Party*") providing written notice of its intention to initiate a Revaluation within ninety (90) days after the Cook County Assessor sets the assessed value for the RPA by delivering the assessment books to the Cook County Board of Review for the triennial reassessment of the RPA in accordance with 35 ILCS 200/14-35, as amended. A Revaluation may only be initiated in either: (i) the first year of a triennial general reassessment period or (ii) any year in which the Cook County Assessor revises the assessment of the RPA. If no Party initiates the Revaluation process as provided above, all Parties shall waive their right to perform a Revaluation for that particular three (3) year triennial reassessment period. If the Revaluation Party seeks a Revaluation as provided herein, the Revaluation Party shall obtain an appraisal of the RPA ("*Initial Appraisal*") by a Qualified Appraiser as provided below. Once any Revaluation is established, the Revaluation Market Value, as defined herein, shall be deemed to be the fair market value of the RPA for all purposes under this Section 601 for the entirety of the three (3) year triennial reassessment period.

The Revaluation Party shall send the Initial Appraisal to the other Party within the timeframe for initiating a Revaluation. The Party not seeking the Revaluation, within sixty (60) days of receiving the Initial Appraisal, shall either: (i) obtain an appraisal by another Qualified Appraiser on the standards provided below ("*Second Appraisal*"); or, (ii) take no action. If the Party not seeking the Revaluation does not obtain a Second Appraisal within sixty (60) days of the date of receipt of the Revaluation Party's Initial Appraisal, the fair market value of the RPA as indicated in the Initial Appraisal shall be the "*Revaluation Market Value*" for purposes of this Section 601. If a Second Appraisal is performed, the Parties shall review the Second Appraisal and shall within twenty-one (21) days of delivery of the Second Appraisal to the Revaluation Party, either (i) agree that the Revaluation Market Value is the average of the Initial Appraisal and Second Appraisal; or (ii) request a third appraisal by another a Qualified Appraiser on the standards provided below. Either Party may request a third appraisal in its sole discretion. If either Party requests a third appraisal ("*Third Appraisal*"), the appraisers performing the Initial Appraisal and Second Appraisal shall jointly select the Qualified Appraiser performing the Third Appraisal on the standards stated below. The third Qualified Appraiser shall review the Initial Appraisal and Second Appraisal and perform its own independent review and prepare the Third Appraisal. Upon completion of the Third Appraisal, the average of the Initial Appraisal, Second Appraisal and Third Appraisal shall be the Revaluation Market Value.

(h) For each year of a triennial reassessment period in which a Revaluation Market Value has been established or carried forwarded under this Section 601, within thirty (30) days after the second installment of taxes is paid in full by the Developer, the Parties shall mutually, reasonably and cooperatively compute the property taxes of the RPA that should have been received based on the Revaluation Market Value using the same computation as used by the Cook County Treasurer, using the then-current equalization factor and tax rate and determine the property tax amount for the RPA based upon the Revaluation Market Value (collectively "*Revalued Tax Amount*"). The amount representing the difference between the Revalued Tax

Amount that would have been received with the RPA valued at the Revaluation Market Value and the actual RPA real estate tax amount shall be treated as follows:

For Overassessments (the following collectively “*Developer Tax Recapture*”): If the actual RPA real estate tax amount is greater than the Target Property Taxes for the year in question and if the Revalued Tax Amount is less than the Target Property Taxes, then TIF Note C shall be increased by the sum of: (i) one hundred percent (100%) of the amount of the difference between the actual RPA real estate tax amount and the Target Property Taxes amount; and (ii) fifty percent (50%) of the amount of the difference between the Target Property Taxes and the Revalued Tax Amount. By way of example but not by limitation, if the actual RPA real estate tax amount is \$3,000,000, the Target Property Taxes are \$2,000,000 and the Revalued Tax Amount is \$1,500,000, the Developer Tax Recapture would equal the sum of \$1,000,000 (which is 100% of the amount of the difference between the actual RPA real estate tax amount and the Target Property Taxes) and \$250,000 (which is 50% of the amount of the difference between the Target Property Taxes and the Revalued Tax Amount). If the actual RPA real estate tax amount is below the Target Property Taxes, then TIF Note C shall be increased by fifty percent (50%) of the difference between Target Property Taxes and Revalued Tax Amount. By way of example but not limitation, if the actual RPA real estate tax amount is \$1,500,000, the Target Property Taxes are \$2,000,000, and the Revalued Tax Amount is \$1,000,000, the Developer Tax Recapture would equal \$250,000 (which is 50% of the difference between the actual RPA real estate tax amount and the Revalued Tax Amount).

For Underassessments (the following collectively “*Village Tax Recapture*”): If actual RPA real estate tax amount is below the Target Property Taxes and if the Revalued Tax Amount is more than the Target Property Taxes, then, TIF Note B shall be reduced by fifty percent (50%) of the amount equal to the difference between the Target Property Taxes and the actual RPA real estate tax amount. By way of example but not by limitation, if the actual RPA real estate tax amount is \$1,500,000, the Target Property Taxes is \$2,000,000 and the Revalued Tax Amount is \$3,000,000, the Village Tax Recapture would equal \$250,000 (the amount attributed to 50% of the difference between the actual RPA real estate tax amount and the Target Property Taxes). There shall be no Village Tax Recapture for any increase in property taxes between any Revalued Tax Amount greater than the Target Property Taxes.

(i) The Developer Tax Recapture shall only be credited to Developer in the form of an increase in the principal amount then due under TIF Note C. The Village Tax Recapture shall only be credited to the Village through a reduction to the principal amount then due under TIF Note B. All Developer Tax Recapture and Village Tax Recapture shall relate to and be attributed to Eligible Redevelopment Project Costs. There shall be no actual cash payments between parties. Any payments due to the Developer under this Section 601 shall be limited to the Outstanding Principal Amount of TIF Note C and shall only be paid to the Developer to reimburse the Developer for and to the extent there are Eligible Project Redevelopment Costs. Notwithstanding anything contained in Section 402, the limitations contained therein shall not apply to TIF Note C. Payments under TIF Note C will be limited to Eligible Redevelopment

Project Costs in an amount equal to the net amount of Developer Tax Recapture. The Village Tax Recapture shall not exceed, in aggregate, the Maximum Reimbursement Amount of TIF Note B. Nothing in this Section 601 shall require, state or imply any actual payment for either the Developer Tax Recapture or the Village Tax Recapture, both of which shall be limited only to amounts in Developer Account C and Village Account and the change in amounts due under TIF Note C and only for the repayment of Eligible Project Redevelopment Costs under the Act. In the event all or any part of this Section 601 is held to be illegal or unenforceable by court of law of competent jurisdiction, then the Parties shall agree to amend this Agreement or enter into another agreement to provide for an arrangement between the Parties that captures the terms, intent and spirit of this Section 601.

(j) Once a Revaluation Market Value has been established under this Section 601 for a given triennial reassessment period, the Developer and the Village shall cooperate to jointly file or the Developer shall file with the cooperation and concurrence of the Village such complaints and appeals at the Cook County Assessor and Cook County Board of Review to establish an assessed value based off of the Revaluation Market Value for the remaining years of the respective triennial reassessment period. Any action or inaction by the Cook County Assessor or Cook County Board of Review shall not preclude either Party from asserting its rights under this Section 601(h). Once the Revaluation Market Value is established, the Revaluation Market Value shall remain for the two years after the triennial reassessment and the Revaluation Party shall not be required to obtain updated appraisals for those two (2) years in order to obtain a Developer Tax Recapture or Village Tax Recapture, respectively.

(k) For purposes of this Section 601, a “*Qualified Appraiser*” shall mean an independent MAI appraiser not affiliated with either the Village or Developer, not having performed work for either the Village or Developer within the last five (5) years and having at least ten (10) years’ experience appraising commercial office buildings and mixed use buildings. The Qualified Appraiser shall have an office in Cook County and shall have been associated with or employed by (either currently or previously) a regional or national real estate company. For the purposes of this Section 601, the RPA shall include the entire RPA or any portion or section of the RPA. The Party seeking the Initial Appraisal and Second Appraisal shall pay for the respective appraisals. The Parties shall split the cost of the Third Appraisal.

(l) The Parties agree that the restrictions contained in this Section 601 are covenants running with the land. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the Effective Date. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Redevelopment Project Area from and after the Effective Date shall be made explicitly subject to such covenants and restrictions. Notwithstanding the foregoing terms of this Section 601, the right to seek a Revaluation shall be personal to the Registered Owner (as defined in the Note Ordinance) of TIF Note C.

Section 602. Compliance with Laws. The Developer represents to the Village, both as of the date of execution and delivery of this Agreement and for the Term of the Agreement, as follows:

(a) The Developer represents that the Project shall be constructed and fully completed in a good and workmanlike manner in accordance with all applicable Legal Requirements that are applicable to the Project.

(b) The Developer further represents that:

- (i) It is not barred from contracting with any unit of state or local government as a result of violating Section 33E-3 or 33E-4 of the Illinois Criminal Code (720 ILCS 5/33E-3 and 33E-4).
- (ii) It shall comply with the Illinois Drug Free Work Place Act.
- (iii) It shall comply with the Equal Opportunity Clause of the Illinois Human Rights Act and the Rules and Regulations of the Illinois Department of Human Rights.
- (iv) It shall comply with the Americans with Disabilities Act and Article 2 of the Illinois Human Rights Act (775 ILCS 5/2-101 *et seq.*).
- (v) Any construction contracts entered into by the Developer relating to the construction of the Project shall require all contractors and subcontractors to comply with the Illinois Fair Employment Practices Act.
- (vi) The Developer is not delinquent in the payment of any tax administered by the Illinois Department of Revenue nor is delinquent in the payment of any money owed to the Village.
- (vii) The Developer shall comply with all applicable federal laws, state laws and regulations including without limitation, such laws and regulations relating to minimum wages to be paid to employees, limitations upon the employment of minors, minimum fair wage standards for minors, payment of wages due employees, and health and safety of employees. The Developer agrees to pay its employees, if any, all rightful salaries, medical benefits, pensions and social security benefits pursuant to applicable labor agreements and federal and state statutes, and further agrees to make all required withholdings and deposits therefore. The Developer agrees to maintain full compliance with changing government requirements that govern or apply to the construction of the Project. The Developer understands and agrees that the most recent of such federal, county, state, and local laws and regulations will govern the administration of this Agreement at any particular time. Likewise, new federal, county, state and local laws, regulations, policies and administrative practices may be established after the date of the Agreement has been executed and may apply to this Agreement and the Project. Any lawsuit or complaint of violation of laws that is received by the Developer relative to this Agreement or the Project shall be immediately forwarded to the Village

Manager. The Village agrees not to adopt and apply any new local ordinances to the Project that would materially interfere with the Developer's implementation of the Project.

- (viii) The Developer at all times shall be in material compliance with the Final Project Documents, all Village site plan approvals relating thereto, and all Village property maintenance regulations.
- (ix) The Developer shall comply with the Illinois Prevailing Wage Act (820 ILCS 130/0.01, *et seq.*) to the extent applicable.

Section 603. Indemnification of Village. Developer, its successors and assigns shall defend, indemnify and hold harmless the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, from and against any and all civil liabilities, actions, responsibilities, obligations, losses, damages and claims, and all costs and expenses, including but not limited to attorney's fees and expenses (collectively, "Losses") pursuant to any federal, state and local laws including the common law), statutes, ordinances, rules, regulations and other requirements relating to or which the Village and/or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees may incur from or on account of Developer's use of the RPA, any tests or surveys conducted by the Developer, and the construction of the Project, including but not limited to any Losses incurred which are based on tort law, wrongful death and/or a personal injury claim, suit or action and/or any Losses relating to environmental investigation, cleanup, or abatement, whether asserted or unasserted, direct or indirect, existing or inchoate, known or unknown, having arisen or to arise in the future, and in any manner whatsoever incurred by reason of Developer's or Developer's worker's activities at the RPA, but only to the extent and proportion such Losses are not caused by the action or inaction of the Village or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees. It is expressly understood, agreed upon and the specific intent of this Agreement that the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees will at no time assume responsibility or liability for the actions of Developer or any of the workers or other persons on the RPA. As between the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees and Developer, Developer shall at all times be held solely responsible to all persons on the RPA present there because of the Project and Work thereon. Developer and its successors and assigns hereby agree to release, waive, covenant not to sue and forever discharge the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, for any claim, suit or action, whether or not well founded in fact or in law, which Developer and the Developer's workers have, or may have, arising out of the Project, except: (a) to the extent that any Losses or contamination occurs that is caused, in whole or in part, by the Village or any of its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees of the Village; (b) for any claim or action, at law, in equity or otherwise, which Developer, its successors and assigns may have under or in any way related to this Agreement, the TIF Notes, the Note Ordinance or any other agreements between the Developer and the Village; (c) the willful misconduct or negligence on the part of the Village or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or

employees; or, (d) any failure of the Village or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees to comply with any Legal Requirements. For any indemnification claims or any Losses claimed by the Village or any other indemnitee under this Section that are covered, in whole or in part, by insurance policies in effect, any obligations, defense, amounts paid or other recovery shall be limited to limits in said insurance policies.

Section 604. Insurance.

(a) The Developer (and any Subdeveloper, successor and assign of Developer) shall obtain or cause to be obtained and continuously maintained when required during the Term of this Agreement, insurance as set forth below. The Developer shall provide a copy of all policies to the Village with proof that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Developer and any Subdeveloper must obtain (or cause their respective contractors to obtain). Prior to and during the commencement of construction of any portion of the Project, the Developer shall obtain and continuously maintain the following:

- (i) Workers' compensation insurance with statutory coverage;
- (ii) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with limits against bodily injury and property damage of not less than \$5,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis. The Village shall be named as an "additional insured" with respect to such policy and protected in accordance with a clause in form and content satisfactory to the Village.

(b) Until the TIF Notes are paid in full or expires, whichever occurs first, the Developer shall obtain, effective as of Purchase Date, and continuously maintain the following: (i) fire insurance and extended coverage on a replacement basis for ninety percent (90%) of the insurable value of the RPA Improvements at the date of completion, and (ii) commercial general liability insurance meeting the requirements of Section 604(a)(ii) above. The Village shall be named as an "additional insured" with respect to such policy and protected in accordance with a clause in form and content satisfactory to the Village.

(c) All insurance required in this Article shall be obtained and continuously maintained in responsible insurance companies selected by the Developer or its successors that are authorized under the laws of the State to assume the risks covered by such policies. Unless otherwise provided in this Article, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured and the Village at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer, and its successor or assign, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Article. In lieu of separate policies, the Developer and its successor or assign, may

maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

(d) In the event of damage or destruction to the RPA Improvements by fire or other casualty during construction or thereafter during the Term of the Agreement, the Developer shall use its commercially reasonable judgment in determining whether the Developer will use any insurance proceeds it receives from such loss (after deducting any expenses incurred in collection thereof) to restore, reconstruct or repair such portion of the Redevelopment Project Area.

In the event the Developer decides to restore, reconstruct or repair the casualty area, the Developer shall use the Net Insurance Proceeds (as defined herein) to restore, reconstruct or repair the damage or destruction.

If the Developer decides not to use the Net Insurance Proceeds to restore, reconstruct or repair the damage or destruction, the Village shall be paid such portion of the Net Insurance Proceeds equal the ratio of (a) the amount paid from the Village to the Developer under the TIF Notes as of the date of the casualty as compared to (b) the amount of the Developer's total equity paid or incurred in the Project. By way of example but not limitation, if the Net Insurance Proceeds are \$1,000,000, the total TIF Notes proceeds received by the Developer are \$10,000,000 and the Developer's total equity in the Project is \$90,000,000, the Village would receive \$100,000 of the Net Insurance Proceeds.

Nothing in this Agreement shall require the Developer to utilize its own funds and the Developer's obligation to restore, reconstruct or repair shall be limited to the amounts actually received from any insurer, less any costs to collect such funds (which includes, without limitation, reasonable attorneys' fees and costs) and subject to the rights and prior claims of (and subject to the application of such proceeds pursuant to the direction of) any Mortgagee (collectively "*Net Insurance Proceeds*").

(e) Any insurance to be required under this Agreement shall be issued by an insurance company having a A.M. Best financial strength rating of at least A+ or better.

Section 605. Subdevelopers. The Developer may enter into agreements with prospective tenants or purchasers of land at the RPA designating any such party as a "*Subdeveloper*". A Subdeveloper is authorized to construct on behalf of the Developer any building or improvements included in the Work.

Section 606. Assignment.

(a) Other than as a Permitted Transfer or a Transfer Upon Stabilization, the Developer agrees that it will not transfer all or any interests or obligations in this Agreement without the prior written consent of the Village, which approval shall not be unreasonably withheld, conditioned or delayed. Nothing in this Agreement shall preclude the granting of easements, licenses or rights of way.

(b) This Agreement shall not be assigned by the Developer unless (i) the Developer's assignee shall affirmatively agree to undertake all obligations under this Agreement; and, (ii) a copy of the assignment of this Agreement, evidencing the assignee's agreement to assume the Developer's obligations under this Agreement shall be sent to the Village along with the assignee's name and contact information for notice purposes under Section 1003 of this Agreement. Upon Village's approval of a transfer complying with the provisions of this Section 606(b), Hoffman Estates Acquisitions LLC or its Developer Affiliate shall be relieved from all further liability under this Agreement with respect to the interest so transferred, but nothing in this Section 606(b) shall relieve any subsequent Developer of its obligations under this Agreement.

(c) If the Corporate Authorities approve a transfer of the Developer's interest in this Agreement, such approval shall meet the following conditions: (i) the transferee shall have the necessary experience and financial ability to fulfill the obligations of the Developer hereunder; and, (ii) the transferee shall have executed and delivered to the Village an instrument stating that such transferee has read this Agreement and agrees to be bound by its terms, including, but not limited to, this Section 606 and Section 803, and, (iii) if such transferee is not a natural person, the transferee shall have delivered to the Village written opinion of counsel to such transferee stating that upon the execution and delivery of the assignment and acceptance, this Agreement will constitute the valid and legally binding obligation of the transferee, enforceable against the transferee in accordance with its terms, except to the extent that the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and equitable principles which may limit the availability or enforcement of certain remedies.

(d) So long as the transfer complies with Section 606(b) the Developer may transfer this Agreement: (i) to any Developer Affiliate; or (ii) to collaterally assign all or any portion of this Agreement or the TIF Notes to any Lender or other party providing financing to the Developer (collectively "*Permitted Transfer*") without authorization of the Village.

(e) So long as the Developer complies with Section 606(b), the Developer may assign this Agreement, in connection with the sale of all or any part of the RDA, upon achieving a seventy-five percent (75%) occupancy rate for the office space contained within the Existing Buildings (collectively "*Transfer Upon Stabilization*") without authorization from the Village.

(f) Each reference to the Developer in this Section 606 shall be deemed to include the successors and assigns of the Developer and successor owners of record of any portion of the RPA, including the person or persons acquiring all or a portion of the interest of such members and any shareholders, members or partners of any successor or assign of the Developer.

Section 607. Payment of Taxes and Fees. Except as provided in Section 601 of this Agreement the Developer agrees to promptly pay or cause to be paid as the same become due, any and all fees, rent, taxes and governmental charges of any kind that may at any time be lawfully assessed with respect to the Project or required under this Agreement. The Developer certifies that it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or any tax or fee administered by the Village. The Developer does not owe the Village any money prior to the execution of this Agreement and knows of no proposed

additional tax or assessment against it by any governmental authority, that would be reasonably likely to have a material adverse effect on the business, condition (financial or otherwise) or operations of the Developer.

Section 608. Environmental Matters. The Developer shall not dispose of or intentionally release any hazardous substance, material, contaminant, or pollutant, as defined by any federal or state environmental laws, in, under, on or about the Site. The Developer, at its costs, shall remediate any hazardous substance, contaminant or pollution or other dangerous environmental condition that it (or its employees, agents or contractors) creates or directly causes with respect to the Project in accordance with all federal, state, county and local applicable laws and regulations. The Developer shall indemnify and hold the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees harmless against any claim, suit, loss, liability or damage, including, attorney's fees and expenses incurred by the Village and/or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees in defending itself or complying with applicable laws and regulations, arising out of or relating to the disposal or release of any hazardous substance, material, contaminant, or pollutant during performance of the Project in, under, on or about the RPA by the Developer.

ARTICLE VII REMEDIES FOR BREACH OF AGREEMENT

Section 701. Developer Events of Default. The following shall be Events of Default with respect to this Agreement, if not cured after due notice and within the time frames provided for in this Agreement:

(a) If any material intentional representation made by Developer in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the Village pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made.

(b) Default by Developer for a period of thirty (30) days after written notice thereof, in the performance or breach of any material covenant contained in this Agreement, or any other agreement, financing or otherwise, concerning the existence, structure or financial condition of Developer and/or the Project and Property, that is not otherwise caused, in whole or in part, by Force Majeure.

(c) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer 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 similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) consecutive days.

(d) The commencement by Developer 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 Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, (or similar official) of Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others and not dismissed within thirty (30) consecutive days.

(e) Failure to have funds to meet Developer's obligations; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within thirty (30) days after receipt of written notice from the Village.

(f) Developer materially and knowingly fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the buildings contemplated by this Agreement; provided, however, that such default shall constitute an Event of Default only if the Developer does not, within thirty (30) days after written notice from the Village, remedy the default.

In all of the above sections where the Developer has a period of time to cure and the Developer's delay in performance was caused, in whole or in part, by any Force Majeure or event of Force Majeure, then the period of time to cure any event of default shall be extended by such reasonable period of time (with no limit) to account for the delay caused by any Force Majeure or event of Force Majeure. In all of the above sections where the Developer has thirty (30) days to cure in the case of a specified non-monetary default and there are no Force Majeure or events of Force Majeure, the 30-day period shall be extended if such as long as the Developer agrees to effect a cure and is diligently pursuing the cure of such default, but if such breach shall not be cured or remedied within ninety (90) additional days after receipt of notice, then the uncured default shall constitute an Event of Default at the election of the Village.

Section 702. Village Events of Default. The following shall be Events of Default, as defined below, with respect to this Agreement:

(a) If any representation made by the Village in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to Developer pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made.

(b) Default by the Village in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of the Village; provided, however, that such default shall constitute an Event of Default only if the Village does not remedy the default within thirty (30) days after written notice from Developer.

(c) Default by the Village in the performance or breach of any material covenant, warranty or obligation contained in this Agreement, the TIF Notes or the Note Ordinance;

including but not limited to failure by the Village to make any reimbursement or payment required pursuant to this Agreement provided, however, that such default shall constitute an event of default (“Event of Default”) only if the Village does not remedy the default within thirty (30) days after written notice from the Developer.

In all of the above sections where the Village has a period of time to cure and the Village’s delay in performance was caused, in whole or in part, by any Force Majeure or event of Force Majeure, then the period of time to cure any Event of Default shall be extended by such reasonable period of time (with no limit) to account for the delay caused by any Force Majeure or event of Force Majeure. In all of the above sections where the Village has thirty (30) days to cure in the case of a specified non-monetary default and there are no Force Majeure or events of Force Majeure, the 30-day period shall be extended if such as long as the Village agrees to effect a cure and is diligently pursuing the cure of such default, but if such breach shall not be cured or remedied within ninety (90) additional days after receipt of notice, then the uncured default shall constitute an Event of Default at the election of the Developer.

Section 703. Pre-Trial Resolution of Disputes. Except for payments due from the Village to the Developer under the TIF Notes, the Developer and the Village agree to address disagreements and disputes arising out of or related to this Agreement or the breach thereof through the procedures set forth in this Section 703 before resorting to legal proceedings. If the Developer and the Village are unable to resolve the relevant issue in a manner that meets the interests of both Parties, the Parties agree to submit such disagreement or dispute identified in the notice specifying the Event of Default to a neutral independent mediator for non-binding mediation. The American Arbitration Association rules for mediation of commercial disputes shall govern such mediation. Either Party may initiate the request for mediation. The mediation proceeding shall be conducted in Chicago, Illinois and shall commence within ten days after the initiating Party initiates a request. The mediation shall not extend beyond two (2) days unless the Parties otherwise agree in writing. Any agreement reached in mediation shall be reduced to writing and may be enforced in any court having jurisdiction thereof. Nothing in this Section 703 shall prevent the Village from taking immediate action to enforce any building, health, safety or similar code violations, and in any event, either of the Parties may commence litigation within sixty (60) days after demand for mediation.

Section 704. Remedies for Default. In the case of an Event of Default hereunder:

(a) The defaulting Party shall, upon written notice (in accordance with the notice provisions of this Agreement) from the non-defaulting party, take immediate action to cure or remedy such Event of Default. Subject to Section 703, the non-defaulting party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance of the defaulting party’s obligations under this Agreement.

(b) In the case of an Event of Default by Developer, and its failure to cure such default after due notice and within the time frames provided for in this Agreement, in addition to exercising any other remedies at law or in equity, the Village shall have the right, thirty days (30) after notice to the Developer indicating its intent to terminate, to terminate this Agreement by

action of the Corporate Authorities. Termination of the Agreement shall not cancel any obligations of the Village under the TIF Notes; provided however, that the Village shall have the right, but not the obligation, to reduce the amounts paid to the Developer under TIF Note B equal to the actual out-of-pocket costs incurred by the Village to cure any Event of Default of the Developer under this Agreement. There shall be no reduction to TIF Note A or TIF Note C.

(c) Any monetary Event of Default or any failure of payment of any sums due under this Agreement by the Developer (but for purposes of clarification, Section 704(c) only applies to any monetary default for money due from the Developer and expressly excludes any performance Event of Default of Developer under this Agreement) shall be a lien upon the RPA in the amount of such sum due under this Agreement which may be foreclosed in the same manner and with the same effect as in the foreclosure of a mortgage upon the real estate, subject however to the rights and prior claims of any Mortgagee or other holder of any deed of trust, mortgage or similar encumbrances on the RPA securing loans, advances or extension of credit to finance or from time to time refinance all or part of the Project as more further provided in Section 904.

(d) In the case of an Event of Default by the Village and its failure to cure such default after due notice and within the time period provided for in this Agreement, in addition to any other remedies at law or in equity, the Developer shall be relieved, during the entire period of any such ongoing Default, of its obligations under this Agreement if it so elects, and the Developer shall have the right, if it so elects, to terminate this Agreement. Any termination of this Agreement by the Developer shall not terminate the TIF Notes.

(e) If Developer fails to secure such insurance as may be required by this Agreement, Village shall have the absolute right, but not the obligation, to force place any or all of such insurance. The cost of such force placed insurance shall be paid immediately by the Developer, and, if not paid by the Developer within fourteen (14) days of demand therefor, the Village may declare an Event of Default under this Agreement and exercise any other remedies hereunder, at law or in equity.

Section 705. No Waiver by Delay or Otherwise. Any delay or omission by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that neither Party should be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any specific Event of Default be considered or treated as a waiver of the rights by the waiving Party of any future Event of Default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, or the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.

Section 706. Rights and Remedies Cumulative. The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise

of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same Event of Default.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES

Section 801. Developer's Representations and Warranties. The Developer represents that:

(a) It is a duly organized and validly existing private limited liability company organized in state of Delaware and qualified as a foreign corporation to do business in the State of Illinois. The Developer has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement and this Agreement has been duly executed and delivered by authorized members of the Developer and is legally binding upon and enforceable against the Developer in accordance with its terms.

(b) The Developer is not a party to any contract or agreement or subject to any charter, operating agreement, article of organization or other limited liability company restriction which materially and adversely affects its business, property or assets, or financial condition. Neither the execution and delivery of this Agreement nor compliance with the terms of this Agreement will conflict with, or result in any breach of the terms, conditions or restrictions of, or constitute a default under, or result in any violation of, or result in the creation of any liens upon the properties or assets of the Developer pursuant to, the operating agreement or articles of incorporation of the Developer, any award of any arbitrator or any agreement (including any agreement with members), instrument, order, judgment, decree, statute, law, rule or regulation to which the Developer is subject.

(c) There is no action, suit, investigation or proceeding pending, or to the knowledge of the Developer, threatened against or affecting the Developer, at law or in equity, or before any court, arbitrator, or administrative or governmental body, nor has the Developer received notice in respect of, nor does it have any knowledge of, any default with respect to any judgment, order, writ, injunction, or decree of any court, governmental authority or arbitration board or tribunal, which in either case might reasonably be expected to result in any material adverse change in the business, condition (financial or otherwise) or operations of the Developer or the ability of the Developer to perform its obligations under this Agreement.

(d) The execution, delivery and performance of this Agreement have been duly authorized by all requisite corporate action.

(e) To the best of its actual and current knowledge and belief, the Developer has filed all federal, state and other income tax returns which, to the knowledge of the officers of the Developer, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles. The Developer knows of no proposed additional tax or assessment against it by any governmental authority that would be reasonably likely to have a material adverse effect on the business, condition (financial or otherwise) or operations of the Developer.

(f) To the best of its actual and current knowledge and belief as of the Effective Date, the Developer has, or is able to obtain, funds in an amount not less than that required to complete construction of the Project.

Section 802. Village Representations and Warranties. The Village represents and warrants that:

(a) The Village is a municipal corporation under the laws of the State of Illinois with power and authority under its home rule powers and the Act to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

(b) To the best of its knowledge and belief, the execution of this Agreement and the consummation of the transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any agreement, contract, lease, mortgage, indenture, deed of trust or other instrument to which the Village is a party, nor violate any federal, state or local ordinance or statute.

(c) There is no action, suit or proceeding pending, or to the knowledge of the Village threatened, against or affecting the Village, at law or in equity, or before any governmental authority which, if adversely determined, would impair the Village's ability to perform its obligations under this Agreement.

(d) All actions of the President and Board of Trustees of the Village required to be taken to authorize execution of this Agreement have been validly and duly taken in accordance with law and the officers of the Village signing this Agreement have been duly authorized to execute this Agreement on behalf of the Village.

(e) Developer will not be subject to traffic impact fees for the Existing Buildings or structures.

(f) Developer shall pay water and sanitary sewer connection fees for new vertical construction that does not include or involve the Existing Buildings.

(g) There are no formal public bid requirements associated with any of the Work contemplated for contracts entered into by the Developer other than for the Public Infrastructure.

(h) The Developer shall have the right, but not the obligation, to request the Village to adopt recapture ordinances for any infrastructure improvements constructed by the Developer that are oversized and provide service to other and undeveloped properties.

(i) The Project as set forth in this Agreement will not result in the displacement of residents from inhabited units under Section 11-74.4-3(n)(5) of the Act.

Section 803. Disclosure. In accordance with Illinois law, 50 ILCS 105/3.1, simultaneously with the execution of this Agreement by the parties, the Developer or an authorized managing member thereof shall submit an affidavit affirming under penalties of perjury to the Village disclosing the identity of every owner and beneficiary who shall obtain any interest, real or

personal, in the Project, and every shareholder entitled to receive more than 7½% of the total distributable income of any corporation after having obtained such an interest in the Project or, alternatively, if a corporation's stock is publicly traded, a sworn affidavit by an officer of the Developer or its managing agent that there is no readily known individual who shall obtain a greater than 7½% percent interest, real or personal, in the Developer or the Project. The affidavit shall be substantially similar to the one described in **Exhibit L**. Said affidavit shall be updated, as necessary.

ARTICLE IX PROVISIONS PERTAINING TO LENDERS

Section 901. Right to Collaterally Assign. At any time after the date of this Agreement, the Developer may assign its interest in and to this Agreement for collateral purposes only to any Lender for the purpose of inducing such Lender to provide funds to the Developer in connection with the performance of its duties under this Agreement and may grant or enter into mortgages, deeds of trust, or other form of financing conveyances relating to the Lakewood Property for the purpose of securing loans or funds to be used for financing the construction of the Work. The Developer acknowledges that any such form of financing conveyance shall not relieve it from any of its obligations or responsibilities hereunder unless the Village, specifically, and in writing, releases the Developer from any such obligation or responsibility. The Developer shall identify to the Village the name and address of any Lender to whom it has collaterally assigned this Agreement.

Section 902. Lender Option to Cure Default. Whenever the Village shall deliver any notice or demand to the Developer with respect to any alleged breach or default by Developer hereunder, the Village shall at the same time deliver to Lender a copy of such notice or demand, provided the Village has been notified by certified mail, return receipt requested, to the Village Manager advising him of the name and address of such Lender. Each Lender shall (insofar as the rights of the Village are concerned) have the rights of the Developer, at such Lender's option within sixty (60) days after receipt of the notice, to cure or remedy or commence to cure or remedy any such default and to add the cost thereof to the indebtedness secured by the lien of its mortgage or security interest; provided, however, in the event of a default by the Developer hereunder which is not curable by such Lender (e.g., insolvency or bankruptcy of Developer), such Lender shall be deemed to have cured such noncurable defaults by its execution of the assumption agreement described below.

Section 903. Limitation on Lender Liability. No Lender shall be obligated by the provisions of this Agreement to construct or complete the Work contemplated by this Agreement or to guarantee such construction or completion, notwithstanding the collateral assignment of this Agreement by the Developer or the execution of any financing conveyance in favor of such Lender. Conversely, nothing contained in this Agreement shall be deemed to permit or authorize any Lender to devote the Lakewood Property to any uses other than those uses and improvements contemplated by this Agreement, any such unauthorized use or improvements being expressly prohibited. Nothing in this Section 903 shall affect the rights of any holder of any of the TIF Notes or any TIF Note holder's right to receive payments that are due and payable under the TIF Notes. If such an assumption agreement is approved by the Village, then Developer will be relieved of its obligations under this Agreement. Any such Lender properly

completing the improvements on the RPA in conformance with applicable law shall be entitled, upon written request made to the Village, to a certificate of occupancy from the Village with respect to such improvements. Nothing contained in this Agreement shall be deemed to grant to any Lender or any party claiming by, through or under the Developer any rights or powers beyond those granted herein to the Developer.

Section 904. Subordination of Agreement. Any lien rights, rights to foreclose or other equitable rights under this Agreement in favor of the Village shall be expressly subordinate to and inferior to any Mortgagee or any lender securing any portion of any debt by the Lakewood Property, the Improvements or any portion thereof.

Section 905. Mortgagee Amendments. The Village shall agree to cooperate with Developer to amend this Agreement and to obtain all approvals to amend this Agreement to effectuate any amendments or revisions to this Agreement or any Exhibits attached hereto (each as amended) that are reasonably proposed by any Mortgagee and are reasonably acceptable to the Village.

ARTICLE X GENERAL PROVISIONS

Section 1001. Entire Agreement; Successors and Assigns; Amendments. This Agreement, and the Exhibits attached to it contain the entire agreement between the Parties in connection with these transactions, and there are no oral or parole agreements, representations or inducements existing between the parties relating to these transactions which are not expressly set forth in this Agreement and covered by this Agreement. This Agreement may not be modified except by a written agreement signed by all of the parties or their successors in interest, and in the case of the Village, shall require the adoption of an ordinance or resolution by the President and Board of Trustees of the Village approving such amendment. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement, their respective heirs, legal representatives, administrators, successors, successors in interest and assigns.

Section 1002. Governing Law; Interpretation; Partial Invalidity. This Agreement shall be governed by the laws of the State of Illinois. The captions, section numbers and article numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe or describe the scope or intent of such paragraphs or articles of this Agreement nor in any way affect this Agreement. The invalidity of any provision of this Agreement or portion of a provision shall not affect the validity of any other provision of this Agreement or the remaining portions of the applicable provision.

Section 1003. Notices. All notices, demands, requests, consents, approvals or other instruments required or permitted to be given under this Agreement shall be in writing and shall be executed by the Party or an officer, agent or attorney of the Party, and shall be deemed to have been effective as of the date of actual delivery, if by messenger delivery, on the date of transmission if transmitted via facsimile during normal business hours (9:00 a.m. to 5:00 p.m., Central Standard Time), or as of the third (3rd) day from and including the date of posting, if deposited in the United States mail, postage prepaid, registered or certified mail, addressed as follows (or to such

other address as may be designated from time to time by either Party by written notice to the other):

If to the Developer: Ralph Zucker
Somerset Development
101 Crawfords Corner Road
Holmdel, NJ 07733

Ken Gold
Somerset Development
101 Crawfords Corner Road
Holmdel, NJ 07733

With a copy to: Larry N. Woodard
Miller, Canfield, Paddock and Stone P.L.C.
225 W Washington Street, Suite 2600
Chicago, IL 60606

Michael Bruno
Giordano Halleran & Ciesla
125 Half Mile Road, Suite 300
Red Bank, NJ 07701

If to the Village: Village Manager
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169

With a copy to: Corporation Counsel
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169

With a copy to: Village Clerk
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169

Section 1004. Conflict of Interest: Village's Representative Not Individually Liable. No member, official or employee of the Village shall have any personal interest, direct or indirect, in this Agreement; nor shall any such member, official or employee participate in any decision relating to this Agreement which affects such person's interests or the interests of any corporation, partnership, or association in which such person is directly or indirectly interested. No member or employee of the Village has acquired any interest direct, or indirect, in the RPA. No member, official, or employee of the Village shall be personally liable to the Developer or

any successor in interest in the event of any default or breach by the Village or for any amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement, except as such shall be found to be caused by a violation of Section 4(n) of the Act. The Developer shall not transfer any property in the Redevelopment Project Area to any member, official or employee of the Village.

Section 1005. Municipal Limitation. All commitments or obligations of the Village undertaken pursuant to this Agreement shall be limited to the extent that such obligations are within its powers as a municipal corporation.

Section 1006. Costs. Any cost and expense incurred by either Party with regard to the preparation of this Agreement shall be borne exclusively by such Party with no right to reimbursement from the other except as provided in this Agreement.

Section 1007. Recording. The Parties agree that this Agreement will be recorded by the Village, at its cost, with the Cook County Recorder's Office after execution thereof by the Parties.

Section 1008. No Joint Venture or Partnership. Notwithstanding any sharing of profits or any other payment from Developer to the Village, nothing contained in this Agreement is intended by the Parties to create a joint venture or partnership (either express or by estoppel) between the Parties. It is understood and agreed that this Agreement does not provide for the joint exercise by the Parties of any activity, function or service, nor does it create a joint enterprise, joint venture or partnership, nor does it constitute either Party as an agent of the other for any purpose whatsoever.

Section 1009. Counterparts. This Agreement may be executed in several counterparts and by each Party on a separate counterpart, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute but one and the same instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the Party against whom enforcement is sought.

Section 1010. Authority to Execute. Each signatory on behalf of a Party to this Agreement warrants and represents that he or she is a duly authorized representative of that Party, with full power and authority to agree to this Agreement, and all terms herein, on behalf of that Party. The Developer shall provide a written confirmation on which the Village shall be entitled to rely designating such persons as may be named therein as the agent of the Developer with full power to act on behalf of the Developer with respect to the execution of this Agreement, the submission of site plans, permit applications and Requests for Reimbursement, and the giving of other certificates and notices which the Developer may give or is required to give under this Agreement.

Section 1011. INTENTIONALLY LEFT BLANK

Section 1012. No Personal Liability of Officials of Village or Developer. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the Corporate Authorities, Village Manager, any elected official, officer, partner, member, director, agent, employee or attorney of the Village or Developer, in his or her individual capacity, and no elected official, officer, partner, member, director, agent, employee or attorney of the Village or Developer shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Agreement, or any failure in that connection.

Section 1013. INTENTIONALLY LEFT BLANK

Section 1014. Exhibits. The following schedules and exhibits are attached hereto and made a part hereof or incorporated herein by reference and made a part hereof:

EXHIBIT A Legal Description of Redevelopment Project Area

EXHIBIT B Legal Description of Residential Site

EXHIBIT C Construction Schedule

EXHIBIT D Concept Site Plan

EXHIBIT D-1 Phasing Site Plan

EXHIBIT E Note Ordinance

EXHIBIT F-1 Form of TIF Note A

EXHIBIT F-2 Form of TIF Note B

EXHIBIT F-3 Form of TIF Note C

EXHIBIT G Form of Certificate of Completion

EXHIBIT H Construction Budget

EXHIBIT I Form of Request for Reimbursement

EXHIBIT J Tax Disbursement Schedule

EXHIBIT K Target Property Taxes

EXHIBIT L Disclosure Affidavit

Section 1015. Approvals. The Developer recognizes and agrees that the Village shall exercise reasonable discretion with regard to all approvals and permits as required by ordinance relating to the Project, including, but not limited to, approval of the Final Project Documents, demolition permits, excavation permits, grading permits, building permits, certificates of occupancy and failure on the part of the Village to grant any approval or issue any permit shall not be deemed as

the cause of a default by the Developer under this Agreement or give rise to any claim for damages against or liability to the Village pursuant to this Agreement.

Section 1016. Estoppel Certificates. Each of the Parties hereto agrees to provide the other, upon not less than ten (10) business days prior request, a certificate ("*Estoppel Certificate*") certifying that this Agreement is in full force and effect (unless such is not the case, in which such Parties shall specify the basis for such claim), that the requesting Party is not in default of any term, provision or condition of this Agreement beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting Party.

Section 1017. Effective Date - Term of Agreement. This Agreement shall be deemed dated and become effective on the date of approval by the Corporate Authorities and shall remain in full force and effect until December 31, 2043, or until termination of the Redevelopment Project Area or until otherwise terminated pursuant to the terms hereof.

Section 1018. Effectiveness of Agreement. This Agreement will only become effective if the Developer becomes the owner of the RPA by the Purchase Date.

[signature pages to immediately follow]

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties to this Agreement have set their hands and seals to this Agreement on the day and year first above written.

VILLAGE OF HOFFMAN ESTATES

HOFFMAN ESTATES ACQUISITIONS LLC

By: _____
Name: William D. McLeod
Title: Village President
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ATTEST:

ATTEST:

By: _____
Name: Bev Romanoff
Title: Village Clerk
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On _____, 2019, William D. McLeod, as Village President, and Bev Romanoff, as Village Clerk, of the Village of Hoffman Estates, Cook County, Illinois, a municipal corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of the Village of Hoffman Estates, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 2019.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On _____, 2019, _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said trust, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 2019.

Notary Public

EXHIBIT "A"

Legal Description of Redevelopment Project Area

THAT PART OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN AND ALSO PART OF FRACTIONAL SECTIONS 5 AND 6, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 36; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, 416.33 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 500.95 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 195.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 558.00 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 710.00 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 36; THENCE SOUTH 00 DEGREES 17 MINUTES 58 SECONDS WEST ALONG SAID WEST LINE, 189.05 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 8.80 FEET; THENCE SOUTHWESTERLY 29.49 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 250.00 FEET (CHORD BEARS SOUTH 31 DEGREES 08 MINUTES 10 SECONDS WEST, 29.47 FEET); THENCE SOUTH 34 DEGREES 30 MINUTES 56 SECONDS WEST, 90.47 FEET; THENCE SOUTHERLY 59.72 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 39.50 FEET (CHORD BEARS SOUTH 08 DEGREES 48 MINUTES 10 SECONDS EAST, 54.20 FEET); THENCE SOUTHEASTERLY 793.70 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 872.50 FEET (CHORD BEARS SOUTH 26 DEGREES 03 MINUTES 38 SECONDS EAST, 766.62 FEET); THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 475.02 FEET; THENCE SOUTHEASTERLY 15.59 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET (CHORD BEARS SOUTH 14 DEGREES 53 MINUTES 30 SECONDS EAST, 15.42 FEET) TO A POINT ON THE NORTH LINE OF CENTRAL ROAD; THENCE SOUTH 00 DEGREES 12 MINUTES 23 SECONDS WEST, 115.00 FEET TO A POINT ON THE SOUTH LINE OF CENTRAL ROAD; THENCE NORTH 89 DEGREES 47 MINUTES 37 SECONDS WEST ALONG THE SOUTH LINE OF CENTRAL ROAD, 1598.68 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 12 SECONDS WEST ALONG THE SOUTH LINE OF CENTRAL ROAD, 151.20 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 48 SECONDS EAST, 115.00 FEET TO A POINT ON THE NORTH LINE OF CENTRAL ROAD; THENCE NORTHERLY 8.63 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET (CHORD BEARS NORTH 06 DEGREES 10 MINUTES 53 SECONDS EAST, 8.61 FEET); THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 475.08 FEET; THENCE NORTHEASTERLY 793.70 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 872.50 FEET (CHORD BEARS NORTH 26 DEGREES 03 MINUTES 38 SECONDS EAST, 766.61 FEET); THENCE NORTHERLY 59.73 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 39.50 FEET

(CHORD BEARS NORTH 08 DEGREES 48 MINUTES 10 SECONDS EAST, 54.20 FEET); THENCE NORTH 34 DEGREES 30 MINUTES 56 SECONDS WEST, 88.89 FEET; THENCE NORTHWESTERLY 23.03 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 264.00 FEET (CHORD BEARS NORTH 32 DEGREES 00 MINUTES 55 SECONDS WEST, 23.03 FEET); THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 1481.14 FEET TO A POINT ON THE WEST LINE OF EAGLE WAY; THENCE NORTH 00 DEGREES 24 MINUTES 17 SECONDS EAST ALONG THE WEST LINE OF EAGLE WAY, 1315.03 FEET TO THE INTERSECTION WITH THE NORTH LINE OF LAKEWOOD BLVD EXTENDED WESTERLY; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE NORTH LINE OF LAKEWOOD BLVD, 2107.35 FEET; THENCE SOUTH 00 DEGREES 17 MINUTES 58 SECONDS WEST, 550.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 564.04 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 36; THENCE NORTH 00 DEGREES 17 MINUTES 58 SECONDS EAST, 550.00 FEET TO A POINT ON THE NORTH LINE OF LAKEWOOD BLVD; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 899.15 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 60.00 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT "B"

Legal Description of the Residential Site

PARCEL 1: (THE CENTER, NORTH PARCEL)

THAT PART OF THE SOUTH 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST ¼ OF SAID SECTION 36; THENCE SOUTH 00 DEGREES, 15 MINUTES, 15 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION, 1,248.01 FEET; THENCE SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 67.00 FEET TO THE WEST LINE OF HUNTINGTON BOULEVARD (ALSO KNOWN AS FREEMAN ROAD), AND THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 90 DEGREES, 00 MINUTES 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 1,258.57 FEET TO THE INTERSECTION WITH A NONTANGENT CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 250.00 FEET, FOR AN ARC LENGTH OF 29.49 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 31 DEGREES, 08 MINUTES, 10 SECONDS WEST, AN A CHORD LENGTH OF 29.47 FEET TO A POINT OF TANGENCY; THENCE SOUTH 34 DEGREES, 30 MINUTES, 56 SECONDS WEST, 90.47 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY ALONG A CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 39.50 FEET, FOR AN ARC LENGTH OF 59.72 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 08 DEGREES, 48 MINUTES, 10 SECONDS EAST, AND A CHORD LENGTH OF 54.20 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 458.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 67 DEGREES, 10 MINUTES, 15 SECONDS WEST, AND A CHORD LENGTH OF 453.10 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AND A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE WESTERLY ALONG A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.50 FEET, FOR AN ARC LENGTH OF 196.69 FBET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, AND A CHORD LENGTH OF 166.77 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AN A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 458.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD

BEARING OF SOUTH 67 DEGREES, 10 MINUTES, 15 SECONDS WEST, AND A CHORD LENGTH OF 453.10 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHERLY ALONG A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 39.50 FEET FOR AN ARC LENGTH OF 59.73 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 08 DEGREES, 48 MINUTES, 10 SECONDS EAST, AND A CHORD LENGTH OF 54.20 FEET TO A POINT OF TANGENCY; THENCE NORTH 34 DEGREES, 30 MINUTES, 56 SECONDS WEST, 88.89 FEET TO A POINT OF CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 264.00 FEET, FOR AN ARC LENGTH OF 23.04 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 32 DEGREES, 00 MINUTES, 55 SECONDS WEST, AND A CHORD LENGTH OF 23.03 FEET TO A POINT 1,255.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES THERETO, THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION; THENCE SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 1,401.14 FEET TO THE EAST LINE OF EAGLE WAY, SAID EAST LINE BEING 40 FEET EAST OF, AS MEASURED AT RIGHT ANGLES THERETO, THE WEST LINE OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 36; THENCE NORTH 00 DEGREES, 24 MINUTES, 17 SECONDS EAST ALONG THE EAST LINE OF SAID EAGLE WAY, 1,195.03 FEET TO THE SOUTH LINE OF LAKEWOOD BOULEVARD, SAID SOUTH LINE BEING 60.00 FEET SOUTH OF AS MEASURED AT RIGHT ANGLES THERETO, THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION 36, THENCE NORTH 90 DEGREES, 00 MINUTES, 00 SECONDS EAST ALONG THE SOUTH LINE OF SAID LAKEWOOD BOULEVARD, 3,815.45 FEET TO AN ANGLE POINT IN SAID LAKEWOOD BOULEVARD; THENCE SOUTH 44 DEGREES, 52 MINUTES, 20 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF HUNTINGTON BOULEVARD, 35.28 FEET TO AN ANGLE POINT IN SAID HUNTINGTON BOULEVARD; THENCE SOUTH 00 DEGREES, 15 MINUTES, 15 SECONDS WEST ALONG THE WEST LINE OF SAID HUNTINGTON BOULEVARD, 1,163.01 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS

PARCEL 2 (THE CENTER, SOUTH PARCEL)

THAT PART OF THE SOUTH 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 36; THENCE SOUTH 00 DEGREES, 15 MINUTES, 15 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION, 1,248.01 FEET; THENCE SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 67.00 FEET TO THE WEST LINE OF HUNTINGTON BOULEVARD (ALSO KNOWN AS FREEMAN ROAD); THENCE CONTINUING SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION, 1,258.57 FEET TO THE INTERSECTION WITH A NON-TANGENT CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 250.00 FEET FOR AN ARC LENGTH OF 29.49 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 31 DEGREES, 08 MINUTES, 10 SECONDS WEST, AND A CHORD LENGTH OF 29.47 FEET

TO A POINT OF TANGENCY; THENCE SOUTH 34 DEGREES, 30 MINUTES, 56 SECONDS WEST, 90.47 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY ALONG A CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 39.50 FEET FOR AN ARC LENGTH OF 59.72 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 08 DEGREES, 48 MINUTES, 10 SECONDS EAST, AND A CHORD LENGTH OF 54.20 FEET TO A POINT OF REVERSE CURVE, AND THE POINT OF BEGINNING; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 458.35 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 67 DEGREES, 10 MINUTES, 15 SECONDS WEST, AND A CHORD LENGTH OF 453.10 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AND A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE WESTERLY ALONG A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.50 FEET, FOR AN ARC LENGTH OF 196.69 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 90 DEGREES, 00 MINUTES, 00 SECONDS WEST, AND A CHORD LENGTH OF 166.77 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET, FOR AN ARC LENGTH OF 42.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 58 DEGREES, 04 MINUTES, 34 SECONDS WEST, AND A CHORD LENGTH OF 40.90 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 1,252.05 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 41 DEGREES, 06 MINUTES, 37 SECONDS WEST, AND A CHORD LENGTH OF 1,147.36 FEET TO A POINT OF TANGENCY; THENCE SOUTH 00 DEGREES, 00 MINUTES, 00 SECONDS WEST, 475.08 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 40.00 FEET FOR AN ARC LENGTH OF 8.63 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 06 DEGREES, 10 MINUTES, 53 SECONDS WEST, AND A CHORD LENGTH OF 8.61 FEET TO THE NORTH LINE OF CENTRAL ROAD, SAID NORTH LINE BEING 65.00 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES THERETO, THE SOUTH LINE OF SAID SECTION 36; THENCE SOUTH 89 DEGREES, 48 MINUTES, 12 SECONDS EAST ALONG THE NORTH LINE OF SAID CENTRAL ROAD, 151.21 FEET TO AN ANGLE POINT IN THE NORTH LINE OF SAID CENTRAL ROAD, SAID ANGLE POINT ALSO BEING ON THE WEST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION; THENCE SOUTH 89 DEGREES, 47 MINUTES, 37 SECONDS EAST ALONG THE NORTH LINE OF SAID CENTRAL ROAD, 1,598.69 FEET TO A POINT 970.11 FEET WEST OF THE WEST LINE OF SAID HUNTINGTON BOULEVARD AS MEASURED ALONG THE NORTH LINE OF SAID CENTRAL ROAD; THENCE NORTHERLY ALONG A NON-TANGENT CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 30.00 FEET, FOR AN ARC LENGTH OF 15.59 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 14 DEGREES, 53 MINUTES, 30 SECONDS WEST, AND A CHORD LENGTH OF 15.42 FEET TO A POINT OF TANGENCY; THENCE NORTH 00 DEGREES, 00 MINUTES, 00

SECONDS EAST, 475.02 FEET TO A POINT OF CURVE; THENCE NORTHWESTERLY ALONG A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 872.50 FEET, FOR AN ARC LENGTH OF 793.70 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 26 DEGREES, 03 MINUTES, 38 SECONDS WEST, AND A CHORD LENGTH OF 766.62 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

BUT EXCEPTING AND REMOVING THEREFROM THE FOLLOWING:

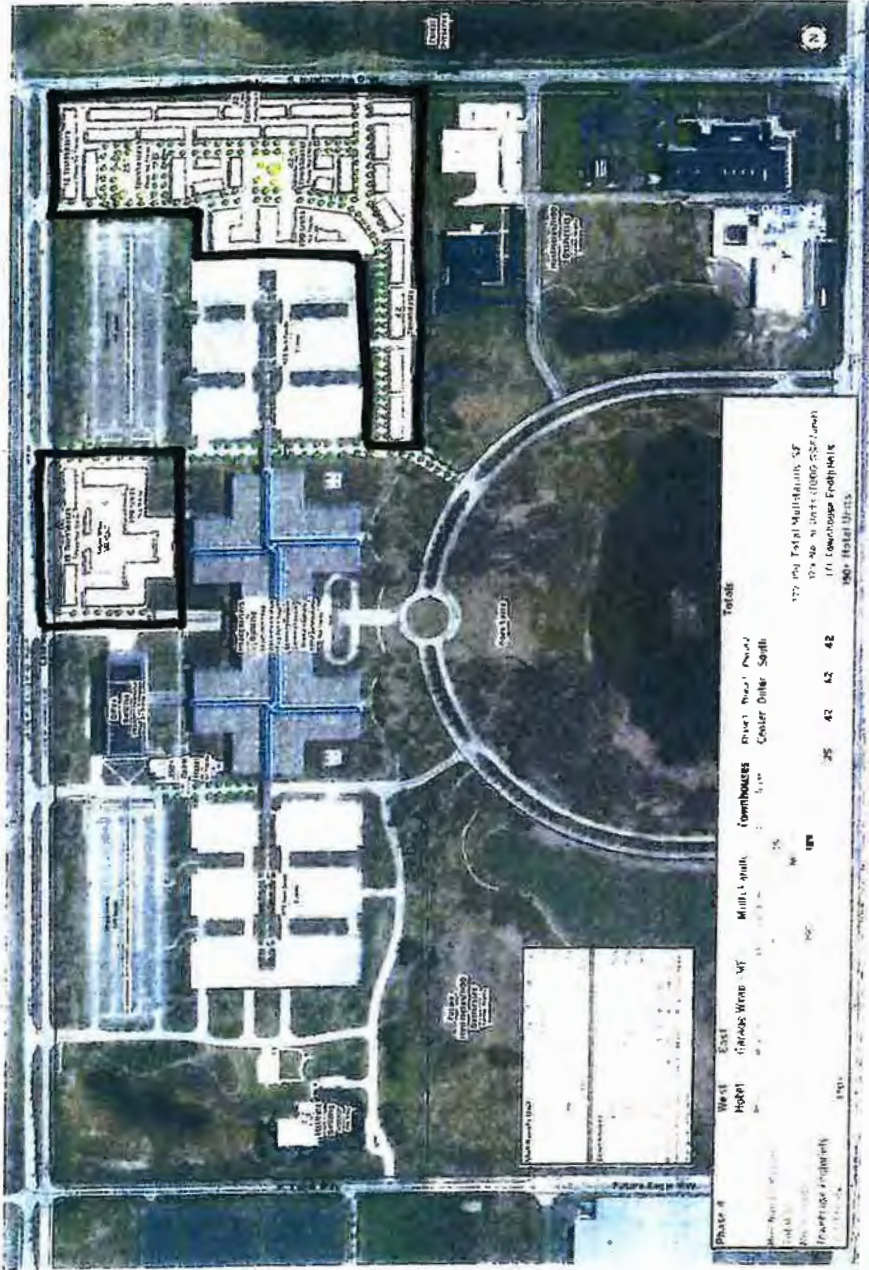
THAT PART OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN AND ALSO PART OF FRACTIONAL SECTIONS 5 AND 6, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 36; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, 416.33 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 500.95 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 195.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 558.00 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 710.00 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 36; THENCE SOUTH 00 DEGREES 17 MINUTES 58 SECONDS WEST ALONG SAID WEST LINE, 189.05 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 8.80 FEET; THENCE SOUTHWESTERLY 29.49 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 250.00 FEET (CHORD BEARS SOUTH 31 DEGREES 08 MINUTES 10 SECONDS WEST, 29.47 FEET); THENCE SOUTH 34 DEGREES 30 MINUTES 56 SECONDS WEST, 90.47 FEET; THENCE SOUTHERLY 59.72 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 39.50 FEET (CHORD BEARS SOUTH 08 DEGREES 48 MINUTES 10 SECONDS EAST, 54.20 FEET); THENCE SOUTHEASTERLY 793.70 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 872.50 FEET (CHORD BEARS SOUTH 26 DEGREES 03 MINUTES 38 SECONDS EAST, 766.62 FEET); THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 475.02 FEET; THENCE SOUTHEASTERLY 15.59 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET (CHORD BEARS SOUTH 14 DEGREES 53 MINUTES 30 SECONDS EAST, 15.42 FEET) TO A POINT ON THE NORTH LINE OF CENTRAL ROAD; THENCE SOUTH 00 DEGREES 12 MINUTES 23 SECONDS WEST, 115.00 FEET TO A POINT ON THE SOUTH LINE OF CENTRAL ROAD; THENCE NORTH 89 DEGREES 47 MINUTES 37 SECONDS WEST ALONG THE SOUTH LINE OF CENTRAL ROAD, 1598.68 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 12 SECONDS WEST ALONG THE SOUTH LINE OF CENTRAL ROAD, 151.20 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 48 SECONDS EAST, 115.00 FEET TO A POINT ON THE NORTH LINE OF CENTRAL ROAD; THENCE NORTHERLY 8.63 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET (CHORD BEARS NORTH 06 DEGREES 10 MINUTES 53 SECONDS EAST, 8.61 FEET); THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 475.08 FEET; THENCE NORTHEASTERLY 793.70 FEET ALONG A

CURVE TO THE RIGHT HAVING A RADIUS OF 872.50 FEET (CHORD BEARS NORTH 26 DEGREES 03 MINUTES 38 SECONDS EAST, 766.61 FEET); THENCE NORTHERLY 59.73 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 39.50 FEET (CHORD BEARS NORTH 08 DEGREES 48 MINUTES 10 SECONDS EAST, 54.20 FEET); THENCE NORTH 34 DEGREES 30 MINUTES 56 SECONDS WEST, 88.89 FEET; THENCE NORTHWESTERLY 23.03 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 264.00 FEET (CHORD BEARS NORTH 32 DEGREES 00 MINUTES 55 SECONDS WEST, 23.03 FEET); THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 1481.14 FEET TO A POINT ON THE WEST LINE OF EAGLE WAY; THENCE NORTH 00 DEGREES 24 MINUTES 17 SECONDS EAST ALONG THE WEST LINE OF EAGLE WAY, 1315.03 FEET TO THE INTERSECTION WITH THE NORTH LINE OF LAKEWOOD BLVD EXTENDED WESTERLY; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE NORTH LINE OF LAKEWOOD BLVD, 2107.35 FEET; THENCE SOUTH 00 DEGREES 17 MINUTES 58 SECONDS WEST, 550.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 564.04 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 36; THENCE NORTH 00 DEGREES 17 MINUTES 58 SECONDS EAST, 550.00 FEET TO A POINT ON THE NORTH LINE OF LAKEWOOD BLVD; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 899.15 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 60.00 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

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**EXHIBIT B
Concept Site Plan**



Somerset Development Agreement
31395012.1\157447-00001

- 15 -

April 25, 2018

**Bell Works Chicago
Preliminary Construction Timeline*****

	2019				2020				Q1
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Closing									
Site Plan Approval									
<i>Atrium 1</i>									
Demolition									
Base Building Improvements / Deferred Maintenance									
Lobby Improvements- Atrium 1									
Glass Installation- Atrium 1									
15,000 sqft Speculative Office									
1,000 sqft Retail									
Office Leaseup/Tenant Improvements*									
Retail Leaseup/Tenant Improvements*									
<i>Atrium 2</i>									
Demolition									
Base Building Improvements									
Lobby Improvements- Atrium 2									
Glass Installation- Atrium 2									
Conference Space Improvements									
Event Space									
Sitework/Parking Lots/Landscaping									
Office Leaseup/Tenant Improvements*									
Retail Leaseup/Tenant Improvements*									

*subject to market conditions

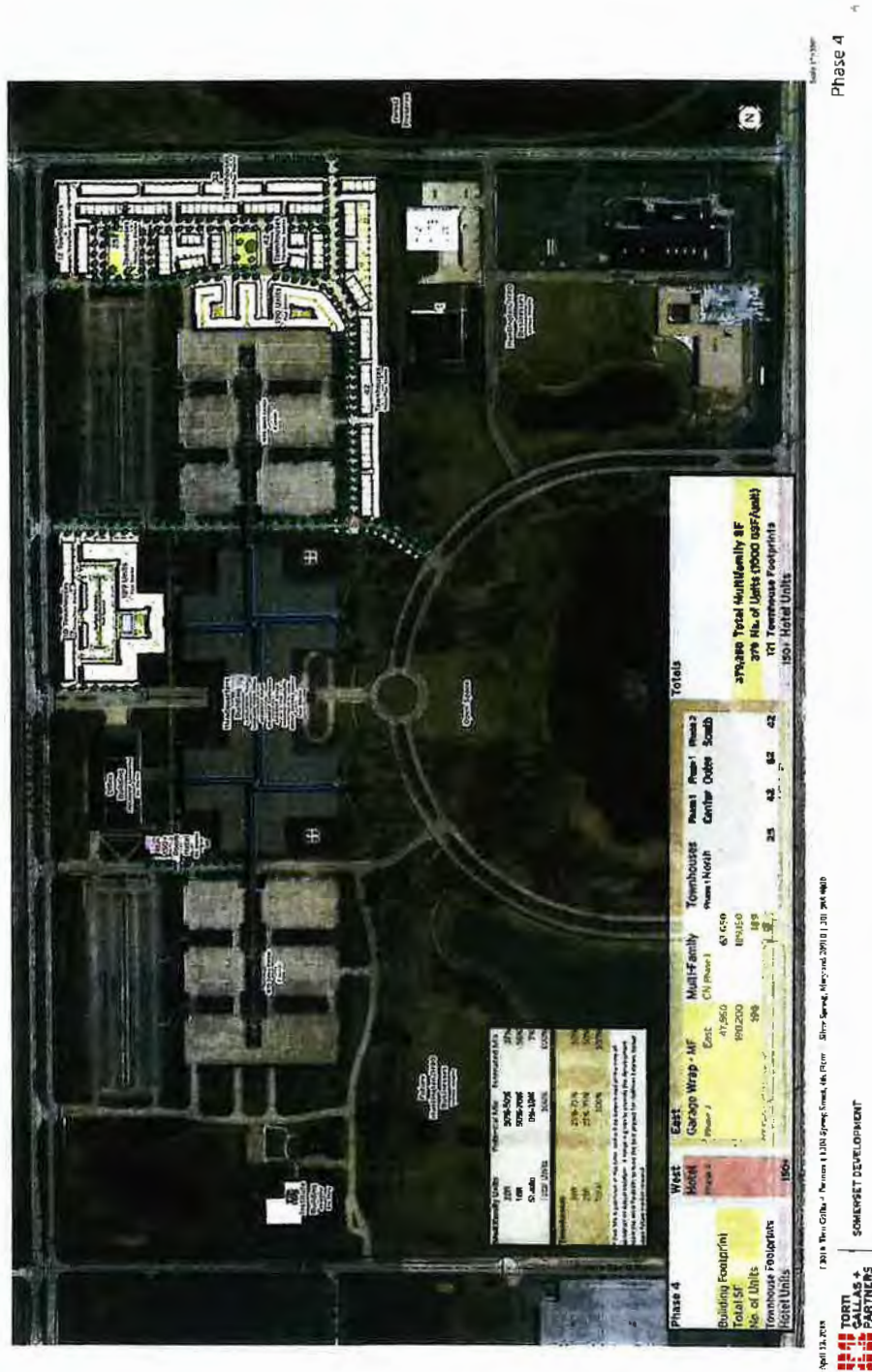
***All items subject to market conditions

Construction Schedule

EXHIBIT "C"

EXHIBIT "D"

Concept Site Plan



April 13, 2018
 1301 N. West-City - Perimeter 11301 Spring Street, NE, Plover - Silver Spring, Maryland 20911 | 301-344-9400
TORTI GALLAS + PARTNERS
SOMERSET DEVELOPMENT
 Phase 4

EXHIBIT "D-1"

Phasing Site Plan





April 12, 2018 | 1010 Boyd Gates + Partners | 1360 Spring Street, 4th Floor | Salt Spring, Maryland 20710 | 301.584.6800



Scale 1"=300'

Phase 2



Multi-Family Units	Potential Mix	Estimated Mix
2BR	80%-90%	37%
1BR	50%-70%	54%
Studio	0%-10%	7%
Total Units	100%	100%

Townhouses	25% - 35%	30%
2BR	25% - 35%	50%
Total	100%	100%

* See this as a summary of the mix and to be determined at the time of construction development. It may change as to provide the development with the most flexibility to take the best priced for multi-unit homes based on future market research.

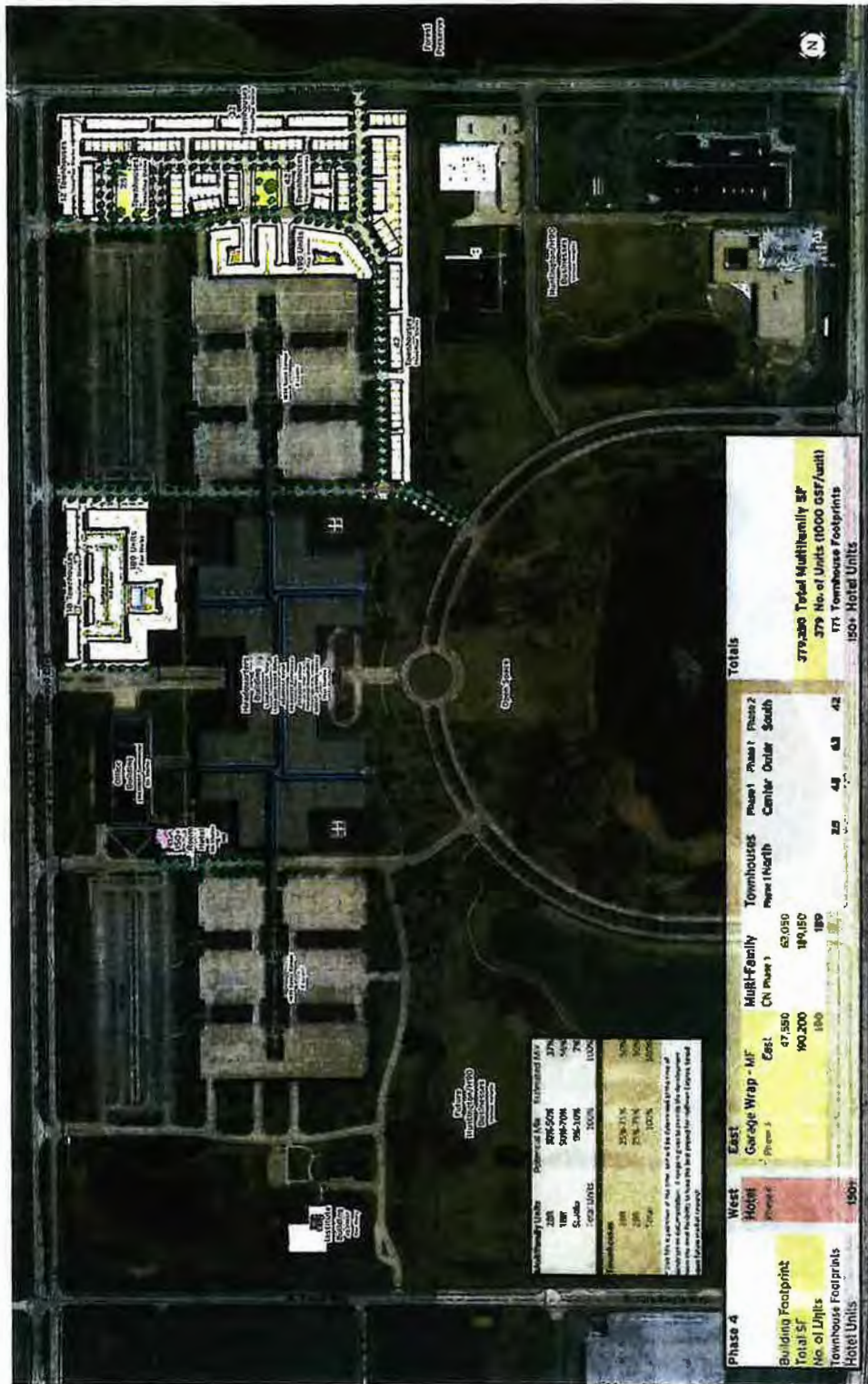
Phase 3	West Hotel	East Garage Wrap - MF Phase 3	Multi-Family CN Phase 1	Townhouses Phase 1 North	Phase 1			Totals
					Center	Outer	South	
Building Footprint		47,550	83,050					379,350 Total Multifamily SF
Total SF		190,200	189,150					379 No. of Units (1000 GSF/unit)
No. of Units		190	189					171 Townhouse Footprints
Townhouse Footprints				28	42	82	42	0 Hotel Units
Hotel Units								

April 12, 2018 © 2016 Torti Gallas + Partners 1300 Spring Street, 4th Floor Silver Spring, Maryland 20910 | 301 458 4800



Scale 1"=300'

Phase 3



Phase 4

April 15, 2014
 2016 Torii Center + Partners 1300 Erving Street, 4th Floor | Suite 404, Arlington 22201 | 703.245.4800
TORII
GALLAS + PARTNERS
SOMERSET DEVELOPMENT

EXHIBIT “E”

Note Ordinance

ORDINANCE NO. _____ - 2019

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT AND THE ISSUANCE OF TIF NOTES RESPECTING THE LAKEWOOD CENTER REDEVELOPMENT PROJECT AREA IN THE VILLAGE OF HOFFMAN ESTATES, ILLINOIS (LAKEWOOD CENTER TIF DISTRICT)

WHEREAS, pursuant to an ordinance adopted by the President and Board of Trustees (the “Corporate Authorities”) of the Village of Hoffman Estates, Cook and Kane Counties, Illinois Chicago (the “Village”) on January 21, 2018, a certain redevelopment plan and project (the “Redevelopment Plan”) for the Lakewood Center Redevelopment Project Area (the “Redevelopment Project Area”) was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, constituting Section 74.4 of Article 11 of the Illinois Municipal Code and all laws amendatory thereof and supplemental thereto (the “Act”); and

WHEREAS, pursuant to an ordinance adopted by the Corporate Authorities on January 21, 2018, the Redevelopment Project Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance adopted by the Corporate Authorities on January 21, 2018, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Redevelopment Project Costs (as defined in the Act) incurred pursuant to the Redevelopment Plan (such ordinance is referred to as the “TIF Ordinances”); and

WHEREAS, the Corporate Authorities have agreed with HOFFMAN ESTATES ACQUISITIONS LLC, a Delaware limited liability company to enter into a Redevelopment Agreement in the form attached hereto as **Exhibit A** (the “Redevelopment Agreement”); and

WHEREAS, the Developer has proposed to perform the “Project” as described in the Redevelopment Agreement, in implementation of the Redevelopment Plan; and

WHEREAS, the Corporate Authorities hereby determine that the acceptance of the Developer’s proposal and the implementation of the Redevelopment Plan by the Developer and fulfillment generally of the Redevelopment Agreement are in the best interests of the Village, and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

ARTICLE I

General Matters and Approval of Redevelopment Agreement

Section 101. Incorporation of Recitals. The foregoing recitals to this Ordinance are incorporated in this Ordinance as if set out in full by this reference, and the statements and findings contained therein are found to be true and correct, and are hereby adopted as part of this Ordinance.

Section 102. Authority. This Ordinance is adopted pursuant to the Act, and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended. The Corporate Authorities hereby determine that the Village is authorized to issue its tax increment allocation revenue obligations in a maximum aggregate principal amounts as follows:

- (A) Maximum Aggregate Principal Amount of \$43,013,600 for TIF Note A;
- (B) Maximum Aggregate Principal Amount of \$10,753,400 for TIF Note B,

for the purpose of paying a portion of the Eligible Redevelopment Project Costs included within the Redevelopment Project Area, and that every act, matter or obligation, as to which provision is made in this Ordinance, is necessary to carry out the Redevelopment Plan and to secure the payment of the principal and interest of TIF Note A and TIF Note B. TIF Note C shall be issued for the same purpose as TIF Note A and TIF Note B but shall have no Maximum Aggregate Principal Amount, shall not bear interest and shall only have a principal amount payable upon a Developer Tax Recapture due to Developer pursuant to Section 601 of the Redevelopment Agreement.

Section 103. Definitions. Unless specifically defined in this Ordinance, any capitalized terms in this Ordinance shall have the same meanings as ascribed to them in the Redevelopment Agreement. If there is any conflict between this Ordinance and the Redevelopment Agreement, the legislative intent of this Ordinance is to follow the terms of this Ordinance. Otherwise, in this Ordinance, unless a different meaning clearly appears from the context:

“Approved Request for Reimbursement” means a Request for Reimbursement which has been approved by the Village pursuant to Section 403 of the Redevelopment Agreement;

“Authorized Date” means the date on which the TIF Notes are authorized to be issued under this Ordinance.

“Corporate Authorities” has the meaning given in the recitals;

“Current Outstanding Principal Amount” of the TIF Notes on any particular date means the combined principal amounts as noted in Schedule A of the TIF Notes on such date;

“Defense Costs” means the legal fees and costs incurred by the Village to defend against a third party action which is brought to contest the validity or legality of the TIF Ordinances, the Redevelopment Plan, this Agreement, the TIF Notes or similar type of action;

”Developer” means the Developer under the Redevelopment Agreement, including any successors-in-interest or assignees, under Section 606 of the Redevelopment Agreement;

“Developer Accounts” have the meaning given in the Redevelopment Agreement and as established by Section 301 of this Ordinance;

“Developer Account A” has the meaning in the Redevelopment Agreement;

“Developer Account B” has the meaning in the Redevelopment Agreement;

“Developer Account C” has the meaning in the Redevelopment Agreement;

“Eligible Redevelopment Project Costs” has the meaning given in Section 401 of the Redevelopment Agreement;

“Fund” has the meaning given in the Redevelopment Agreement;

“Incremental Taxes” has the meaning given in the Redevelopment Agreement;

“Issuance Date” means the date on which any of the respective TIF Notes are issued by the Village to the Registered Owner on which the TIF Notes shall have principal amounts due and shall start to accrue interest (pursuant to their terms).

“Event of Default” has the meaning given in Section 501 of this Ordinance;

“Investment Obligations” means any investment that at the time is a legal investment for units of local governmental under the laws of the State of Illinois for the monies held hereunder then proposed to be invested;

“Maturity Date” means the stated maturity date of the TIF Notes, which shall be the last date not exceeding the remaining period for the Redevelopment Project Area permissible under the Act (including the year in which tax payments are collected and distributed by Cook County for the final year of the Redevelopment Project Area) and not exceeding a maximum maturity of twenty (20) years after the Issuance Date;

“Maximum Reimbursement Amount” has the meaning given in the Redevelopment Agreement;

“Note Registrar” is the Treasurer;

“Ordinance” means this Note Ordinance entitled “An Ordinance Authorizing the Execution of a Redevelopment Agreement and the Issuance of TIF Notes Respecting the Lakewood Center Redevelopment Project Area in the Village of Hoffman Estates, Illinois (Lakewood Center TIF District)”, as the same may be amended or supplemented by an ordinance adopted and becoming effective in accordance with the terms of Ordinance;

“Person” means any individual, trust or entity such as a corporation, limited liability company, or partnership;

“Pledged Amounts” means all moneys, securities and funds at any time deposited or required to be deposited into the Developer Accounts;

“Project” means the Project implementing the Redevelopment Plan as described in the Redevelopment Agreement;

“Redevelopment Agreement” has the meaning given in the recitals;

“Redevelopment Plan” means the Redevelopment Plan described in the recitals, as the same maybe amended from time to time in accordance with the Act;

“Redevelopment Project Area” or “RPA” means the Redevelopment Project Area described in the recitals, as the same maybe amended from time to time in accordance with the Act;

“Register” has the meaning given in Section 202 of this Ordinance;

“Registered Owner” means the Person in whose name the TIF Notes is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal thereof and for all other purposes;

“Request for Reimbursement” has the meaning given in the Redevelopment Agreement;

“Tax Disbursement Schedule” has the meaning given in the Redevelopment Agreement;

“TIF Notes” have the meaning given in the Redevelopment Agreement;

“TIF Note Schedule” has the meaning given in the Redevelopment Agreement;

“TIF Ordinances” has the meaning given in the Redevelopment Agreement;

“Total Project Costs” has the meaning given in the Redevelopment Agreement;

“Treasurer” means the Village’s Treasurer or Assistant Treasurer;

“Village” has the meaning given in the recitals;

“Village Account” has the meaning as established by Section 301 of this Ordinance.

Section 104. Approval of Redevelopment Agreement. The Redevelopment Agreement attached as **Exhibit “A”** is hereby approved. The Corporate Authorities find that the Redevelopment Agreement is in furtherance of the objectives of the Redevelopment Plan; the Village has made a public disclosure of the terms of the Redevelopment Agreement. The Village President is hereby authorized and directed to execute and deliver the Redevelopment Agreement on behalf of the Village, and the Village Clerk is authorized and directed to affix the seal thereto and to attest the Redevelopment Agreement and recorded with the Cook County Recorder of Deeds.

ARTICLE II

Authorization and Terms of TIF Note

Section 201. Authorization and Terms of TIF Note. The Current Outstanding Principal Amount owed on behalf of the Village shall initially be \$0 and thereafter in an aggregate amount not to exceed \$53,767,000.00 combined for TIF Note A and TIF Note B for the payment of Eligible Redevelopment Project Costs within the Redevelopment Project Area. TIF Note C is issued for the limited purpose as stated in Section 601 of Redevelopment Agreement, shall not have an initial principal amount and shall not have a maximum principal amount. The TIF Notes of the Village are hereby authorized to be and shall be issued up to said amounts.

All of the TIF Notes shall be authorized on the date this Ordinance is approved. TIF Note A and TIF Note B shall be issued on the respective Issuance Date upon the Developer’s written request with said Issuance Date being on the first day of the year but no later than January 1, 2023. The Issuance Date of TIF Note C shall be January 1, 2023. All TIF Notes shall bear the date of authentication as provided in the Redevelopment Agreement, shall be in fully registered form, and shall be issued in the following denominations:

TIF Note A: Maximum Aggregate Principal Amount of \$43,013,600 which shall be paid in accordance with the terms of TIF Note A.

TIF Note B: Maximum Aggregate Principal Amount of \$10,753,400 which may be prepaid at any time.

TIF Note C: Maximum Aggregate Principal Amount is to be determined pursuant to Section 601 of the Redevelopment Agreement.

For a total Maximum Aggregate Principal Amount of both TIF Note A and TIF Note B to be less than or equal to \$53,767,000.00. TIF Note A and TIF Note B shall be interest bearing as provided in the TIF Notes. TIF Note C shall not have a maximum amount, shall only have a principal amount upon a Developer Tax Recapture as provided in the Redevelopment Agreement and shall not bear interest.

The Treasurer of the Village is hereby appointed as note registrar and paying agent (“Note Registrar”) for all of the TIF Notes. The principal and interest of the TIF Note A and TIF Note B and principal of TIF Note C shall be payable to the Registered Owner as shown on the registration books of the Village maintained by the Note Registrar, at the close of business on the fifteenth (15th) day of the month immediately prior to the applicable payment or maturity date and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Note Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such Registered Owner wishes to have such transfer directed. The Registered Owners of TIF Note A may be the same or different entities of the Registered Owner of TIF Note B and TIF Note C.

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

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

Section 202. Note Register; Surrender for Transfer. The Village shall cause books (the “Register”) for the registration of the TIF Notes as provided in this Ordinance to be kept at the principal office of the Note Registrar. The Note Registrar shall maintain a list of the names

and addresses of the Registered Owner from time to time of the TIF Notes and upon transfer (to the extent such transfer is permitted under Section 606 of the Redevelopment Agreement) shall add the name and address of the new Registered Owner and eliminate the name and address of the transferor. The Village is authorized to prepare, and the Note Registrar shall keep custody of, multiple Note blanks executed by the Village for use in the transfer of the TIF Notes.

Upon surrender for transfer of the any of the TIF Notes authorized under this Ordinance at the principal office of the Note Registrar, duly endorsed by, or accompanied by: (i) a written instrument or instruments of transfer in form satisfactory to the Note Registrar; (ii) an investment representation in form satisfactory to the Village and duly executed by the Registered Owner or his attorney duly authorized in writing, (iii) the written consent of the Village evidenced by the signature of the Village President (or his or her designee) on the instrument of transfer, and (iv) any deliveries required under this Ordinance, the Village shall execute and the Note Registrar shall authenticate, date and deliver in the name of any such authorized transferee, a new fully registered TIF Note of the same maturity, of authorized denomination, for a like outstanding principal amount. The Note Registrar shall not be required to transfer or exchange any TIF Notes during the period beginning at the close of business on the fifteenth (15th) day of the month immediately prior to the maturity date of the TIF Notes nor to transfer or exchange the TIF Notes after notice calling any of the TIF Notes for redemption has been made, nor during a period of ten (10) days next preceding mailing of a notice for redemption of principal of the TIF Notes. No beneficial interests in the TIF Notes shall be assigned, except in accordance with the procedures for transferring the TIF Notes described above. No service charge shall be made for any transfer of the TIF Notes, but the Village may require payment of a sum sufficient to cover any state or federal tax or other state or federal governmental charge that may be imposed in connection with any transfer of the TIF Notes.

The Person in whose name the TIF Notes shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal and interest of the TIF Note A and TIF Note B and payment of principal under TIF Note C shall be made only to the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the TIF Notes to the extent of the sum or sums so paid.

Section 203. Form of TIF Note. The TIF Notes shall be in substantially the form attached hereto as **Exhibits B-1, B-2 and B-3**, with such insertions or variations as to any endorsement or payment provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by this Ordinance.

Section 204. Endorsement of TIF Note. Pursuant to and subject to the Redevelopment Agreement, the Developer has agreed to perform construction and redevelopment work necessary for the Project. All expenditures incurred by the Developer and approved as Eligible Redevelopment Project Costs, as shown in TIF Approved Amount of Reimbursement on the respective TIF Note Schedule, shall increase the principal amount of the TIF Notes up to the Maximum Reimbursement Amounts for each of the TIF Notes. Within ten (10) days after each Request for Reimbursement is approved by the Village (and provided the Registered Owner

presents the relevant TIF Notes to the Note Registrar), the Note Registrar shall endorse Schedule A attached to each of the TIF Notes to indicate, as of the date of endorsement, the Maximum Reimbursement Amount and the Current Outstanding Principal Amount of the TIF Notes then outstanding. The Note Registrar shall indicate the amount of any payment of principal on Schedule A attached to each of the TIF Notes. The Note Registrar shall have the authority to insert the Issuance Dates of TIF Note A and TIF Note B on January 1 of the year after the Developer authorizes the issuance of TIF Note A and TIF Note B pursuant to Section 404(e) of the Redevelopment Agreement.

After each Request for Reimbursement is approved, the Note Registrar shall promptly send an updated authenticated copy of Schedule A to each of the TIF Notes to the Registered Owner.

Section 205. Intentionally left blank.

Section 206. Intentionally left blank.

Section 207. Limited Obligation. Each of the TIF Notes is a special limited obligation of the Village payable pursuant to this Ordinance and the Redevelopment Agreement and the Act, and shall be a valid claim of the Registered Owner thereof only against the respective Developer Accounts or such amounts that should have been deposited in the Developer Accounts. TIF Note A shall be payable solely from Developer Account A. TIF Note B shall be payable solely from Developer Account B. TIF Note C shall be payable solely from Developer Account C. The TIF Notes shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation. If the amounts in the Developer Accounts are insufficient to pay all the principal and any interest due under the relevant TIF Notes, the Registered Owner shall have no recourse against the Village under the TIF Notes. The Registered Owner shall have no right to compel the exercise of the taxing authority of the Village or to use any funds of the Village (other than the amounts collected in the Fund) for payment of the principal and interest of the TIF Note A and TIF Note B and payment of principal of TIF Note C.

ARTICLE III

Tax Increment Revenues

Section 301. Fund and Accounts. Pursuant to the TIF Ordinances, the Village has established the Fund and all incremental ad valorem taxes received by the Village for the Redevelopment Project Area are to be deposited into the Fund. The Treasurer is hereby directed to maintain the Fund as a segregated fund, separate and apart from the general fund or any other fund of the Village. The Village hereby establishes and creates accounts of the Fund consisting of the Village Account and the Developer Accounts.

Section 302. Pledge Securing TIF Note. The Village hereby irrevocably assigns and pledges the Pledged Amount (or such amounts that should have been paid to the Developer Accounts) to the payment of the TIF Notes. The pledge made pursuant to this Section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village. All moneys on deposit in the Developer Accounts shall be used to pay the

principal and any interest of the TIF Notes, at maturity or upon payment prior to maturity, in accordance with its respective terms, which payments from the Developer Accounts are hereby authorized and appropriated by the Village.

Section 303. Deposit and Allocation of Incremental Taxes. In connection with the ongoing administration of the Redevelopment Project Area, in each calendar year, the Village shall deposit all of the Incremental Taxes as and when received into the Fund and distributed or allocated in the order of priority and subject to the terms and conditions set forth below:

FIRST: If the Village shall have incurred any Defense Costs, those costs shall be paid from the Fund.

SECOND: The Village shall allocate any remaining Incremental Taxes in the Fund to Developer Account C, to the extent there is any Developer Tax Recapture due and payable pursuant to Section 601 of the Redevelopment Agreement.

THIRD: The Village shall allocate any remaining Incremental Taxes in the Fund to the Village Account and the Developer Account A and Developer Account B in the amounts as provided in the Tax Distribution Schedule as provided in Section 405 of the Redevelopment Agreement. The Developer Account disbursement indicated on the Tax Distribution Schedule shall be allocated eighty percent (80%) to Developer Account A and twenty percent (20%) to Developer Account B.

FOURTH: If TIF Note B is paid in full, then the amounts to be deposited into Developer Account B pursuant to this Section 303 or remaining in Developer Account B shall be deposited into Developer Account A.

FIFTH: If TIF Note A is paid in full, then the amounts to be deposited into Developer Account A pursuant to this Section 303 or remaining in Developer Account A shall be deposited into the Village Account.

The Village shall be relieved from any claims, caused of action or liability and all holders of any of the TIF Notes shall forever waive any claims or causes of action against the Village relating to the Village's allocation of payments to Developer Account A as opposed to Developer Account B or Developer Account C and vice versa. Nothing in this Section shall relieve the Village from payment under the TIF Notes themselves or waive or relieve the Village's obligations under this Ordinance or the Redevelopment Agreement.

Section 304 Village Account. The Village may withdraw from the Village Account periodically to make payments as provided in the Act.

Section 305. Intentionally left blank.

Section 306. Developer Accounts. On or about December of each year, commencing in 2019, the Village shall withdraw annually all of the Incremental Taxes credited to the Developer Accounts to pay the principal and interest of the TIF Notes as provided in Section 303 of this Ordinance until paid in full or expiration of the TIF Notes (or, if later, the date which is ten (10) days following the date on which the Village receives the final installment of annual real estate taxes from Cook County). Upon payment of all amounts due under the TIF Notes, or the TIF Notes expiration, in accordance with its respective terms, any remaining amounts on deposit in

the Developer Accounts shall be deposited in the Village Account, and the Developer Accounts shall be closed.

Section 307. Investment of Moneys Held in Fund. Moneys held in the Fund shall be invested by the Village Treasurer in Investment Obligations or may be deposited by the Village, in accordance with approved Village investment policy. No such moneys shall be deposited with any bank or trust company in excess of the amount guaranteed or insured by the Federal Deposit Insurance Corporation or other Federal agency, unless such bank or trust company shall have lodged as collateral for such deposit, Federal Obligations having a market value (exclusive of accrued interest) at least equal to the amount of such moneys.

Any obligations so purchased with moneys in any account of the Fund shall be deemed at all times to be part of the Fund and the interest thereon and any profit arising on the sale thereof shall be credited to the Fund, and any loss resulting on the sale thereof shall be charged to the Fund.

ARTICLE IV

Particular Covenants

Section 401. General. The provisions of the Ordinance shall constitute a contract between the Village and the Registered Owner of the TIF Notes. All covenants relating to any TIF Note are enforceable solely by the Registered Owner of such TIF Note. The Village shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Village under the provisions of law or the Ordinance in accordance with the terms of such provisions. The Ordinance shall not be modified or amended in any respect without the consent of the Registered Owner, except to adopt an ordinance supplementing the Ordinance (1) to add to the covenants or agreements contained in the Ordinance other than covenants or agreements to be observed by the Village which are not contrary to or inconsistent with the Ordinance as theretofore in effect, (2) to surrender any right, power or privilege reserved to conferred upon the Village by the Ordinance, (3) to specify, determine or authorize any and all matters and things relative to the TIF Notes or the proceeds thereof which are not contrary to or inconsistent with the Ordinance as theretofore in effect, (4) to cure any ambiguity, supply any omission or cure any defect or inconsistent provision in the Ordinance and (5) to insert such provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable and are not contrary or inconsistent with the Ordinance as theretofore in effect. This Ordinance shall not be amended to conflict with the terms of or the intent of the Redevelopment Agreement.

Section 402. Payment of TIF Notes. The Village shall duly and punctually pay or cause to be paid from the Developer Accounts the principal and interest of TIF Note A and TIF Note B and principal of TIF Note C, at the dates and places and in the manner mentioned in the respective TIF Notes, according to the true intent and meaning thereof.

Section 403. Power to Issue TIF Notes and Pledge Revenues. The Village represents that it is duly authorized under all applicable laws to authorize and issue the TIF Notes, to adopt the Ordinance and to pledge the Incremental Taxes to the Pledged Amounts in the manner and to the extent provided in the Ordinance. The Incremental Taxes will be free and clear of any pledge, lien, charge or encumbrance thereon, or with respect thereto prior to, or of equal rank with, the pledge created by the Ordinance, and all corporate or other action on the part of the Village to that end has been and will be duly and validly taken. The TIF Notes and the provisions of the Ordinance are and will be the valid and legally enforceable limited obligations of the Village to the extent provided in the Act in accordance with their terms and the terms of the Ordinance. The Village at all times shall, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Amounts for the Registered Owner under the Ordinance and all rights of the Registered Owner under the Ordinance against all claims and demands of all Persons whomsoever.

Section 404. Further Assurances. At any and all times, the Village shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming all and singular its interest in the Pledged Amount pledged hereby for the payment of the principal and interest of TIF Note A and TIF Note B and payment of principal under TIF Note C. The Village President, the Treasurer, the Village Clerk, and the other officers of the Village are authorized to execute and deliver on behalf of the Village 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 405. Consent of Registered Owner. For any amendment of the Ordinance requiring consent of the Registered Owner, the Village shall mail a copy of the amendment together with a request to the Registered Owner for its consent, but failure to mail such copy and request shall not affect the validity of such amendment when consented to as provided in this Section. Such amendment shall not take effect in accordance with its terms, unless and until there shall have been filed with the Village Clerk the written consent of the Registered Owner. Any such consent shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the TIF Notes. A certificate of the Village Clerk that such proof is sufficient under the provisions of Section 602 of this Ordinance shall be conclusive that such consents have been given by the Registered Owner. Any such consent shall be binding upon the Registered Owner giving such consent and upon any subsequent Registered Owner whether or not the subsequent Registered Owner has notice thereof. Any consent may be delivered or filed prior to any mailing required by this Section and shall not be deemed ineffective by reason of such prior delivery or filing.

ARTICLE V

Remedies on Default

Section 501. Events of Default. Each of the following shall constitute an event of default under the Ordinance and is hereby called an “Event of Default”:

(1) a default shall be made in the observance or performance of any covenant or contract or other provision in the Ordinance and such default shall continue for a period of thirty (30) days after written notice to the Village from the Registered Owner specifying any such default and requiring the same to be remedied; or

(2) there shall be filed by the Village a petition seeking an adjustment of indebtedness under any applicable law or statute of the United States of America or of the State of Illinois.

Section 502. Enforcement by Registered Owner. Upon the happening or continuance of an Event of Default or an event which upon sufficient notice may become an Event of Default, the Registered Owner may proceed to protect and enforce any rights of the Registered Owner under the laws of the State of Illinois or under the Ordinance by such suits, actions or proceedings in equity or at law, either for specific performance of any covenant or contract contained herein or in aid or execution of any power granted or for any legal or equitable remedy as the Registered Owner shall deem most effective to protect and enforce the rights aforesaid. No remedy by the terms of the Ordinance conferred upon or reserved to the Registered Owner is intended to be exclusive of any other such remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder now or hereafter existing at law or in equity or by statute. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default shall impair any such right, power or shall be construed to be a waiver of any such default, and every right, power and remedy available to the Registered Owner may be exercised from time to time and as often as may be deemed expedient by the Registered Owner.

Section 503. No Personal Liability. No recourse shall be had for the payment of the principal or interest of the TIF Notes or for any claim based thereon or on the Ordinance against any officer of the Village, any on executing the TIF Notes; provided however, that nothing herein shall bar recourse in mandamus or otherwise to any such person or officer in his corporate as opposed to individual capacity.

ARTICLE VI

Miscellaneous

Section 601. Defeasance. If the Village shall pay or cause to be paid to the Registered Owner to an account designated by the Registered Owner the principal and interest of the TIF Notes at the times and in the manner stipulated therein and in the Ordinance until the TIF Notes are all paid in full or expire by their terms, then the pledge of the Incremental Taxes as Pledged

Amount and the covenants, agreements and other obligations of the Village to the Registered Owner shall be discharged and satisfied.

Section 602. Evidence of Ownership. The ownership of the TIF Notes, the amount, number and other identification thereof, and the dates owning same, shall be proved by the Register. The Registered Owner of TIF Note A may be the same or different entities than the Registered Owner of TIF Note B and TIF Note C. The fact and date of the execution by the Registered Owner or his attorney of any instrument may be proved by the certificate of a notary public or other officer authorized to take acknowledgements in the jurisdiction in which the person purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of any person to execute any consent or other instrument executed by or on behalf of a Registered Owner which is a corporation or other entity may be established without further proof if such instrument is signed by a person purporting to be an officer of such corporation and certified resolutions of such corporation or entity authorizing such act are furnished.

Section 603. Invalidity of Any Section. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 604. Publication. The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 605. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately from and after its passage and approval as provided by law.

Section 606. Sunset. If the Developer does not become the owner of record on or before June 3, 2019 of the RPA this Ordinance shall become null and void.

Section 607. Full Force and Effect. This Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2019

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary J. Pilafas	_____	_____	_____	_____
Trustee Gary G. Stanton	_____	_____	_____	_____
Trustee Michael Gaeta	_____	_____	_____	_____
Trustee Karen Arnet	_____	_____	_____	_____
President William D. McLeod	_____	_____	_____	_____

APPROVED THIS _____ DAY OF _____, 2019

Village President

ATTEST:

Village Clerk

Published in pamphlet form this _____ day of _____, 2019.

Exhibit A – Lakewood Center Redevelopment Agreement

ATTACHED TO AGENDA PACKET

Exhibit B-1 – TIF Note A

ATTACHED TO REDEVELOPMENT
AGREEMENT

ATTACHED TO REDEVELOPMENT
AGREEMENT

ATTACHED TO REDEVELOPMENT
AGREEMENT

EXHIBIT "F-1"

Form of TIF Note A

REGISTERED
No. R-1-A

UP TO \$43,013,600.00
Maximum Aggregate Principal Amount

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF COOK AND KANE
VILLAGE OF HOFFMAN ESTATES
TAX INCREMENT ALLOCATION REVENUE NOTE
(LAKEWOOD CENTER PROJECT), SERIES 2019-A**

REGISTERED OWNER: HOFFMAN ESTATES ACQUISITIONS LLC
 A DELAWARE LIMITED LIABILITY COMPANY

OUTSTANDING PRINCIPAL
AMOUNT: SEE **SCHEDULE A** ATTACHED HERETO

AUTHORIZATION DATE: JANUARY __, 2019

ISSUANCE DATE: JANUARY 1, _____

MATURITY DATE: DECEMBER 31, _____
 [TWENTY (20) YEARS FROM THE ISSUANCE DATE]

KNOW ALL PERSONS BY THESE PRESENTS, that the VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS (the "*Village*"), a municipality, home rule unit and municipal corporation under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay, from the source and as hereinafter provided, to the order of the Registered Owner shown above, or registered assigns as hereinafter provided, the Principal Amount shown from time to time on **Schedule A** attached hereto on the Maturity Date shown above plus any interest due hereunder.

Payment of this Note shall be made to the order of the Registered Owner hereof as shown on the registration books of the Village maintained by the Treasurer, as note registrar and paying agent (the "*Note Registrar*"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment or maturity date ("*Record Date*") and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Note Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such Registered Owner wishes to have such transfer directed.

This Note is issued by the Village as an interest-bearing obligation, with the unpaid principal balance to accrue interest at an initial interest rate of six and one half percent per annum (6.5%) (“*Interest Rate*”). Within thirty (30) days after the Project reaches Project Stabilization for the first time, as defined in that certain Redevelopment Agreement by and between the Village and Hoffman Estates Acquisitions LLC, a Delaware limited liability company, dated as of January ___, 2019 (the “*Redevelopment Agreement*”), by notice to the Village, the Registered Owner shall have the one-time right to readjust the Interest Rate, which shall thereupon be equal to 100 basis points (1.0%) above the Prime Rate (as defined herein) per annum, as of the date the Project reaches Project Stabilization for the first time. Notwithstanding adjustment to the Interest Rate, the Interest Rate shall not be greater than eight and one half percent (8.5%) per annum, regardless of the Prime Rate. The Note Registrar has no obligation to change the Interest Rate unless first requested by the Registered Owner within thirty (30) days of the initial Project Stabilization.

For the purposes of this Note, “*Prime Rate*” means the rate of interest designated as the “Prime Rate” which appears in each publication of The Wall Street Journal under the designation entitled “Money Rates” (referred to herein as the “*Wall Street Journal Prime Rate*.”) In the event that the Wall Street Journal Prime Rate cannot be ascertained from publication of The Wall Street Journal, Village and Registered Owner shall determine the Prime Rate based upon the prime or base lending rates posted by a majority of the three largest commercial banks in Chicago, Illinois.

The interest amount owed under this Note shall be calculated based on a 360-day year and charged for the actual number of days elapsed, in a fully registered form to evidence the Outstanding Principal Amount up to \$43,013,600.00, in consideration for the payment by the Developer of certain Eligible Redevelopment Project Costs in connection with the Project for the Redevelopment Project Area of the Lakewood Property, as such terms are described in the Redevelopment Agreement.

This Note is issued pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by the Illinois Tax Increment Allocation Redevelopment Act, as amended, constituting Section 74.4 of Article 11 of the Illinois Municipal Code, and all laws amendatory thereof and supplemental thereto (the “*Act*”), and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended, and 65 ILCS 5/11-74.4-7, as amended. This Note has been authorized by Ordinance No. _____-2019, entitled “An Ordinance Authorizing the Execution of a Redevelopment Agreement and the issuance of TIF Notes” by the President and Board of Trustees of the Village (the “*Note Ordinance*”), to all of the provisions of which the Registered Owner, by acceptance of this Note, assents.

Except as otherwise provided, the capitalized terms in this Note shall have the meanings as provided in the Note Ordinance or the Redevelopment Agreement. Amounts payable under this Note to the Registered Owner shall be paid by the Village to the Registered Owner, annually, no later than July 1 of each year.

All payments shall be applied first to payment of the accrued interest, and the balance on account of outstanding principal. All payments shall be made solely from Developer Account A. The Village has assigned and pledged certain rights, title and interest of the Village in and to certain incremental ad valorem real estate tax revenues from the Redevelopment Project Area which the Village is entitled to receive pursuant to the Act, in order to pay the principal and interest on this Note. Reference is hereby made to the aforesaid Note Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note, and the terms and conditions under which this Note is issued and secured.

THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. IF THE PLEDGED AMOUNT IS INSUFFICIENT TO PAY ALL THE PRINCIPAL AND INTEREST DUE UNDER THIS NOTE, THE REGISTERED OWNER SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, PROVIDED THAT ALL PLEDGED AMOUNTS REQUIRED TO BE DEPOSITED IN THE DEVELOPER ACCOUNTS FROM TIME TO TIME PURSUANT TO THE ACT AND THE NOTE ORDINANCE HAVE BEEN DEPOSITED INTO THE DEVELOPER ACCOUNTS AND THE AMOUNTS EQUAL TO THE PLEDGED AMOUNT IN EACH YEAR HAS BEEN USED SOLELY TO PAY AMOUNTS DUE UNDER THIS NOTE. THE REGISTERED OWNER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING AUTHORITY OF THE VILLAGE OR TO USE ANY FUNDS OF THE VILLAGE (OTHER THAN THE PLEDGED AMOUNT) FOR PAYMENT OF THE PRINCIPAL OF THE NOTE.

If the Village thereafter fails to make such payment to the Registered Owner, the Village shall be deemed to be in default under this Note. After any default, and notwithstanding Section 703 of the Redevelopment Agreement, the Registered Owner may bring an action in any court of competent jurisdiction to enforce payment of this Note, provided that the Registered Owner shall have first given the Village notice of its intent to bring such action and thirty (30) days to cure any such default. Failure of the Registered Owner to exercise its right to bring an action to remedy a default hereunder shall not constitute a waiver of its right to bring an action to remedy any subsequent default.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Note Registrar in Hoffman Estates, Illinois, but only in the manner, subject to the limitations provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note or authorized denomination and for the same aggregate Principal Amount will be issued and mailed to the transferee in exchange therefore. This Note shall inure to the benefit of the Registered Owner, its successors and assigns and successor holders of this Note, and shall be binding upon the Village and its successors and assigns.

The Village and the Note Registrar may deem and treat the Person in whose name this Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes, and neither the Village nor the Note Registrar shall be affected by any notice to the contrary.

The Village hereby expressly finds and determines that the Maturity Date of this Note does not exceed the earlier of (i) the date which is twenty (20) years from the Issuance Date and (ii) the date which is December 31 of the year following the twenty-third (23rd) year from the date of designation by the Corporate Authorities of the Project Area. Upon termination, this Note shall become null and void and of no effect.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the Incremental Taxes and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

If any provision of this Note is deemed void, invalid or unenforceable under applicable law, such provision is and will be deemed to be totally ineffective to that extent, but the remaining provisions shall be deemed unaffected and shall remain in full force and effect.

Whenever, under the terms hereof, principal and interest hereof shall become due and payable, the holder of this Note may pursue any remedies, legal or equitable, that are available to collect such unpaid principal, with all such remedies being cumulative and not in the alternative. The Village hereby waives presentment for payment, notices of nonpayment and dishonor, protest of dishonor and notice of protest, but does not waive notice of default or presentment of original note for final payment.

No amounts in excess of the amounts in Developer Account A shall be used to prepay this Note.

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

The forms following the signatures on this Note and **Schedule A** are an integral part of this Note as if in each case fully set forth at this place and are incorporated herein by this reference.

[note signature page to immediately follow]

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as of the date of delivery hereof, to wit, the ____ day of _____, 2019.

[SEAL]

VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS.

Village President

Village Clerk

Date of Authentication: _____, 2019

CERTIFICATE
OF
AUTHENTICATION

This Note is the Tax Increment Allocation Revenue Note (Lakewood Center Project), Series 2019, of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, described in the within-mentioned Note Ordinance.

Treasurer
Village of Hoffman Estates, Cook and Kane Counties, Illinois, as Note Registrar

By _____

NOTE REGISTRAR AND PAYING AGENT:
Treasurer Village of
Hoffman Estates, Cook and Kane Counties,
Illinois

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint

as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____.

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

Signature guaranteed: _____

By: _____

Its: _____

SCHEDULE A

1-16-19

CERTIFICATE OF OUTSTANDING PRINCIPAL AMOUNT
(LAKEWOOD CENTER PROJECT), SERIES 2019

This Note is valid to the current Outstanding Principal Amount set forth below in Column I below as of the date of the endorsement noted in Column B below.

A	B	C	C-1	D	E	F	F-1	G	G-1	H	I	J
Requested For Reimbursement Or Adjustment	Date of this Endorsement	Amount of TIF Approved Reimbursement (Current request TIF Approved Costs)	Running Total of Column C	Total Project Costs to Date	Maximum Reimbursement Amount to Date (the lesser of 30% of Column D or \$53,767,000)	Authorized Payment for Current Request (lesser of Column C or E)	Running Total of Column F	Authorized Adjustment (Use only if Column D is increased and C-1 is greater than E) (Enter the lesser of 30% of Column D Increase or E minus F-1)	Total of G	Prior Outstanding Principal Amount F-1 plus C-1 from the prior line	Current Outstanding Principal Amount (Column H plus Column F or G)	Authorized Village Signatory
No. 1	--20									0		
No. 2	--20											
No. 3	--20											
No. 4	--20											
No. 5	--20											
No. 6	--20											
No. 7	--20											
No. 8	--20											

- Use separate entry lines for Reimbursement or Adjustments (cannot enter both Column F and G on any single line).
- Interest calculated by registrar when note payments are made.

EXHIBIT "F-2"

Form of TIF Note B

REGISTERED
No. R-1-B

UP TO \$10,753,400.00
Maximum Aggregate Principal Amount

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF COOK AND KANE
VILLAGE OF HOFFMAN ESTATES
TAX INCREMENT ALLOCATION REVENUE NOTE
(LAKEWOOD CENTER PROJECT), SERIES 2019-B**

REGISTERED OWNER: HOFFMAN ESTATES ACQUISITIONS LLC
 A DELAWARE LIMITED LIABILITY COMPANY

OUTSTANDING PRINCIPAL
AMOUNT: SEE **SCHEDULE A** ATTACHED HERETO

AUTHORIZATION DATE: JANUARY __, 2019

ISSUANCE DATE: JANUARY 1, _____

MATURITY DATE: DECEMBER 31, _____
 [TWENTY (20) YEARS FROM THE ISSUANCE DATE]

KNOW ALL PERSONS BY THESE PRESENTS, that the VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS (the "*Village*"), a municipality, home rule unit and municipal corporation under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay, from the source and as hereinafter provided, to the order of the Registered Owner shown above, or registered assigns as hereinafter provided, the Principal Amount shown from time to time on **Schedule A** attached hereto on the Maturity Date shown above plus any interest due hereunder.

Payment of this Note shall be made to the order of the Registered Owner hereof as shown on the registration books of the Village maintained by the Treasurer, as note registrar and paying agent (the "*Note Registrar*"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment or maturity date ("*Record Date*") and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Note Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such Registered Owner wishes to have such transfer directed.

This Note is issued by the Village as an interest-bearing obligation, with the unpaid principal balance to accrue interest at an initial interest rate of six and one half percent per annum (6.5%) (“*Interest Rate*”). Within thirty (30) days after the Project reaches Project Stabilization for the first time, as defined in that certain Redevelopment Agreement by and between the Village and Hoffman Estates Acquisitions LLC, a Delaware limited liability company, dated as of January __, 2019 (the “*Redevelopment Agreement*”), by notice to the Village, the Registered Owner shall have the one-time right to readjust the Interest Rate, which shall thereupon be equal to 100 basis points (1.0%) above the Prime Rate (as defined herein) per annum, as of the date the Project reaches Project Stabilization for the first time. Notwithstanding adjustment to the Interest Rate, the Interest Rate shall not be greater than eight and one half percent (8.5%) per annum, regardless of the Prime Rate. The Note Registrar has no obligation to change the Interest Rate unless first requested by the Registered Owner within thirty (30) days of the initial Project Stabilization.

For the purposes of this Note, “*Prime Rate*” means the rate of interest designated as the “Prime Rate” which appears in each publication of The Wall Street Journal under the designation entitled “Money Rates” (referred to herein as the “*Wall Street Journal Prime Rate*.”) In the event that the Wall Street Journal Prime Rate cannot be ascertained from publication of The Wall Street Journal, Village and Registered Owner shall determine the Prime Rate based upon the prime or base lending rates posted by a majority of the three largest commercial banks in Chicago, Illinois.

The interest amount owed under this Note shall be calculated based on a 360-day year and charged for the actual number of days elapsed, in a fully registered form to evidence the Outstanding Principal Amount up to \$10,753,400.00, in consideration for the payment by the Developer of certain Eligible Redevelopment Project Costs in connection with the Project for the Redevelopment Project Area of the Lakewood Property, as such terms are described in the Redevelopment Agreement.

This Note is issued pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by the Illinois Tax Increment Allocation Redevelopment Act, as amended, constituting Section 74.4 of Article 11 of the Illinois Municipal Code, and all laws amendatory thereof and supplemental thereto (the “*Act*”), and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended, and 65 ILCS 5/11-74.4-7, as amended. This Note has been authorized by Ordinance No. _____-2019, entitled “An Ordinance Authorizing the Execution of a Redevelopment Agreement and the issuance of TIF Notes” by the President and Board of Trustees of the Village (the “*Note Ordinance*”), to all of the provisions of which the Registered Owner, by acceptance of this Note, assents.

Except as otherwise provided, the capitalized terms in this Note shall have the meanings as provided in the Note Ordinance or the Redevelopment Agreement. Amounts payable under this Note to the Registered Owner shall be paid by the Village to the Registered Owner, annually, no later than July 1 of each year.

All payments shall be applied first to payment of the accrued interest, and the balance on account of outstanding principal. All payments shall be made solely from Developer Account B. The Village has assigned and pledged certain rights, title and interest of the Village in and to certain incremental ad valorem real estate tax revenues from the Redevelopment Project Area which the Village is entitled to receive pursuant to the Act, in order to pay the principal and interest on this Note. Reference is hereby made to the aforesaid Note Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note, and the terms and conditions under which this Note is issued and secured.

THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. IF THE PLEDGED AMOUNT IS INSUFFICIENT TO PAY ALL THE PRINCIPAL AND INTEREST DUE UNDER THIS NOTE, THE REGISTERED OWNER SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, PROVIDED THAT ALL PLEDGED AMOUNTS REQUIRED TO BE DEPOSITED IN THE DEVELOPER ACCOUNTS FROM TIME TO TIME PURSUANT TO THE ACT AND THE NOTE ORDINANCE HAVE BEEN DEPOSITED INTO THE DEVELOPER ACCOUNTS AND THE AMOUNTS EQUAL TO THE PLEDGED AMOUNT IN EACH YEAR HAS BEEN USED SOLELY TO PAY AMOUNTS DUE UNDER THIS NOTE. THE REGISTERED OWNER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING AUTHORITY OF THE VILLAGE OR TO USE ANY FUNDS OF THE VILLAGE (OTHER THAN THE PLEDGED AMOUNT) FOR PAYMENT OF THE PRINCIPAL OF THE NOTE.

If the Village thereafter fails to make such payment to the Registered Owner, the Village shall be deemed to be in default under this Note. After any default, and notwithstanding Section 703 of the Redevelopment Agreement, the Registered Owner may bring an action in any court of competent jurisdiction to enforce payment of this Note, provided that the Registered Owner shall have first given the Village notice of its intent to bring such action and thirty (30) days to cure any such default. Failure of the Registered Owner to exercise its right to bring an action to remedy a default hereunder shall not constitute a waiver of its right to bring an action to remedy any subsequent default.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Note Registrar in Hoffman Estates, Illinois, but only in the manner, subject to the limitations provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note or authorized denomination and for the same aggregate Principal Amount will be issued and mailed to the transferee in exchange therefore. This Note shall inure to the benefit of the Registered Owner, its successors and assigns and successor holders of this Note, and shall be binding upon the Village and its successors and assigns.

The Village and the Note Registrar may deem and treat the Person in whose name this Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes, and neither the Village nor the Note Registrar shall be affected by any notice to the contrary.

The Village hereby expressly finds and determines that the Maturity Date of this Note does not exceed the earlier of: (i) the date which is twenty (20) years from the Issuance Date; (ii) the date which is December 31 of the year following the twenty-third (23rd) year from the date of designation by the Corporate Authorities of the Project Area; or (iii) the date on which all amounts due and payable under this Note are paid in full. Upon termination, this Note shall become null and void and of no effect.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the Incremental Taxes and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

If any provision of this Note is deemed void, invalid or unenforceable under applicable law, such provision is and will be deemed to be totally ineffective to that extent, but the remaining provisions shall be deemed unaffected and shall remain in full force and effect.

Whenever, under the terms hereof, principal and interest hereof shall become due and payable, the holder of this Note may pursue any remedies, legal or equitable, that are available to collect such unpaid principal, with all such remedies being cumulative and not in the alternative. The Village hereby waives presentment for payment, notices of nonpayment and dishonor, protest of dishonor and notice of protest, but does not waive notice of default or presentment of original note for final payment.

The Village may prepay all or any of this Note with no penalty.

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

The forms following the signatures on this Note and **Schedule A** are an integral part of this Note as if in each case fully set forth at this place and are incorporated herein by this reference.

[note signature page to immediately follow]

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as of the date of delivery hereof, to wit, the ____ day of _____, 2019.

[SEAL]

VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS.

Village President

Village Clerk

Date of Authentication: _____, 2019

CERTIFICATE
OF
AUTHENTICATION

This Note is the Tax Increment Allocation Revenue Note (Lakewood Center Project), Series 2019, of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, described in the within-mentioned Note Ordinance.

Treasurer
Village of Hoffman Estates, Cook and Kane Counties, Illinois, as Note Registrar

By _____

NOTE REGISTRAR AND PAYING AGENT:
Treasurer Village of
Hoffman Estates, Cook and Kane Counties,
Illinois

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint

as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____.

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

Signature guaranteed: _____

By: _____

Its: _____

SCHEDULE A

1-16-19

CERTIFICATE OF OUTSTANDING PRINCIPAL AMOUNT
(LAKEWOOD CENTER PROJECT), SERIES 2019

This Note is valid to the current Outstanding Principal Amount set forth below in Column I below as of the date of the endorsement noted in Column B below.

A	B	C	C-1	D	E	F	F-1	G	G-1	H	I	J
Requested For Reimbursement Or Adjustment	Date of this Endorsement	Amount of TIF Approved Reimbursement (Current request TIF Approved Costs)	Running Total of Column C	Total Project Costs to Date	Maximum Reimbursement Amount to Date (the lesser of 30% of Column D or \$53,767,000)	Authorized Payment for Current Request (lesser of Column C or E)	Running Total of Column F	Authorized Adjustment (Use only if Column D is increased and C-1 is greater than E) (Enter the lesser of 30% of Column D increase or E minus F-1)	Total of G	Prior Outstanding Principal Amount F-1 plus G-1 from the prior line	Current Outstanding Principal Amount (Column H plus Column F or G)	Authorized Village Signatory
No. 1	-20									0		
No. 2	-20											
No. 3	-20											
No. 4	-20											
No. 5	-20											
No. 6	-20											
No. 7	-20											
No. 8	-20											

- Use separate entry lines for Reimbursement or Adjustments (cannot enter both Column F and G on any single line).
- Interest calculated by registrar when note payments are made.

EXHIBIT "F-3"

Form of TIF Note C

REGISTERED
NO. R-1-C

PRINCIPAL AMOUNT
PURSUANT TO SECTION 601 OF
REDEVELOPMENT AGREEMENT

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF COOK AND KANE
VILLAGE OF HOFFMAN ESTATES
TAX INCREMENT ALLOCATION REVENUE NOTE
(LAKEWOOD CENTER PROJECT), SERIES 2019-C**

REGISTERED OWNER: HOFFMAN ESTATES ACQUISITIONS LLC
 A DELAWARE LIMITED LIABILITY COMPANY

OUTSTANDING PRINCIPAL
AMOUNT: PURSUANT TO SECTION 601 OF
 REDEVELOPMENT AGREEMENT

AUTHORIZATION DATE: JANUARY ___, 2019

ISSUANCE DATE: JANUARY 1, 2023

MATURITY DATE: DECEMBER 31, 2043

KNOW ALL PERSONS BY THESE PRESENTS, that the VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS (the "*Village*"), a municipality, home rule unit and municipal corporation under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay, from the source and as hereinafter provided, to the order of the Registered Owner shown above, or registered assigns as hereinafter provided, the Principal Amount for any amounts due from the Village to the Developer for any Developer Tax Recapture as provided in Section 601 of that certain Redevelopment Agreement by and between the Village and Hoffman Estates Acquisitions LLC, a Delaware limited liability company, dated as of January ___, 2019 (the "*Redevelopment Agreement*").

Payment of this Note shall be made to the order of the Registered Owner hereof as shown on the registration books of the Village maintained by the Treasurer, as note registrar and paying agent (the "*Note Registrar*"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment or maturity date ("*Record Date*") and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Note Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing

number and the name and account number to which such Registered Owner wishes to have such transfer directed.

This Note is issued by the Village, shall not bear interest and shall be paid in consideration for the payment by the Developer of certain Eligible Redevelopment Project Costs in connection with the Project for the Redevelopment Project Area of the Lakewood Property, as such terms are described in the Redevelopment Agreement. The initial principal amount of this Note shall be zero dollars (\$0); shall have a principal amount equal to the Developer Tax Recapture under Section 601 of the Development Agreement; and, only be payable upon Developer Tax Recapture due and payable from the Village pursuant to the Redevelopment Agreement.

This Note is issued pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by the Illinois Tax Increment Allocation Redevelopment Act, as amended, constituting Section 74.4 of Article 11 of the Illinois Municipal Code, and all laws amendatory thereof and supplemental thereto (the "*Act*"), and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended, and 65 ILCS 5/11-74.4-7, as amended. This Note has been authorized by Ordinance No. _____-2019, entitled "An Ordinance Authorizing the Execution of a Redevelopment Agreement and the issuance of TIF Notes" by the President and Board of Trustees of the Village (the "*Note Ordinance*"), to all of the provisions of which the Registered Owner, by acceptance of this Note, assents.

Except as otherwise provided, the capitalized terms in this Note shall have the meanings as provided in the Note Ordinance or the Redevelopment Agreement. Once there are any amounts payable under this Note to the Registered Owner as Developer Tax Recapture as provided in Section 601 of the Redevelopment Agreement, such amounts are immediately due and payable and shall be paid by the Village pursuant to this Note within sixty (60) days after the second installment of property taxes for the year due has been paid in full by the Developer.

All payments shall be made from Developer Account C or as otherwise provided in the Note Ordinance. The Village has assigned and pledged certain rights, title and interest of the Village in and to certain incremental ad valorem real estate tax revenues from the Redevelopment Project Area which the Village is entitled to receive pursuant to the Act, in order to pay the principal on this Note. Reference is hereby made to the aforesaid Note Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note, and the terms and conditions under which this Note is issued and secured.

THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. IF THE PLEDGED AMOUNT OR OTHER AMOUNTS IN THE FUND AS PROVIDED IN THE NOTE ORDINANCE ARE INSUFFICIENT TO PAY ALL THE PRINCIPAL DUE UNDER THIS NOTE, THE REGISTERED OWNER

SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, PROVIDED THAT ALL PLEDGED AMOUNTS AND AMOUNTS FROM THE FUND REQUIRED TO BE DEPOSITED IN THE DEVELOPER ACCOUNTS FROM TIME TO TIME PURSUANT TO THE ACT AND THE NOTE ORDINANCE HAVE BEEN DEPOSITED INTO THE DEVELOPER ACCOUNTS AND THE AMOUNTS EQUAL TO THE PLEDGED AMOUNT IN EACH YEAR HAS BEEN USED TO PAY AMOUNTS DUE UNDER THIS NOTE. THE REGISTERED OWNER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING AUTHORITY OF THE VILLAGE OR TO USE ANY OTHER FUNDS OF THE VILLAGE FOR PAYMENT OF THE PRINCIPAL OF THE NOTE.

If the Village thereafter fails to make such payment to the Registered Owner, the Village shall be deemed to be in default under this Note. After any default, and notwithstanding Section 703 of the Redevelopment Agreement, the Registered Owner may bring an action in any court of competent jurisdiction to enforce payment of this Note, provided that the Registered Owner shall have first given the Village notice of its intent to bring such action and thirty (30) days to cure any such default. Failure of the Registered Owner to exercise its right to bring an action to remedy a default hereunder shall not constitute a waiver of its right to bring an action to remedy any subsequent default.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Note Registrar in Hoffman Estates, Illinois, but only in the manner, subject to the limitations provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note or authorized denomination and for the same aggregate Principal Amount will be issued and mailed to the transferee in exchange therefore. This Note shall inure to the benefit of the Registered Owner, its successors and assigns and successor holders of this Note, and shall be binding upon the Village and its successors and assigns.

The Village and the Note Registrar may deem and treat the Person in whose name this Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes, and neither the Village nor the Note Registrar shall be affected by any notice to the contrary.

The Village hereby expressly finds and determines that the Maturity Date of this Note does not exceed the earlier of: (i) the date which is twenty (20) years from the Issuance Date; or (ii) the date which is December 31 of the year following the twenty-third (23rd) year from the date of designation by the Corporate Authorities of the Project Area. Upon termination, this Note shall become null and void and of no effect.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the Incremental Taxes and

that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

If any provision of this Note is deemed void, invalid or unenforceable under applicable law, such provision is and will be deemed to be totally ineffective to that extent, but the remaining provisions shall be deemed unaffected and shall remain in full force and effect.

Whenever, under the terms hereof, principal hereof shall become due and payable, the holder of this Note may pursue any remedies, legal or equitable, that are available to collect such unpaid principal, with all such remedies being cumulative and not in the alternative. The Village hereby waives presentment for payment, notices of nonpayment and dishonor, protect of dishonor and notice of protest, but does not waive notice of default or presentment of original note for final payment.

The Village may prepay all or any of this Note with no penalty.

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

The forms following the signatures on this Note and Schedule A are an integral part of this Note as if in each case fully set forth at this place and are incorporated herein by this reference.

[note signature page to immediately follow]

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as of the date of delivery hereof, to wit, the ____ day of _____, 2019.

[SEAL]

VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS.

Village President

Village Clerk

Date of Authentication: _____, 2019

CERTIFICATE
OF
AUTHENTICATION

This Note is the Tax Increment Allocation Revenue Note (Lakewood Center Project), Series 2019, of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, described in the within-mentioned Note Ordinance.

Treasurer
Village of Hoffman Estates, Cook and Kane Counties, Illinois, as Note Registrar

By _____

NOTE REGISTRAR AND PAYING AGENT:
Treasurer Village of
Hoffman Estates, Cook and Kane Counties,
Illinois

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

[Empty rectangular box for identification number]

Here insert Social Security Number, Employer Identification Number or other Identifying Number

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint

as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____.

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

Signature guaranteed: _____

By: _____

Its: _____

SCHEDULE A

**CERTIFICATE OF OUTSTANDING PRINCIPAL AMOUNT
(LAKEWOOD CENTER PROJECT), SERIES 2019**

This Note is valid to the Outstanding Principal Amount set forth below in column E below as of the date of the endorsement noted in column B below.

A (+) Requested For Reimbursement	B Date of this Endorsement	C Maximum Reimbursement Amount	D (-) Prior Principal Payments	E Outstanding Principal Amount	F Authorized Village Signatory
No. 1 ____	__-__-2019	_____	_____	_____	_____
No. 2 ____	__-__-2019	_____	_____	_____	_____
No. 3 ____	__-__-2020	_____	_____	_____	_____
No. 4 ____	__-__-2021	_____	_____	_____	_____
No. 5 ____	__-__-2022	_____	_____	_____	_____
No. 6 ____	__-__-2023	_____	_____	_____	_____
No. 7 ____	__-__-2024	_____	_____	_____	_____
No. 8 ____	__-__-2025	_____	_____	_____	_____

EXHIBIT "G"

Form of Certificate of Completion

The undersigned, **HOFFMAN ESTATES ACQUISITIONS LLC**, a Delaware limited liability company (the "*Developer*"), pursuant to that certain Redevelopment Agreement dated as of _____, 2019, between the Village of Hoffman Estates, Cook County, Illinois (the "*Village*"), and the Developer (the "*Agreement*"), hereby certifies to the Village as follows:

1. That as of _____, the construction, renovation, repairing, equipping and constructing of the _____ Component of the Project (as that term is defined in the Agreement) also known as _____ has been completed in accordance with the Final Project Documents approved by the Corporate Authorities and referenced as Village Project Number _____.
2. The Work has been performed in accordance with the Construction Plans (as those terms are defined in the Agreement).
3. The Developer is issuing this Certificate of Completion to the Village in accordance with the Agreement to evidence the Developer's satisfaction of all material obligations and covenants with respect to the construction of the _____ Component of the Project.

The Developer may record this Certificate in the office of the Cook County Record of Deeds. This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being. Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

HOFFMAN ESTATES ACQUISITIONS LLC

By: _____

Name:

Title:

DATE: _____

EXHIBIT "H"

Construction Budget

Table 18: Detailed Development Costs

Development Costs	SBF Adjustment
Acquisition Costs	
<i>Acquisition / Land Sale</i>	\$16,400,000
<i>Closing Costs</i>	\$1,050,000
<i>Closing Costs- construction</i>	\$892,301
Total Acquisition Costs	\$18,342,301
Hard Construction Costs	
<i>Office Tenant Improvements</i>	\$68,204,952
<i>Retail Tenant Improvements</i>	\$7,578,328
<i>Total Tenant Improvements</i>	\$75,783,280
<i>Land Lord Lease Obligations</i>	\$36,491,640
<i>Deferred Maintenance</i>	\$14,484,713
<i>Site Work/Parking Lots/Landscaping</i>	\$2,448,620
<i>Lobby/Atrium/Conference Improvements</i>	\$23,900,000
Total Hard Construction Costs	\$153,108,253
Soft Costs	\$16,583,577
TOTAL DEVELOPMENT COSTS	\$188,034,131

Source: Somerset Development and SB Friedman

EXHIBIT "I"

Form of Request for Reimbursement

[Date]

Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169
Attention: Village Manager

Re: Redevelopment Agreement, dated _____, 2019
By and Between the Village of Hoffman Estates, Illinois and
Hoffman Estates Acquisitions LLC (the "**Developer**").

You are requested to disburse funds from the Special Tax Allocation Fund pursuant to the Note Ordinance and Article V of the Redevelopment Agreement described above in the amount(s), to the person(s) and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1. REQUEST FOR REIMBURSEMENT NO.: _____
2. PAYMENT DUE TO: _____
3. FOR THIS REQUEST FOR REIMBURSEMENT, THE DEVELOPER REQUESTS THE VILLAGE TO APPROVE THE FOLLOWING EXPENDITURES AS HAVING BEEN INCURRED BY THE DEVELOPER AND AS CONSTITUTING ELIGIBLE REDEVELOPMENT PROJECT COSTS AND TOTAL PROJECT COSTS, PURSUANT TO SECTION 403 OF THE REDEVELOPMENT AGREEMENT:
 - a. AMOUNT TO BE APPROVED FOR REIMBURSEMENT AS ELIGIBLE REDEVELOPMENT PROJECT COSTS:

\$ _____
 - b. TOTAL PROJECT COSTS INCURRED SINCE DATE OF LAST REQUEST FOR REIMBURSEMENT:

\$ _____
4. The Developer certifies that:
 - (i) the amounts to be reimbursed pursuant to this Request for Reimbursement were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the Construction Plans and Final Project Documents heretofore in effect;

(ii) the expenditures representing Eligible Redevelopment Project Costs and Total Project Costs have been properly recorded on the Developer's books, and a correct summary of such costs are set forth in Schedule 1 attached hereto, and the information required in Section 403 is herewith provided to the Village for all sums for which reimbursement is requested;

(iii) the Eligible Redevelopment Project Costs set forth in Schedule 1 have been paid by the Developer and are reimbursable under the Act, the Note Ordinance and the Redevelopment Agreement, and each item listed on Schedule 1 has not previously been paid or reimbursed from money derived from the Fund or any money derived from any project fund established pursuant to the Note Ordinance, and no part thereof has been included in any other certificate previously filed with the Village;

(iv) the expenditures for which reimbursement is sought are not greater than those necessary to reimburse the Developer for its funds actually paid for Eligible Redevelopment Project Costs; and

(v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under Redevelopment Agreement.

HOFFMAN ESTATES ACQUISITIONS LLC

By: _____

Title: _____

Date: _____

VILLAGE APPROVAL

The aggregate Eligible Redevelopment Project Costs now approved by the Village under Requests for Reimbursement Nos. 1, __, __ and __ are a total of: \$_____;

The Total Project Costs incurred and documented by the Developer under Requests for Reimbursement Nos. 1, __, __ and __ are a total of: \$_____; and

The Maximum Reimbursement Amount now equals: \$_____.

**APPROVED BY THE
VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

By: _____
Village Manager

Date of Approval by the Village: _____.

Exhibit J
Tax Disbursement Schedule

Distribution of Incremental Taxes				
50-50, 95-5, 50-50				
<u>Year</u>	<u>Developer Account*</u>	<u>Village Account</u>	<u>Total</u>	<u>Breakdown</u>
<u>1</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>2</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>3</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>4</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>5</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>6</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>7</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>8</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>9</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>10</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>11</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>12</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>13</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>14</u>	<u>95.00%</u>	<u>5.00%</u>	<u>100%</u>	<u>95/5</u>
<u>15</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>16</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>17</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>18</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>19</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>20</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>21</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>22</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>23</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>24</u>	<u>50.00%</u>	<u>50.00%</u>	<u>100%</u>	<u>50/50</u>
<u>*</u>	<u>Until TIF Note is paid in full</u>			

EXHIBIT K

Target Property Taxes

Calendar Year	Target Property Taxes [1]
2019	\$2,288,723
2020	\$2,358,073
2021	\$2,358,073
2022	\$6,316,936
2023	\$7,390,523
2024	\$8,823,569
2025	\$9,094,982
2026	\$9,370,569
2027	\$9,370,569
2028	\$9,370,569
2029	\$9,654,507
2030	\$9,654,507
2031	\$9,654,507
2032	\$9,947,048
2033	\$9,947,048
2034	\$9,947,048
2035	\$10,248,454
2036	\$10,248,454
2037	\$10,248,454
2038	\$10,558,992
2039	\$10,558,992
2040	\$10,558,992
2041	\$10,878,940
2042	\$10,878,940
2043	\$10,878,940

[1]: Property tax revenue collected one year in arrears. For example, the Target Property Taxes indicated for Calendar Year 2019 relate to the assessments for 2018.

EXHIBIT "L"

DISCLOSURE AFFIDAVIT

State of Illinois)
)
County of Cook)

THE DEVELOPER MUST SIGN THIS AFFIDAVIT

I, _____, reside at _____, County of _____, State of _____, having personal knowledge of the below facts, affirm under penalties of perjury to the following:

That I am over the age of eighteen and am the Developer.

That the Redevelopment Project Area in question has a common street address referred to as: _____, in the Village of Hoffman Estates, County of Cook, State of Illinois, and with a Property Index Number(s) shown in the exhibit attached hereto (hereinafter "RPA").

That I understand that pursuant to 50 ILCS 105/3.1, prior to execution of the Redevelopment Agreement between the Developer and the Village, state law requires the owner, authorized trustee, corporate official or managing agent to submit a sworn affidavit to the Village disclosing the identity of every owner and beneficiary who will obtain any interest, real or personal, in the RPA, and every shareholder who will be entitled to receive more than 7.5% of the total distributable income of any corporation having any interest, real or personal, in the RPA after this transaction is consummated.

As the owner, authorized trustee, corporate officer, or managing agent, I declare under penalties of perjury that (choose one):

- (a) The owners or beneficiaries of the trust are: or
- (b) The shareholders with more than 7 1/2% interest are: or
- (c) The corporation is publicly traded and there is no readily known individual having greater than a 7 1/2% interest in the corporation.

This instrument is made to induce the Village to enter into the Redevelopment Agreement and in accordance with 50 ILCS 105/3.1.

Affiant: _____

Subscribed and sworn to before me this ____ day of _____, 2019.

Notary Public