

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

Name of Redevelopment Project Area: North York Street (Elmhurst TIF 4)
Primary Use of Redevelopment Project Area*: Retail
If "Combination/Mixed" List Component Types:
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E (Please contact the City for copies of the Exhibits to the Agreement)		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M		X

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

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

Provide an analysis of the special tax allocation fund.

FY 2015

TIF NAME: North York Street (Elmhurst TIF 4)

Fund Balance at Beginning of Reporting Period

\$ (254,292)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 298,248	\$ 439,646	9%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ -	\$ 4	0%
Land/Building Sale Proceeds	\$ 1,664,901	\$ 1,664,901	32%
Bond Proceeds	\$ -	\$ 2,998,000	58%
Transfers from Municipal Sources	\$ -	\$ -	0%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ 56,588	1%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 1,963,149

Cumulative Total Revenues/Cash Receipts

\$ 5,159,139 100%

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

\$ 2,373,450

Distribution of Surplus

\$ -

Total Expenditures/Disbursements

\$ 2,373,450

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ (410,301)

FUND BALANCE, END OF REPORTING PERIOD*

\$ (664,593)

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

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3)

\$ (3,662,593)

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

FY 2015

TIF NAME: North York Street (Elmhurst TIF 4)

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

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

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Contractual Services - Professional and Consultant Fees	112,092	
Other Expense	1,218	
		\$ 113,310
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
Other Public Improvements - Morningside/Elmhurst 255 RDA	2,230,688	
		\$ 2,230,688
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

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

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

FY 2015

TIF NAME: North York Street (Elmhurst TIF 4)

FUND BALANCE, END OF REPORTING PERIOD \$ (664,593)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Taxable G.O. Note Payable orig. dated 8/1/94 (Line of Credit)	\$ 2,386,299	\$ 2,998,000

Total Amount Designated for Obligations \$ 2,386,299 \$ 2,998,000

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 2,998,000

SURPLUS*/(DEFICIT) \$ (3,662,593)

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

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

FY 2015

TIF NAME: North York Street (Elmhurst TIF 4)

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

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

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

FY 2015

TIF NAME: North York Street (Elmhurst TIF 4)

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

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			4
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 58,266,396	\$ 31,577,598	\$ -
Public Investment Undertaken	\$ 5,250,700	\$ 1,927,452	\$ 500,000
Ratio of Private/Public Investment	11 3/31		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE**Construction of Mariano's Fresh Market**

Private Investment Undertaken (See Instructions)	\$ 18,000,000	\$ -	\$ -
Public Investment Undertaken	\$ 1,250,000	\$ -	\$ -
Ratio of Private/Public Investment	14 2/5		0

Project 2:**Hahn Street Redevelopment Project (Does not include Public Investment of \$7,683,000 for land acquisition costs in TIF I)**

Private Investment Undertaken (See Instructions)	\$ 32,366,396	\$ 21,577,598	\$ -
Public Investment Undertaken	\$ 4,000,700	\$ 1,927,452	\$ -
Ratio of Private/Public Investment	8 1/11		0

Project 3:**Larry Roesch Chrysler-Jeep Dodge Redevelopment Project (acquisition and renovations)**

Private Investment Undertaken (See Instructions)	\$ 3,900,000	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 4:**Paragon Elmhurst Center, LLC**

Private Investment Undertaken (See Instructions)	\$ 4,000,000	\$ 10,000,000	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ 500,000
Ratio of Private/Public Investment	0		0

Project 5:

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

Project 6:

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2015

TIF NAME: North York Street (Elmhurst TIF 4)

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2012	\$ 31,832,410	\$ 28,564,410

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
DuPage County	\$ -
DuPage County Forest Preserve	\$ -
DuPage Water Commission	\$ -
DuPage Airport Authority	\$ -
Addison Township	\$ -
Addison Township Road	\$ -
York Township	\$ -
York Township Road	\$ -
Elmhurst Public Library	\$ -
Elmhurst Park District	\$ -
Unit School District #205	\$ -
Junior College #502	\$ -
City of Elmhurst / SSAs	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
<i>Information not available at this time</i>			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

Documents have been provided with previous TIF reports

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	



CITY OF ELMHURST
209 NORTH YORK STREET
ELMHURST, ILLINOIS 60126-2759
(630) 530-3000
www.elmhurst.org

STEVEN M. MORLEY
MAYOR
PATTY SPENCER
CITY CLERK
ELAINE LIBOVICZ
CITY TREASURER
JAMES A. GRABOWSKI
CITY MANAGER

June 24, 2016

Office of the Comptroller
Local Government Division
James R. Thompson Center
100 West Randolph Street
Suite 15-500
Chicago, Illinois 60601

RE: CITY OF ELMHURST, ILLINOIS
TAX INCREMENT REDEVELOPMENT PROJECT AREA NO. 4
NORTH YORK STREET TIF DISTRICT

Dear Ladies and Gentlemen:

I, Steven M. Morley, hold the position of Mayor of the City of Elmhurst, DuPage and Cook Counties, Illinois. I certify that, to the best of my knowledge, during the Fiscal Year ending December 31, 2015 the City complied with all the applicable requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et al.* (State Bar Ed. 2010).

Sincerely,

CITY OF ELMHURST

By: _____

Steven M. Morley, Mayor

BWB/tt

ATTACHMENT B
(TIF 4)

LAW OFFICES

STORINO, RAMELLO & DURKIN

9501 WEST DEVON AVENUE
ROSEMONT, ILLINOIS 60018

(847) 318-9500

FACSIMILE (847) 318-9509

June 24, 2016

DONALD J. STORINO
MICHAEL K. DURKIN
RICHARD J. RAMELLO
NICHOLAS S. PEPPERS
THOMAS M. BASTIAN
ANGELO F. DEL MARTO
JAMES E. MACHOLL
BRIAN W. BAUGH
ANTHONY J. CASALE
ANDREW Y. ACKER
PETER A. PACIONE
MELISSA M. WOLF
MATTHEW G. HOLMES
MICHAEL R. DURKIN

THOMAS J. HALLERAN
ERIN C. TINAGLIA
ADAM R. DURKIN

JOSEPH G. KUSPER
MARK R. STEPHENS
BRYAN J. BERRY
ANN M. WILLIAMS
LEONARD P. DIORIO
RICHARD F. PELLEGRINO
DONALD J. STORINO II

OF COUNSEL

IN REPLY REFER TO FILE NO.

Office of the Comptroller
Local Government Division
James R. Thompson Center
100 W. Randolph Street, Ste. 15-500
Chicago, Illinois 60601

ELMH-1

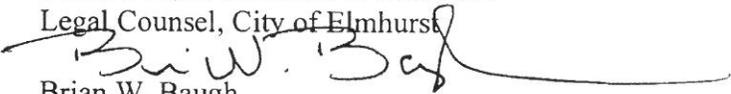
**RE: CITY OF ELMHURST, ILLINOIS
TAX INCREMENT REDEVELOPMENT PROJECT AREA NO. 4
NORTH YORK STREET TIF DISTRICT**

Dear Ladies and Gentlemen:

We do hereby certify that the law firm of Storino, Ramello & Durkin serves as Legal Counsel for the City of Elmhurst, Illinois. We further state that to the best of our knowledge and belief, during the Fiscal Year ending December 31, 2015, the City was in compliance with the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4, *et seq.* (State Bar Ed. 2014)] for the above TIF district; provided, no opinion is rendered regarding the timeliness of any reports filed by the City pursuant to the Act.

This opinion is rendered solely for your information and no other parties shall be entitled to rely on any matters set forth herein without the express written consent of the undersigned. This opinion is limited to the matters set forth herein and no opinion may be inferred or implied beyond that expressly stated.

STORINO, RAMELLO & DURKIN
Legal Counsel, City of Elmhurst


Brian W. Baugh

BWB/dcs
604932.1

ATTACHMENT C
(TIF IV)

NORTH YORK STREET (TIF 4)
Section 2 – Activities Statement
For period ended 12/31/15

- 1) **Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken.**

Redevelopment – Previously, the City Council approved Resolution (R-51-2012) approving a redevelopment agreement with York Street Ventures for the development of a Mariano’s Fresh Market. As part of the agreement, an economic incentive of \$1.25M will be provided to the developer - \$625,000 upon opening and \$625,000 180 days later. During FY 2014, the City paid the second installment of \$625,000 to York Street Ventures for the development of the Mariano’s Fresh Market.

During fiscal year 2014, the City selected Morningside Hahn, LLC to be the designated developer of the City-owned Hahn Street property for a six story mixed use retail/apartment development with private and public parking and a civic plaza. Based on the selection, the City and Morningside entered into a Memorandum of Understanding to provide a one hundred and eighty (180) day period where Morningside will be the designated developer. **During fiscal year 2015, the City Council approved an Ordinance (O-24-2015) authorizing the execution of the redevelopment agreement by and between Morningside Hahn, LLC and the City of Elmhurst (see Section E attachment).**

During fiscal year 2015, the City Council approved an Ordinance (O-41-2015) vacating a portion of Hahn Street and the adjacent southbound public alley to facilitate the development of the Hahn Street properties by Morningside Hahn, LLC for a mixed use commercial residential development. During the previous fiscal year, the City Council approved an Ordinance (ZO-14-2014) granting a conditional use permit and associated variations for the development of the Hahn Street properties by Morningside Hahn, LLC.

During the current fiscal year, the City Council approved an Ordinance (ZO-16-2015) granting an amendment to ZO-08-2014 to remove a restriction to a conditional use, to amend a previously approved parking variation, approval of a sign height variation and preliminary and final approval of a three lot subdivision for the Paragon Development (624 N. York Street).

Tax Increment Financing District Management – During the fiscal year ending December 31, 2015, the City of Elmhurst continued to retain the legal services of Donald J. Storino (Storino, Ramello & Durkin) to provide legal counsel for the operation and performance of the Tax Increment Financing District. The City also contracted with Kane, McKenna and Associates to provide TIF analysis and economic development services.

During fiscal year 2015, the City Council approved an Ordinance (O-42-2015) amending the official Comprehensive Plan of the City of Elmhurst adopting the North York Street Corridor Plan.

O-24-2015

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION
OF THE REDEVELOPMENT AGREEMENT BY AND BETWEEN
MORNINGSIDE HAHN, LLC AND THE CITY OF ELMHURST, ILLINOIS**

WHEREAS, Morningside Hahn, LLC (the "Developer") desires to enter into a redevelopment agreement ("Redevelopment Agreement") with the City of Elmhurst, Illinois (the "City") for purposes of acquiring and redeveloping of a portion of City-owned property located in the North York Tax Increment Financing Redevelopment Project Area (the "Redevelopment Area"); and

WHEREAS, on February 5, 2015, a notice was published in the Elmhurst Independent providing an invitation to all interested parties to submit alternate proposals to the City on or before 3:00 p.m., February 16, 2015, for the acquisition of the City-owned real property within the Redevelopment Area to be conveyed to the Developer pursuant to the terms of a proposed Redevelopment Agreement by and between the Developer and the City; and

WHEREAS, the City finds that the time period within which to submit alternate proposals was sufficient for purposes of satisfying the Tax Increment Allocation Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act"); and

WHEREAS, no alternate proposals were submitted to the City; and

WHEREAS, the Corporate Authorities of the City find it is in the best interests of the City to enter into the Redevelopment Agreement.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Elmhurst, DuPage and Cook Counties, Illinois, as follows:

Section 1. That the foregoing recital clauses to this Ordinance are adopted as the findings of the Corporate Authorities of the City of Elmhurst and are incorporated herein by specific reference.

Section 2. That upon receipt from the Developer of four (4) executed copies of the Redevelopment Agreement, the Mayor is hereby authorized to execute, and the City Clerk is hereby authorized to attest to, the Redevelopment Agreement in substantially the form of such agreement appended to this Ordinance as Exhibit "A," with such changes therein as shall be approved by the officials of the City executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from and after the execution and delivery of such Redevelopment Agreement.

Section 3. That the officials, officers and employees of the City are hereby authorized to take such further actions and execute such documents as are necessary to carry out the intent and purpose of this Ordinance and of the Redevelopment Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 4. That this Ordinance shall be in full force and effect upon and after its passage

in the manner provided by law.

ADOPTED this 20th day of April, 2015, pursuant to a roll call vote as follows:

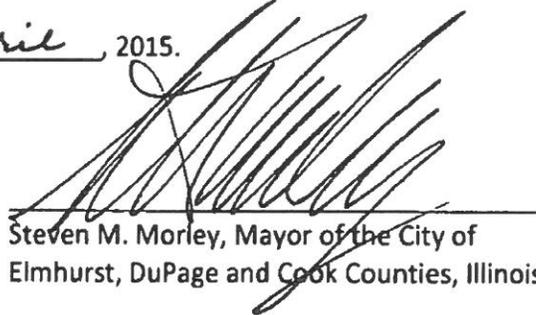
AYES: 12

NAYS: 2

ABSENT: 0

ABSTENTION: _____

APPROVED by me this 20th day of April, 2015.



Steven M. Morley, Mayor of the City of
Elmhurst, DuPage and Cook Counties, Illinois

ATTESTED and filed in my office,
this 20th day of April, 2015.

Patty Spencer

Patty Spencer, Clerk of the City of Elmhurst,
DuPage and Cook Counties, Illinois

EXHIBIT "A"

REDEVELOPMENT AGREEMENT

COUNCIL ACTION SUMMARY

SUBJECT: Ordinance – To approve and authorize the execution of the Redevelopment Agreement between Morningside Hahn, LLC and the City of Elmhurst

ORIGINATOR: City Attorney

DESCRIPTION OF SUBJECT MATTER:

Pursuant to the recommendations of the Development, Planning and Zoning Committee, an ordinance approving and authorizing the execution of the Redevelopment Agreement with Morningside Hahn, LLC for purposes of acquiring and redeveloping a portion of the City-owned property located in the North York Tax Increment Financing Redevelopment Project Area.

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement ("*Agreement*") is entered into this 21st day of APRIL, 2015 ("*Effective Date*") between MORNINGSIDE HAHN, LLC (the "*Developer*") and the CITY OF ELMHURST, ILLINOIS, an Illinois home rule municipal corporation (the "*City*") (the Developer and the City are collectively referred to as the "*Parties*").

RECITALS:

A. WHEREAS, the City is a home rule unit of government in accordance with Article VII, Section 6, of the 1970 Illinois Constitution; and

B. WHEREAS, the City has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the City and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the City, to foster increased economic activity within the City, to increase employment opportunities within the City, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and to otherwise further the best interests of the City; and

C. WHEREAS, the City has undertaken a program for the redevelopment of certain property within the City, pursuant to the "Tax Increment Allocation Redevelopment Act," 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "*Act*"); and

D. WHEREAS, acting pursuant to the Act and after giving all notices required by law and after conducting all public hearings and meetings required by law, the City created a Redevelopment Project Area commonly known as the "North York TIF District" (the "*Redevelopment Project Area*") by (i) Ordinance No. O-50-2012, adopted September 4, 2012,

approving a Redevelopment Plan and Project (the "*Redevelopment Plan*"), (ii) Ordinance No. O-51-2012, adopted September 4, 2012, designating a Redevelopment Project Area, and (iii) Ordinance No. O-52-2012, adopted September 4, 2012, adopting Tax Increment Financing (collectively, the "*TIF Ordinances*"); and

E. WHEREAS, the City has the authority to promote the health, safety and welfare of its inhabitants, to prevent the onset of blight while instituting conservation measures, and to encourage private development in order to enhance the local tax base, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes; and

F. WHEREAS, the City and the Developer are authorized to enter into this Agreement pursuant to the Act, the City's authority as a home rule municipal unit of government and other applicable statutory and constitutional authority; and

G. WHEREAS, the City is the owner of the property legally described in Exhibit A and depicted in Exhibit A-1, attached hereto (the "*Redevelopment Property*"); and

H. WHEREAS, the Redevelopment Property is located within the City and within the Redevelopment Project Area; and

I. WHEREAS, the City requested alternative proposals for redevelopment of the Redevelopment Property from interested developers; and

J. WHEREAS, the Developer's general proposal was selected by the City as the project best suited for the needs of the City; and

K. WHEREAS, on February 5, 2015, pursuant to Section 11-74.4-4(c) of the Act, the City published a notice requesting alternate proposals for the redevelopment of the

Redevelopment Property and did place a draft of this Agreement on file for review in the Office of the City Clerk; and

L. WHEREAS, the City did not receive any alternate proposals for the redevelopment of the Development Property; and

M. WHEREAS, the Redevelopment Property is to be conveyed and certain portions of rights of way vacated to the Developer by the City, pursuant to the terms and conditions of this Agreement; and

N. WHEREAS, the Redevelopment Property shall be a mixed-use development, in accordance with plans to be prepared by the Developer and approved by the City and as further described in this Agreement; and

O. WHEREAS, the Developer desires to cause the redevelopment of the Redevelopment Property to create a transit-oriented, pedestrian friendly, mixed-use development that will contain approximately 12,000 square feet of ground floor retail, 192 luxury rental apartments, a 480 car parking structure, to include 150 public parking spaces to be conveyed to the City, and other public and private improvements to the adjacent streets, alleys, and streetscape, including, without limitation, an approximately 10,000 square foot civic plaza, to be reconveyed to the City, all as further provided for in this Agreement (collectively, the "*Project*"); and

P. WHEREAS, the Developer has represented and warranted to the City that the Developer, and its principals, are skilled in the business of development and redevelopment and are able to provide the City skill, knowledge and expertise, as well as input from other experts and consultants in similar mixed-use downtown redevelopment projects; and

Q. WHEREAS, the Developer represents and warrants that the Redevelopment Property will be redeveloped; and

R. WHEREAS, the City has agreed, in reliance on the Developer's expertise and commitment to construct the Project, to convey the Redevelopment Property to the Developer and to provide certain financial assistance as specifically set forth in this Agreement; and

S. WHEREAS, the City is authorized under the provisions of the Act to pay for and reimburse the Developer for a portion of the costs for the Project which are eligible redevelopment project costs pursuant to the Act, up to the limit hereafter set forth; and

T. WHEREAS, it is necessary for the successful completion of the Project that the City enter into this Agreement with the Developer to provide for the development of the Redevelopment Property and construction of the Project, thereby implementing and bringing to completion a portion of the Redevelopment Plan; and

U. WHEREAS, the Developer has been and continues to be unable and unwilling to undertake the redevelopment of the Redevelopment Property but for certain tax increment financing ("*TIF*") incentives that may be provided by the City in accordance with the Act, to the extent applicable, and the home rule powers of the City, which the City is willing to provide under the terms and conditions contained herein. The Parties acknowledge and agree that but for the economic development incentives to be provided in accordance with this Agreement, the Developer cannot successfully and economically develop the Redevelopment Property and construct the Project in a manner satisfactory to the City. The City has determined that it is desirable and in the City's best interests to assist the Developer in the manner set forth herein and as this Agreement may be supplemented and amended; and

V. WHEREAS, the Developer represents and warrants that it will obtain all necessary zoning entitlements, subdivision approvals, permits and approvals from any and all federal, county, state and local agencies, or bodies with jurisdiction over this Project, necessary to construct, operate and maintain the Project; and

W. WHEREAS, the Developer represents and warrants that it has sufficient equity financing necessary to construct, operate and maintain the Project; and

X. WHEREAS, this Agreement has been submitted to the corporate authorities of the City for consideration and review, the corporate authorities of the City have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the City according to the terms hereof, and any and all actions of the corporate authorities of the City precedent to the execution of this Agreement have been undertaken and performed in the manner required by law; and

Y. WHEREAS, this Agreement has been submitted to the Developer for consideration and review, and the Developer has taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Developer according to the terms hereof, and any and all actions precedent to the execution of this Agreement by the Developer have been undertaken and performed in the manner required by law.

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

1. INCORPORATION OF RECITALS AND EXHIBITS. The statements, representations, covenants and recitations set forth in the foregoing recitals are material to this

Agreement and are incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1. The exhibits referred to in this Agreement which are attached to or incorporated into it by textual reference are incorporated by reference into and made a part of this Agreement. The Parties acknowledge the accuracy and validity of those exhibits.

2. DEFINITIONS. For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

"*Capital Event*" means the first to occur of (i) the arms-length sale of all of the Project or all of the residential portion of the Project, (ii) the refinance of the Project (but not including the initial permanent financing to "take out" the Project's initial construction financing), (iii) 24 months after recordation of a condominium declaration converting the rental apartments to condominium ownership, (iv) the sale of all of Morningside Hahn, LLC's membership in the Project, and (v) December 31, 2024, all as reasonably approved by and accepted by the City.

"*Change in Law*" means the occurrence, after the Effective Date, of an event described below, provided (i) such event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement or otherwise necessitates changes to the Project and (ii) such event is not caused by the Party relying thereon:

Change in Law means any of the following: (i) the enactment, adoption, promulgation or modification of any federal, state, county or local law, ordinance, code, rule or regulation; (ii) the order or judgment of any federal or state court, administrative agency or other governmental body; or (iii) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency. Change in Law, for purposes of this Agreement, shall also include the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the Project under this Agreement.

"*City Code*" means the Elmhurst City Code, as amended from time to time, and all other ordinances, rules and regulations of the City.

"*Developer Affiliate*" means either (i) an entity controlled by, or under common control with, Developer, such that it has the same manager(s), members, partners or shareholders who shall own in aggregate more than fifty percent (50%) of the ownership interests in the Developer and also own more than fifty percent (50%) of the ownership interests in said Affiliate or (ii) an institutional investor(s) or a fund investing such investor's assets. As used herein, "control" shall mean the possession, direct or indirect, of 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.

"*Final Plans*" means the planned unit development plans and elevations for the Project as approved by the City pursuant to Ordinance No. 20-14-2014, dated December 15, 2014, attached hereto as Exhibit B and made a part hereof, and the final construction plans and specifications containing the detailed plans for the Project (in its entirety, including all public and private improvements and not merely the building(s) themselves) as approved by the City prior to the issuance of any building or other permits for the Project, and any amendments thereto as approved by the Developer and the City.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.

"*Redevelopment Project Costs*" means those qualified redevelopment project costs authorized by the Act and this Agreement and set forth in Exhibit D.

"*State*" means the State of Illinois.

"*Substantial Completion*" means the completion of the Project exclusive of any tenant improvements, interior finishes and open "punch list" items as evidenced by the delivery by Developer of a certificate signed by the Developer's architect or project manager certifying that the Project is substantially complete and subject to the reasonable approval of the City.

"*TIF Ordinances*" means all ordinances adopted by the City relating to the establishment or amendment of the North York Street Tax Increment Area as further delineated in the Recitals to this Agreement.

"*Uncontrollable Circumstance*" means any event which:

- (a) is beyond the reasonable control of and without the fault of the Party relying thereon; and
- (b) is one or more of the following events:
 - (i) a Change in Law;
 - (ii) insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, fire, nuclear incident, war or naval blockade;
 - (iii) epidemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary or ordinary weather conditions or other similar act of God;

(iv) third party litigation challenging the authority of the TIF Ordinances or the effectiveness of this Agreement;

(v) governmental condemnation or taking or unreasonable delay in reviewing and issuing applicable permits;

(vi) strikes or labor disputes, or work stoppages not initiated by the Developer;

(vii) shortage or unavailability of essential materials, which materially change the ability of the Party relying thereon to carry out its obligations under this Agreement;

(viii) unknown or unforeseeable geo-technical or adverse environmental conditions or environmental regulatory action regarding the Project;

(ix) major environmental disturbances;

(x) vandalism; or

(xi) terrorist acts.

Uncontrollable Circumstance shall not include: economic hardship; unavailability of materials (except as described in b(vii) above); or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor).

For each day that the City or the Developer is delayed by an Uncontrollable Circumstance, the dates set forth in this Agreement shall be extended by one (1) day for each day of the resulting delay.

"Zoning Ordinance" means the City of Elmhurst Zoning Ordinance, as amended from time to time.

3. CONSTRUCTION. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

A. Definitions include both singular and plural.

B. Pronouns include both singular and plural and cover all genders.

C. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

D. Headings of Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

E. All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.

F. Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.

G. The City Manager, or the City Manager's designee, unless applicable law requires action by the corporate authorities, shall have the power and authority to make or grant or do those things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the City and with the effect of binding the City as limited by and provided for in this Agreement. The Developer and the City are entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the Developer and the City as having been properly and legally given by the Developer or the City, as the case may be.

H. In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by the Developer in a different manner, the Developer hereby designates David M. Strosberg or his designee as its authorized representative, who shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of the Developer and with the effect of binding the Developer in that connection (such individual being an "*Authorized Developer Representative*"). The Developer shall have the right to change its authorized Developer Representative by providing the City with written notice of such change, which notice shall be sent in accordance with Section 20.2.

4. DEVELOPMENT OF THE REDEVELOPMENT PROPERTY.

Section 4.1. Project Schedule. The City and the Developer agree that the Developer's development and construction of the Project will be undertaken in accordance with the Project Schedule attached hereto as Exhibit C and made a part hereof ("*Project Schedule*").

The Parties acknowledge that the Project Schedule is based on the Parties' best understanding of the Project and related milestones as of the Effective Date. The Parties may amend the Project Schedule as necessary to ensure that it accurately reflects the key milestones in the development and construction of the Project, and the Parties specifically agree that the milestone dates may be mutually extended by the Parties. Each Party agrees to not unreasonably withhold approval of a request by the other Party to amend the Project Schedule for such purposes, and the City Manager may extend the Project Schedule up to four (4) times, each for a period of not more than fourteen (14) calendar days without the approval of the corporate authorities.

Section 4.2. Approved Plans. The Project to be constructed by the Developer on the Redevelopment Property shall be in conformity with the Final Plans attached hereto and hereby made a part hereof as Exhibit B. It is understood that the Project must also be constructed in accordance with the applicable provisions of the City Code, except as to City Code provisions from which the City has granted variations and/or waivers ("*Code Waivers*"), which Code Waivers are set forth in Exhibit I, and the ordinance granting all approvals as required by the City Code and other ordinances of the City in effect as of the filing of the application for the issuance of the building permit for the Project. In the event of a conflict between this Agreement, including any of the exhibits to this Agreement, and the Final Plans, the requirements of the Final Plans shall control.

Section 4.3. Construction of Public Improvements. Subject to the conditions and terms set forth in this Agreement, the City approves and designates the Developer to construct those public improvements as represented on the Final Plans. The Final Plans, together with all general engineering plans for the Project, shall depict all public improvements, including utility

improvements, curbs and gutters, sidewalks, street parking, streets, the public parking spaces in the Project's parking structure ("*Public Parking Spaces*"), lighting, signage, streetscape and street furniture, stormwater facilities, including but not limited to the underground storm water detention vault below the Public Civic Plaza ("*Underground Detention Facility*"), and any grants or reservations of easements required thereby, alleys and driveways, the public civic plaza and amenities ("*Public Civic Plaza*"), and landscaping, as required and approved by the City (collectively, the "*Public Improvements*"). All Public Improvements shall be constructed and/or installed in accordance with the Final Plans and the City Code as it exists at the time of the filing of the application for the permit for the issuance of the building permit for the Project, except as to zoning provisions from which the City has granted variations from as part of the approval of the Project and the Code waivers as set forth in Exhibit I. The Developer in construction of all Public Improvements shall follow such procedures as shall be required by the City Code.

5. CITY COVENANTS AND AGREEMENTS.

Section 5.1. City's Redevelopment Obligations. In addition to its other covenants and obligations set forth in this Agreement, the City shall have the obligations set forth in this Section in furtherance of the Project, all subject to the conditions precedent contained in this Agreement, the Developer's financial commitments and compliance with the terms of this Agreement.

A. TIF Incentive. The City agrees to pay or otherwise reimburse the Developer for those Redevelopment Project Costs under the listed and itemized amounts provided for on Exhibit D, provided that the total amount of payment and reimbursement for the Redevelopment Project Costs shall not exceed Two Million Two Hundred Fifteen Thousand Dollars (\$2,215,000.00) ("*City Incentives*"). Disbursements for expenditures related to Redevelopment Project Costs may be transferred from one line item to another.

B. Payment of City Incentives. The City's payment of the City Incentives is subject to the reimbursement authorization provisions of Section 5.1.C below and will be paid by the City to the Developer as set forth below.

C. Reimbursement Authorization Procedures.

(i) The City shall pay the Developer the City Incentives during the course of construction of the Project as follows:

- Upon completion of demolition, erosion control, and site sheeting, the amount(s) related to demolition, but not to exceed \$500,000.00;
- Upon completion of professional design and legal fees associated with the public improvements, the amount(s) related to professional design and legal fees related to the public improvements, not to exceed \$175,000.00;
- Upon completion of public utility relocation, and Underground Detention Facility, the amount(s) related to public utility relocation, but not to exceed \$ 375,000.00;
- Upon completion of the public roadway improvements, the amount(s) related to the public roadway improvements, but not to exceed \$165,000.00;
- Upon conveyance of the Public Civic Plaza to the City, the amount(s) related to the construction of the Public Civic Plaza, but not to exceed \$700,000.00;
- To the extent there are any Redevelopment Project Costs, exclusive of land acquisition, for which the Developer is eligible for reimbursement (*i.e.*, provided the full extent of the City Incentives of \$2,215,000.00 has not yet been reimbursed to Developer) and which are incurred after the above five (5) milestones, Developer shall be reimbursed as and when said costs are incurred and certified to the City; and
- To the extent there are any Redevelopment Project Costs, inclusive of land acquisition, for which the Developer is eligible for reimbursement (*i.e.*, provided the full extent of the City Incentives of \$2,215,000.00 has not yet been reimbursed to the Developer) and which exist after the above six (6) milestones, the Developer shall be reimbursed as and when said costs are certified to the City.

(ii) Within thirty (30) days after the receipt of the applicable and required submissions under this Section, the City shall authorize the distribution of the applicable reimbursement or payment to the Developer in accordance with the terms of this Agreement, upon satisfaction of the following conditions with regard to the City Incentives reimbursements and payments:

(a) The Developer has submitted to the City's Finance Director a disbursement request on a form reasonably acceptable to the City with respect to such portions.

(b) The Developer is not in default under this Agreement after expiration of all applicable cure periods.

(c) The City has previously inspected and approved the work for which the Redevelopment Project Costs are being reimbursed, which the City shall be obligated to do within fourteen (14) days following request by the Developer.

(iii) As a prerequisite to the making of payments to the Developer, the Developer must certify to the City the following:

(a) The Developer (or its successor or assign, if applicable) is duly organized and validly existing.

(b) The Developer has the right, power and authority to submit the request for payment and to perform its obligations under the Agreement.

(c) No event of default or condition or event which, with the giving of notice or passage of time or both, would constitute an event of default under this Agreement or an event of default under any financing agreement related to the Project or an event of default under any construction contract for the Project exists and remains unremedied.

(d) The requested disbursement is for Redevelopment Project Costs which are qualified for payment under this Agreement and applicable law.

(e) None of the items for which payment is requested has already been paid.

(f) The payment is due and owing (or has already been paid) from the Developer to its construction manager, contractor, subcontractor or material supplier or others.

(g) The Developer has obtained all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary and applicable to reconstruct, complete and operate the applicable improvements for which payment is requested.

(h) No lien exists against the Redevelopment Property except those that the Developer, in good faith and based upon reasonable grounds, is contesting.

(i) The Developer has certified the work for which payment is sought has been completed.

(iv) As a prerequisite to any payments by the City and to assist in the City's consideration, the Developer must provide to the City with regard to the City Incentives:

(a) Good and sufficient (partial or full) trailing waivers of lien with respect to the payment requested.

(b) Proof in a form reasonably acceptable to the City, such as a contractor's sworn statement or architect's certification, that the Developer is or was obligated to make the payments for which reimbursement is sought.

(c) Such information as is reasonably necessary for the City to determine that reimbursement is being sought for a Redevelopment Project Cost and is otherwise due and payable hereunder.

(v) Any payment or reimbursement payable to the Developer pursuant to this Section 5.1.C that is attributable to work performed by subcontractors, as evidenced by waivers of lien submitted to the City by the Developer, shall be reimbursed to the Developer pursuant to the provisions of this Agreement.

(vi) The Developer shall, upon request by the City, provide the City with all documentation required to evidence the cost of the City Incentive items such records to include, but not be limited to, all contracts with general contractors and all subcontractors, contractors' sworn affidavits, lien waivers, title company ledgers and any other documentation specified by the City and/or in the possession of the Developer. The City may require an audit of all evidence of the cost of City Incentive items, such audit to be performed by an auditor selected by the City in its sole discretion and at the City's cost.

(vii) It is understood that the City Incentives as provided in this Agreement are the maximum amounts the City will be required to pay or otherwise reimburse to the Developer. Subject to applicable cure periods and provisions and notices, it is further understood that the City may reimburse itself out of the City Incentives for any monies owed by the Developer and that the amounts due Developer will be reduced by the amount of any such reduction, unless otherwise cured.

Section 5.2. Environmental Remediation. Pursuant to Developer's due diligence investigation and sub-surface testing of the Redevelopment Property, it has been discovered that certain adverse environmental conditions exist below the Redevelopment Property that require certain remediation activities to permit construction and operation of the Project. The Developer

has or will deliver to the City all documents in its possession concerning the environmental condition of the Redevelopment Property, including any assessments and reports. The remediation activities include the testing for and excavation and disposal of contaminated soil, as well as any other remediation activities (collectively, the "Remediation") required to secure a No Further Remediation letter ("NFR") from the Illinois Environmental Protection Agency ("IEPA") for the Project.

A. Remedial Action Plan. As of the date hereof, the Developer has retained Pioneer as its representative to provide environmental testing and to develop a Remedial Action Plan ("RAP") for submittal to the IEPA to perform the Remediation of the Redevelopment Property and secure the NFR for the Project. The City has retained DAI Environmental, Inc. ("DAI") as its environmental consultant to review and participate in the preparation and submittal of the RAP, the Remediation and to secure the NFR from the IEPA. Pioneer shall prepare the RAP, to best accommodate the objectives of the most efficient and cost-effective methods to complete the Remediation of the Redevelopment Property and to secure the NFR. The preparation and submittal of the RAP to the IEPA shall be subject to the prompt review of DAI and approval by the City. The RAP shall be reviewed and approved (or not approved comments thereof shall be provided) no more than five (5) business days following receipt by DAI and the City of the RAP. Upon approval of the RAP and any draft NFR by the IEPA, or such variation thereof as may be required by the IEPA, the Developer shall implement the RAP to obtain the final NFR. Implementation of the RAP shall be accomplished by the Developer in a prudent, diligent and cost-effective manner.

B. Remediation Costs. The remediation costs to secure the NFR shall be allocated and paid by the Developer, and, pursuant to subsections C and D below, promptly reimbursed by the City, to the Developer for the actual costs incurred by the Developer, as generally defined on Exhibit K ("Remediation Costs"), all as shall be reviewed by DAI and approved the City, subject to the exclusions and limitations set forth below and as follows:

(i) Direct Costs. Pursuant to Exhibit K, The reasonable and actual costs for reports, testing, preparation of and implementation of the RAP, managing the Remediation and securing the NFR.

(ii) Incremental Contaminated Soil Costs. With respect to the removal of the contaminated soil pursuant to the approved RAP, the Developer shall be responsible for advancing the actual costs of excavating, hauling and disposal of the contaminated soil, subject to the City's reimbursement obligations set forth herein. Any soil removed from the Redevelopment Property shall be tested to determine its suitability, in accordance with a protocol to be reasonably agreed upon by Pioneer and DAI, and excavated and delivered to licensed sites in accordance with the RAP and applicable laws ("Disposal Costs"). The incremental amount (the "Increased Costs") by which the actual Disposal

Costs actually incurred and paid by the Developer exceeds the costs that would have been incurred by the Developer to excavate, haul and deliver equivalent non-contaminated soil for the Project (the "Baseline Costs") shall be reimbursed by the City to the Developer promptly upon presentation of the information required in subsections C and D below and the Developer shall undertake the work to complete the disposal in accordance with the RAP and this Section. As soon as practicable, but in any event prior to the date on which the Developer begins excavation, the Developer and the City, in conjunction with Pioneer and DAI, shall agree on the terms for the Disposal Costs and the Baseline Costs.

C. Documentation Submittal. The Developer shall maintain the cost information and data used in support of the requests for reimbursement for the Remediation Costs in accordance with generally accepted accounting principles and practices. The City shall have access to these records during normal business hours, provided the City submits a request to the Developer to review the records with reasonable advance notice. The Developer shall provide written proof to the City of waiver of liens by the environmental consultant, contractors and subcontractors performing services or providing materials for the Remediation Costs prior to reimbursement. Documentation related to a request for reimbursement shall be submitted to the City on a monthly basis. The Developer shall submit the following documentation:

- (i) a written statement detailing the Remediation Costs incurred;
- (ii) copies of supporting invoices from contractors, consultants, engineers or others;
- (iii) a statement that the Remediation Costs have not been and will not be submitted to any insurance carrier or third party. In the event that the Developer receives payment from any insurance carrier or third party for an amount which has been previously reimbursed by the City, the Developer shall immediately return the reimbursed monies to the City.
- (iv) any other information which may be reasonably required by the City or by DAI, its attorneys or its auditors.

D. Documentation Review. Within fifteen (15) days after the Developer has submitted documentation reasonably satisfactory to the City, as required pursuant to subsection C above, and this Section, requesting reimbursement of the Remediation Costs, the City shall make the requested reimbursement to the Developer. Payments to the Developer shall be made on a monthly basis. If the City determines that requested reimbursement of Remediation Costs is inconsistent with the RAP, or otherwise inappropriate, the City shall notify the Developer in writing of its reasons for rejection within the fifteen (15) day time period for review. The Developer shall be provided an opportunity to meet with the City and provide additional information. If the rejection is not resolved or cured within thirty (30) days after the City provides notification in accordance with the terms of this Agreement, there is no obligation to pay the portion of the Remediation Cost rejected until resolution of the rejection.

E. Exclusions and Limitation of Liability. The obligations of the City under this Agreement are subject to, and limited in accordance with, the following:

(i) Except as otherwise provided on Exhibit K, the Developer and the City shall each bear the costs and expenses of its own employees, consultants, attorneys and other representatives incurred with respect to the Remediation.

(ii) The City shall only be responsible for those Remediation Costs, pursuant to the provisions of this Section, to secure and record the final NFR for the Project and shall have no liability or obligation whatsoever thereafter to the Developer, including but not limited to (a) any residual contamination that may be permitted to remain in place with respect to the Project and (b) any future Remediation Costs, maintenance, repair or replacement costs associated with any remedial systems such as, but not limited to, engineered barriers, vapor intrusion systems, wells or monitors. The City acknowledges that the Developer shall have no liability or obligation for any residual contamination that may be permitted to remain in place in adjoining rights-of-way, pursuant to Highway Authority Agreements, including but not limited to, those Highway (and Supplemental) Authority Agreements dated February 27, 2001 and April 23, 2012.

F. Cooperation. In all aspects of the activities to be undertaken pursuant to this Section, the Developer and its representatives (including Pioneer and such attorneys as the Developer may employ or retain) and the City and its representatives (including DAI and attorneys as the City may employ or retain) shall regularly consult and cooperate. Such consultation and cooperation shall include, without limitation, periodic meetings, regular and frequent communication, and the good faith sharing of samples, test results, studies, reports and other information pertaining to the Redevelopment Property, RAP, the Remediation and NFR process (except such communications as may be deemed confidential under applicable law, including lawyer-client communications and proceedings of the City Council properly conducted in closed or executive session). Notwithstanding the duty of the parties to cooperate, the Developer and the City are not partners or joint venturers, and the Developer, for itself and its consultants, invitees and agents, shall be solely responsible for its decisions and actions with respect to the establishment, control and implementation of the RAP, the Remediation and NFR.

Section 5.3. Conveyances of Land. Subject to the City's satisfaction or waiver of the conditions precedent of this Agreement, and payment by the Developer to the City at closing of the Redevelopment Property of the sum of One Million Six Hundred Seventy-Five Thousand (\$1,675,000.00) Dollars, by wired or cashier's funds ("*Purchase Price*"), the City will convey the Redevelopment Property to the Developer so that the Developer is able to build and complete the Project and thereafter the Developer shall, as applicable under the terms of this Agreement and subject to the Declaration (as hereinafter defined), (i) convey to the City the Public Parking

Spaces, (ii) convey to the City the Public Civic Plaza and (iii) provide a bill of sale for all other applicable public improvements. The Parties will consult and agree on the exact nature and timing of the various grants of easement and land conveyances. The conveyances of land as generally described in this Section and provided in this Agreement shall be undertaken in accordance with the closing date described in the Project Schedule and the other applicable provisions of this Agreement. The conveyances of land under this Agreement shall be as follows:

A. Closing Contingencies. The City currently holds title to the Redevelopment Property. So long as the Developer is not in default of any provision of this Agreement, the City agrees, subject to the terms and conditions in this Agreement, to convey the City Redevelopment Property to the Developer, conditioned upon the following (the "*Closing Contingencies*"):

(i) pursuant to the Final Plans, the Developer has secured any and all permits from the City, state, county and any other regulatory body required to commence construction of the Project;

(ii) pursuant to the Project Schedule, the Developer has obtained a commitment to provide construction loan financing sufficient to complete construction of the Project, as reasonably determined by the City, a copy of which has been provided to the City;

(iii) the Developer has provided the City with satisfactory written evidence of the necessary Developer equity contribution as determined by the City in its sole and absolute discretion;

(iv) the Developer submitting to the Illinois Environmental Protection Agency a corrective action plan and draft No Further Remediation letter to remediate the Redevelopment Property to permit the construction, development and operation of the Project.

B. The Developer acknowledges and agrees that the City Redevelopment Property shall be conveyed and accepted in an "AS-IS," "WHERE-IS" condition and that the City makes no representations, warranties or agreements of any kind whatsoever as to its condition, quality, or suitability for development. It shall be the sole responsibility of the Developer, at the Developer's sole expense, to investigate and determine the soil and all other conditions to accommodate the Project to be constructed by the Developer hereunder. Prior to the conveyance of such Redevelopment Property, the Developer shall have access to the City Redevelopment Property in order to determine the environmental

conditions and soil suitability and other conditions. If the soil or any other conditions are not, in all respects, entirely suitable for the Project, then it shall be the sole responsibility and obligation of the Developer, at the Developer's sole expense, to do such things as may be necessary to modify and improve said conditions, as to make the same entirely suitable for the Project. The Developer shall indemnify and hold the City harmless from any and all costs, attorneys' fees, loss or damages resulting from the Developer's entry upon the Redevelopment Property and actions thereon.

C. Conveyance; Title; Escrow; Possession.

(i) Within thirty (30) days after the date hereof, the City shall cause to be furnished to the Developer a commitment for an ALTA Form B Owner's Policy of Title Insurance ("*Commitment*") issued by Chicago Title Insurance Company ("*Title Company*"), covering the Redevelopment Property, together with true and legible copies of all documents creating or establishing easements, restrictions, and other items referred to as exceptions in Schedule "B" of the Commitment ("*Title Documents*"), with any existing surveys and provide an updated and current ALTA topographic survey (if provided by Developer, City will reimburse cost) (collectively, the "*Survey*") for the Redevelopment Property. Within fifteen (15) days after receipt of the Title Documents and Survey, the Developer shall provide to the City in writing a specific list of the Developer's objections to any of them ("*Title Objections*"). Any item constituting an encumbrance upon or adversely affecting title to the Redevelopment Property which is not objected to by the Developer in writing by such time shall be deemed approved by the Developer and shall constitute a Permitted Exception (as hereinafter defined). Any mortgages, security interests, financing statements, or any other lien recorded against the Redevelopment Property following the Agreement Date with the consent or acquiescence of the City are collectively referred to as the "*Consensual Liens*" and none of such Consensual Liens shall constitute, be or become Permitted Exceptions. The City shall cause all Consensual Liens, if any, to be paid and discharged in full at closing and in the event the City fails to do so, the Developer shall have the right to deduct and apply so much of the Purchase Price as is reasonably required to do so. The phrase "*Permitted Exceptions*" shall mean those exceptions to title set forth in the Commitment, Title Documents and Survey and accepted or deemed approved by the Developer pursuant to the terms hereof, except Consensual Liens as provided above, which shall not constitute Permitted Exceptions. The City shall have the right, but not the obligation, for a period of twenty-one (21) days after receipt of the Developer's Title Objections (the "*Cure Period*") to cure (or commit to cure at or prior to closing) by delivery of written notice thereof to the Developer within the Cure Period any or all Title Objections contained in the Developer's notice. If any such Title Objections are not cured (or, if reasonably capable of being cured, the City has not committed to cure same at or prior to closing) within the Cure Period, or if the City sooner elects not to cure such Title Objection by written notice to the Developer, the Developer shall have until the earlier of the expiration of the Cure Period or five (5) days after the receipt of such written notice within which to give the City written notice that the Developer elects either (i) to waive all such uncured objections (in which case the uncured objections shall become Permitted Exceptions); or (ii) terminate this Agreement. If the Developer does not deliver such

written notice within the above period, the Developer shall be deemed to have terminated this Agreement, in which case neither Party shall have any further obligations to the other hereunder (except any obligations which this Agreement provides survive termination).

(ii) Subject to the satisfaction of all of the Closing Contingencies, the City shall convey to the Developer merchantable, insurable, fee simple title to the Redevelopment Property by Special Warranty Deed in a form which is mutually satisfactory to the City and the Developer. The conveyance of the Redevelopment Property shall be closed through a New York style deed and money escrow with the Title Company serving as escrow agent. Not less than two (2) days before the closing date, the City and the Developer will execute the standard form of New York style deed and money escrow instructions then in use by the Title Company, modified as necessary to conform to the terms of this Agreement. The attorneys for the City and the Developer are authorized to execute the escrow agreement and amendments thereto and all directions or communications thereto, as well as any other documents necessary to effectuate the conveyance of the Redevelopment Property. All fees and costs of the escrow shall be split equally between the City and the Developer. The Developer shall have the right to possession thereof at the time of closing or conveyance. All assessments, general or special, which are due and payable in arrears after the closing, and assessments for improvements completed prior to such closing but payable after such closing shall be prorated at such closing. Ad valorem real estate taxes for the Redevelopment Property, if not otherwise exempt, will be prorated at 105% of the most current available assessed value, equalization factor and tax rate between the Developer and the City as of the closing date. The City's portion of the prorated taxes will be credited to the Developer at closing as an adjustment to the Purchase Price. If the assessment(s) for the year of closing and/or prior years are not known at the closing date, the prorations will be based on taxes for the previous tax year. Such other items that are customarily prorated in transactions of this nature, if any, shall be ratably prorated. For purposes of calculating prorations, the Developer shall be deemed to be in title to the Redevelopment Property on the closing date. All such prorations shall be made on the basis of the actual number of days of the year and month, which shall have elapsed as of such closing date. The amount of the ad valorem real estate tax proration shall be adjusted in cash after such closing as and when the final tax bill for such period(s) becomes available. The City and the Developer agree to cooperate and use their diligent and good faith efforts to make such adjustments no later than sixty (60) days after such information becomes available.

(iii) At closing, the City and/or the Developer, as is customary, shall deliver or cause to be delivered the following, in form and substance reasonably acceptable to the Parties:

(a) A Special Warranty Deed, executed by the City, in recordable form, conveying the Redevelopment Property to the Developer;

(b) An Affidavit of Title and ALTA Statement;

(c) A title policy (or "marked up" title commitment) issued by the Title Company dated as of the date of closing in the amount of \$1,675,000.00, with extended coverage and such endorsements as the Developer shall reasonably require and said title policy or "marked up" commitment shall be otherwise in accordance with the requirements herein (it being understood that both Parties will provide any certificate or undertakings required in order to induce the Title Company to insure for any "gap" period resulting from any delay in recording of documents or later-dating the title insurance file);

(d) Completed City, State and County Transfer Declarations marked exempt;

(e) Reconveyance Special Warranty Deed ("*Reconveyance Deed*") executed by the Developer to the City, to be held in escrow by the Title Company, providing for the reconveyance to the City as provided for in Section 5.3(C)(v) of this Agreement; and

(f) such other documents and instruments as may reasonably be required by the Title Company and which may be necessary to consummate this transaction and to otherwise effect the agreements of the Parties hereto.

After conveyance, the City and the Developer shall execute and deliver to the other such further documents and instruments as either the City or the Developer shall reasonably request to effectuate this Agreement. In the event of a failure to close the sale of the Redevelopment Property on or before the earlier of July 15, 2015 or thirty (30) days after the satisfaction of the latest to occur of the Closing Contingencies, whichever is earlier, either Party shall, by written notice to the other, have the right to terminate this Agreement.

(iv) This Agreement is an arms-length agreement between the Parties. Except as expressly provided herein to the contrary, the conveyance of the Redevelopment Property to the Developer is "as is, where is" and reflects the agreement of the Parties that there are no representations, disclosures, or express or implied warranties. **SUBJECT TO THE TERMS OF THIS AGREEMENT, THE DEVELOPER IS PURCHASING THE REDEVELOPMENT PROPERTY AND, EXCEPT AS SET FORTH HEREIN, THE REDEVELOPMENT PROPERTY SHALL BE CONVEYED AND TRANSFERRED TO THE DEVELOPER "AS IS, WHERE IS, AND WITH ALL FAULTS," AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES OR GUARANTIES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE CITY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING EXCEPT AS SET FORTH HEREIN, THE CITY HAS NOT MADE, AND DOES NOT AND WILL NOT MAKE WITH RESPECT TO THE REDEVELOPMENT PROPERTY, ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING BUT IN NO WAY LIMITED TO, ANY WARRANTY OR**

CONDITION, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE, OR WITH RESPECT TO THE VALUE, PROFITABILITY, BUILDABILITY, MORTGAGEABILITY OR MARKETABILITY OF THE REDEVELOPMENT PROPERTY, OR THE PRESENCE OF HAZARDOUS MATERIALS THEREIN, THEREON, OR THEREUNDER, WHICH WARRANTIES ARE HEREBY DISCLAIMED. Except as otherwise provided in this Agreement, the Developer has had, and will have pursuant to this Agreement, an adequate opportunity to make such legal, factual and other inquiries and investigations as the Developer deems necessary, desirable or appropriate with respect to the Redevelopment Property. Such inquiries and investigations of the Developer shall be deemed to include, but shall not be limited to, the physical condition of the Redevelopment Property, the suitability of the Redevelopment Property for the Project (as defined below), such state of facts as an accurate survey and inspection of the Redevelopment Property would show, and all zoning and other codes, ordinances and regulations of any governmental entity applicable to the ownership, maintenance or operation of the Redevelopment Property.

(v) City's Right of Reconveyance. Within (a) one hundred fifty (150) days following the conveyance by the City of the Redevelopment Property, the Developer shall open a construction loan escrow for the Project, and (b) within one hundred eighty (180) days following the conveyance by the City of the Redevelopment Property, the Developer shall commence construction of the structural improvements (*i.e.*, pouring of footings) for the Project. If the Developer fails to comply with either of the requirements set forth in the previous sentence, the City shall have the option, in addition to any and all remedies available to it under this Agreement, exercise upon written notice to the Developer, to have the Redevelopment Property, together with any improvements thereon, if any, reconveyed to the City for no consideration and with no claim against the City for work performed by the Developer on the Redevelopment Property, which shall be at Developer's sole cost and expense, free and clear of any liens and encumbrances created by the act or default of the Developer, with taxes, water, sewer and other utility charges prorated as of the date of such reconveyance, and/or terminate this Agreement. This section shall have no force or effect and the City shall have no right to reconveyance at and after such time as the Developer commenced erection of vertical structural improvements.

D. The City and Developer acknowledge that on or before the date upon which the Developer will convey the Public Parking spaces to the City, the Developer will execute and record against title to the Redevelopment Property a Declaration of Covenants, Conditions, Restrictions and Easements (the "*Declaration*"). The Declaration will provide for (among other things) certain easements, maintenance obligations, insurance obligations, services, cost sharing obligations, restrictions, covenants, conditions and other provisions that will govern and control the use, operation and enjoyment of the Redevelopment Property and provide for the maintenance and upkeep of the improvements constructed on the Redevelopment Property. The Declaration will be in the form attached hereto as Exhibit E subject to incorporation of

certain exhibits and completion of certain other matters that were not able to be finalized as of the date hereof.

Section 5.4. City Permit Fees. The City agrees to waive payment by the Developer of all City building permit fees, tap-in fees, and demolition permit fees. Should the Developer fail to complete the Project pursuant to the terms of the Project Schedule (other than as a result of an Event of Default by the City or an Uncontrollable Circumstance), the Developer shall pay to the City all inspection and permit fees previously waived by this Section 5.4 of this Agreement. Any amounts due to be repaid to the City under this Section shall constitute a lien on the Redevelopment Property, which lien hereby is made expressly subject and subordinate to any lending financing. Prior to any amount becoming due under this Section 5.4, the City shall give written notice to the Developer of its repayment obligation. Unless otherwise agreed by the City pursuant to an amendment of this Agreement, the repayment obligation shall be due within thirty (30) days of the date of the written notice. The waiver of permit fees set forth in this Section 5.4 does not include retail and/or tenant build out(s). Notwithstanding anything contained in this Section 5.4, the Developer shall be required to pay all third-party review fees reasonably required by the City.

Section 5.5. City Cooperation. The City agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity and upon request of the Developer will promptly execute any applications or other documents (upon their approval by the City) which the Developer intends to file with such other governmental or quasi-governmental entities in respect of the Project. The City shall further promptly respond to, and/or process, and consider reasonable requests of the Developer for: applicable excavation and foundation permits; shell permits; other building permits; driveway permits; curb cuts or other permits necessary for the construction of the Project as well

as to requests by Developer for inspections and temporary and permanent certificates of occupancy. Approval of any building permit applications and/or engineering plans shall be contingent on the Developer paying any and all review fees that have not been otherwise waived or reimbursed pursuant to the terms of this Agreement and providing all required and requested documentation for each such permit, including but not limited to engineering reports, calculations and plans required to substantiate that said improvements fully conform with all applicable state statutes and the City Code, as well as receipt of all required approvals from any federal, state, regional or county agencies having applicable jurisdiction.

6. CERTAIN DEVELOPER COMMITMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES. In consideration of the City's substantial commitment to the redevelopment of the Redevelopment Property and its commitments contained in this Agreement, the Developer agrees, represents, warrants and covenants with and to the City as follows and elsewhere in this Agreement:

Section 6.1. Plans. The Developer shall construct the Project in full conformance with this Agreement and the Final Plans.

Section 6.2. Construction of the Project.

A. Construction of Project. The Developer shall construct the Project in accordance with the Project Schedule attached as Exhibit C. Nothing herein shall be deemed to limit the amount which the Developer may need to expend to construct the Project.

B. Public Parking Spaces. As part of the Project, the Developer shall construct a multi-level parking structure which includes the Public Parking Spaces component. The Project parking structure shall be constructed in accordance with the Final Plans and as approved by the City. The Developer shall convey to the City the Public Parking Spaces, containing 150 contiguous parking spaces, together with mutually acceptable permanent easements over all common areas as may be necessary to permit pedestrian and vehicular ingress and egress to said Public Parking Spaces subject to the Declaration. The Developer shall assign or otherwise provide to the City such construction warranties and/or guarantees as the Developer shall have received from

third-party contractors and vendors which relate to the Public Parking Spaces. The approximate location of the spaces to be granted is depicted within the Final Plans and is to be located at grade. The City shall pay for and otherwise be responsible for all operational and maintenance costs related to the Public Parking Spaces. The Developer and the City agree that the Developer shall not be entitled to an occupancy permit, temporary or otherwise, for any portion of the Project, until such time as the Developer grants to the City the Public Parking Spaces.

C. **Public Civic Plaza.** As part of the Project, the Developer shall construct the Public Civic Plaza. The Public Civic Plaza shall be constructed in accordance with the Final Plans and as approved by the City. The Developer shall convey to the City, free and clear of all liens and encumbrances, clear and marketable title to the Public Civic Plaza comprised of approximately 10,000 sq. ft. and generally located along York Street, together with mutually acceptable permanent easements over all common areas as may be necessary to permit pedestrian and vehicular ingress and egress to said Public Civic Plaza. The Developer shall assign or otherwise provide to the City such construction warranties and/or guarantees as the Developer shall have received from third-party contractors and vendors which relate to the Civic Plaza and Underground Detention Facility. The approximate location of the Public Civic Plaza component to be conveyed is depicted within the Final Plans. The Developer and the City agree that the Developer shall be entitled to a temporary occupancy permit, provided that the Developer conveys the Public Civic Plaza to the City on or before Substantial Completion of the Project in accordance with the Project Schedule.

D. **Intentionally Omitted.**

E. **Permits.** The Developer shall apply for, diligently pursue and secure all required permits and approvals pursuant to the Project Schedule. The City shall cooperate with the Developer in approving necessary permits after submission of a complete application, which complies in all respects with all applicable laws, ordinances, regulations and this Agreement.

F. **Prevailing Wage.** The Developer shall construct the applicable portions of the Project in full compliance with the Prevailing Wage Act (for purposes of this Section, the "Act") of the State of Illinois, 820 ILCS 130/0.01 *et seq.*, as amended. The Developer shall indemnify, hold harmless, and defend the City, its governing body members, officers, and agents, including independent contractors, consultants and legal counsel, servants and employees thereof ("*Indemnified Parties*"), against all regulatory actions, complaints, damages, claims, suits, liabilities, liens, judgments, costs and expenses, including reasonable attorney's fees, which may in any way arise from or accrue against the Indemnified Parties as a consequence of compliance with the Act or which may in any way result therefrom, including a complaint by the Illinois Department of Labor under Section 4(a-3) of the Act, 820 ILCS 130/4(a-3) that any or all of the Indemnified Parties violated the Act by failing to give proper notice to the Developer or any other party performing applicable work that no less than the prevailing rate of wages shall be paid to all laborers, workers and mechanics performing work on the Project, including

interest, penalties or fines under Section 4(a-3). The indemnification obligations of this Section on the part of the Developer shall survive the termination or expiration of this Agreement. In any such claim, complaint or action against the Indemnified Parties, the Developer shall, at its own expense, appear, defend and pay all charges of reasonable attorney's fees and all reasonable costs and other reasonable expenses arising therefrom or incurred in connection therewith, and, if any judgment or award shall be rendered against the Indemnified Parties in any such action, the Developer shall, at its own expense, satisfy and discharge such judgment or award.

G. The Developer and the City, as applicable, shall grant, dedicate or convey all rights-of-way and easements on the Redevelopment Property in order to provide for all required Project improvements, as shown in the Final Plans, including but not limited to streets, sidewalks, street lights, water mains, storm and sanitary sewer mains, detention or retention ponds, gas, electricity, and cable television. The Parties shall coordinate said conveyances with all applicable utility companies and other applicable governmental bodies and/or agencies.

H. The Developer shall prepare, file and secure approval by the City of any and all required plats of consolidation or resubdivision, vacation, horizontal plats of subdivision and/or assessment plats as may be required by City Code, or otherwise, to effectuate the terms of this Agreement for the Project.

I. The Developer shall install on behalf of the City all necessary water mains, sanitary sewer mains and storm sewers necessary to serve the Project in accordance with final engineering plans approved by the City.

J. The Developer shall convey free and clear title to any Public Improvements depicted on the Final Plans by an appropriate instrument of conveyance.

K. In the event the Developer elects to park and stage construction equipment, materials and vehicles other than on the Redevelopment Property, the City shall have the right to reasonably approve such locations.

Section 6.3. INTENTIONALLY OMITTED.

Section 6.4. Timing of Developer's Obligations. Subject to Uncontrollable Circumstances, the Developer will complete construction of the Project pursuant to the Project Schedule. If the Developer fails to commence, diligently prosecute and complete the Project within the time period set forth in the Project Schedule, such will constitute an event of default under this Agreement (subject to the cure provisions hereof), unless caused by Uncontrollable Circumstances.

Section 6.5. Compliance with Applicable Laws. The Developer shall at all times acquire, install, construct, operate and maintain the Project in conformance with all applicable laws, rules, ordinances and regulations. Except as to the Zoning Ordinance provisions that the City has granted variations from, all work with respect to the Project shall conform to all applicable federal, state, county and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision and planned development codes, building codes, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter), life safety codes, property maintenance codes and any other applicable codes and ordinances of the City, or any of its rules or regulations or amendments thereto, which are in effect at the time of issuance of each building permit.

Section 6.6. Progress Meetings. The Developer shall meet with the corporate authorities or City staff, or both (as determined by the City), as reasonably requested, and make presentations to the corporate authorities once a calendar year as reasonably requested by the City Manager in order to keep the City apprised of the progress of the construction of the Project.

Section 6.7. Developer's Cooperation and Coordination. During the construction of the Project, the Developer shall provide such notices and attend such community and neighborhood meetings as may be necessary or desirable, as reasonably determined by the City and the Developer in consultation, to keep the residents and local businesses in the immediate vicinity of the Redevelopment Property fully informed of progress on the Project and any measures that the City and the Developer believe prudent for the residents to take to minimize construction-related inconvenience. The Developer shall also stage its construction of the Project to avoid to the fullest extent possible any such community disruption. During construction, the Developer shall

on a daily basis keep all streets immediately adjacent to the Project free of any construction-related debris. Within three (3) hours after notice from the City that one or more streets within the Project are not satisfactorily clean during a 24-hour period, the Developer will take steps to remedy the complaint. In the event that the Developer fails three (3) times to remedy a complaint under this Section with regard to properly cleaning a street, the Developer, upon the fourth violation, shall pay the City the sum of \$750.00 for each such subsequent violation.

Section 6.8. Additional Representations and Warranties of the Developer

A. The Developer is an Illinois limited liability company duly organized and existing and in good standing under the laws of the State of Illinois, and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute, deliver and perform, this Agreement. The Developer is solvent, able to pay its debts as they mature and financial able to perform all the terms of this Agreement. To the Developer's knowledge, there are no actions at law or similar proceedings which are pending or threatened against the Developer which would result in any material and adverse change to the Developer's financial condition, or which would materially and adversely affect the level of the Developer's assets as of the date of this Agreement or that would materially and adversely affect the ability of the Developer to proceed with the construction and development of the Project. The Developer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as an Illinois limited liability company, so long as the Developer maintains an interest in the Redevelopment Property or has any other remaining obligations pursuant to the terms of this Agreement.

B. Neither the execution and delivery of this Agreement by the Developer, the consummation of the transactions contemplated hereby by the Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by the Developer conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of the Developer (with the Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which the Developer or any of its partners or venturers is now a party or by which the Developer or any of its partners or its venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of the Developer, any related party or any of its venturers under the terms of any instrument or agreement to which the Developer, any related party or any of its partners or venturers is now a party or by which the Developer, any related party or any of its venturers is bound.

C. The Developer has sufficient financial and economic resources to implement and complete the Developer's obligations contained in this Agreement. The Developer has or will obtain a firm commitment from a financial institution providing all monies needed through third party financing or alternatively will provide proof of access to sufficient funds pursuant to the terms of this Agreement.

D. The Developer hereby represents and warrants that the Project requires economic assistance from the City in order to commence and complete the Project and, but for the economic assistance to be given by the City as heretofore stated, the Project as contemplated would not be economically viable nor would the funds necessary for its completion be made available.

E. The Developer hereby represents and warrants that at all times it shall comply with all applicable provisions of the City Code.

F. The Developer hereby represents and warrants that it shall comply with all applicable laws, rules and regulations of the State of Illinois, the County of DuPage and the United States of America, and any and all agencies or subdivisions thereof, and all other governmental bodies and agencies having jurisdiction over the Redevelopment Property.

G. The Developer represents and warrants that it shall comply in all material respects with all terms, provisions and conditions, and that it shall not default or permit a continuing default under any document or agreement relating to the Project or the financing and development of the Project, including but not limited to this Agreement, and all agreements and documentation executed and delivered in connection with any financing or loans for the Project, a default under which would have a material adverse effect on the sales tax revenue generated thereby to the City.

H. The Developer hereby represents and warrants that it shall comply with all applicable City ordinances concerning unlawful employment practices and consumer protection.

I. The Developer shall diligently pursue obtaining all required permits and the Developer shall cause construction of the Project on the Redevelopment Property to be prosecuted and completed pursuant to the terms hereof with due diligence, in good faith and without delay, subject to Uncontrollable Circumstances and the other provisions of this Agreement.

J. The Developer agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement to the extent legally permitted and within the Developer's sound legal discretion.

K. The Developer covenants that no officer, member, manager, stockholder, employee or agent, or any other Person connected with the Developer, has knowingly made, offered or given, either directly or indirectly, to any member of the corporate authorities, or any officer, employee or agent of the City, or any other Person connected with the City, any money or anything of value as a gift or bribe or other means of influencing his or her action in his or her capacity with the City, to the extent prohibited under applicable law.

L. 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 a sworn affidavit to the City disclosing the identity of every owner and beneficiary who has any interest, real or personal, in the Project, and every shareholder entitled to receive more than 7 ½ % 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 has a greater than 7 ½% interest, real or personal, in the Developer or the Project. The sworn affidavit shall be substantially similar to the one described in Exhibit F, attached hereto and made a part of this Agreement. Said affidavit shall be updated, as necessary.

M. The Developer hereby represents and warrants that, as of the date of this Agreement, the cost of the Project is anticipated to be at least \$56,000,000.00.

7. RESERVED.

8. UNDERTAKINGS OF THE DEVELOPER AND CITY.

Section 8.1. Developer Undertaking for Payment of Real Estate Taxes.

A. Covenant. The Parties acknowledge that certain assumptions have been made relative to the future market value and assessed valuation of the Redevelopment Property, as improved pursuant to this Agreement under the Act, and further acknowledge that attaining and maintaining such assessed valuation will have a material impact on the revenues available to support and amortize the Redevelopment Project Costs for this Project in the Redevelopment Area in accordance with the Redevelopment Plan. Accordingly, the Developer hereby covenants to develop and use the Redevelopment Property as provided herein. This covenant shall run with the land, and be binding and enforceable against the Developer's successors and assigns until the termination of the TIF Ordinances.

B. Restrictions. The Developer, its successors and assigns, agrees that it will not protest, object or otherwise petition for a reduction to any real estate tax assessment attributable to the Redevelopment Property in any manner that would reduce the assessed value of that part of the Redevelopment Property. Notwithstanding the foregoing, in the event an assessed valuation of the Redevelopment Property, or the buildings located thereon, is materially inconsistent with similarly situated properties, Developer may

protest the assessed value. In no event shall Developer petition for a reduction in the assessed valuation for a given year below the applicable amount set forth in Exhibit J.

Section 8.2. Conditions Precedent to the Undertakings on the Part of the City. All

undertakings on the part of the City pursuant to this Agreement are subject to satisfaction of the following conditions by the Developer on or before the dates provided for below, or as otherwise specifically hereinafter stated:

A. Pursuant to the Project Schedule, the Developer shall have timely obtained all final zoning and subdivision entitlement approvals and building permits relating to the Project, it being understood and agreed that the City has the discretion established by law to approve, amend or deny all such approvals and permits and the City shall not be deemed to have caused a default hereunder or have any liability for its failure to approve such entitlements and/or work.

B. Pursuant to the Project Schedule, the Developer shall have obtained any other final approvals necessary from any other governmental unit or agency which has jurisdiction or authority over any portion of the Project.

C. The Developer shall have certified to the City that there exists no material default under this Agreement, beyond any applicable cure period set forth herein, or any agreement, guaranty, mortgage or any other document which the Developer has executed in connection with the Project, beyond any applicable cure period set forth therein, that affects or that may affect the Developer's ability to complete the Project on the Redevelopment Property, and that the Developer has not received any notice of any violation of the City Code, or of any applicable laws of the State of Illinois or the United States of America, and/or any agency or subdivision thereof, as well as any ordinances and resolutions of the City pertaining to the Project which by their respective terms are to have been complied with prior to the completion of the Project.

D. The Developer agrees that in the event there is an assignment that does not comply with the provisions of Section 20.19 of this Agreement, the City shall have the right to declare an event of default under Section 14 of this Agreement.

E. If a land trust or limited partnership shall become the owner of the Redevelopment Property, the sole beneficiaries of the trust or the partners in the limited partnership shall have delivered to the land trustee or general partners, as the case may be, an irrevocable letter of direction indicating that any notice received by the land trustee or limited partnership which adversely impacts the Developer's title to or interest in the Redevelopment Property, including but not limited to any notice of failure to pay real estate taxes, notice of foreclosure or notice of mechanic's lien(s) on the Redevelopment Property, will be sent to the City within three (3) business days following receipt thereof. Such letter of direction shall be irrevocable for so long as the City is required to make

payments under this Agreement. The Developer also agrees to send to the City any such notice received by either of them within three (3) days of receipt.

Section 8.3. Payment Undertaking on the Part of the City. Upon satisfaction by the Developer of all the terms and conditions set forth in this Agreement, the City hereby undertakes to make the payments set forth herein upon satisfaction of the following:

A. That the Developer shall have delivered to the City no less than thirty (30) days prior to the initial payment in accordance herein, and no less than thirty (30) days prior to each subsequent payment, a certificate dated within fifteen (15) days of receipt by the City that all representations and warranties contained in Section 6 herein are true and correct.

B. That the City has received no notice from the Developer or from any other source that there exists any material default beyond the applicable cure period under any of the terms, conditions or provisions under any of the loan documents under which the Developer's financing, if any, for the Project was obtained, that affects or that may affect the Developer's ability to complete the Project on the Redevelopment Property. The Developer shall provide the City with any notices received throughout the term of this Agreement relating to the Redevelopment Property which may have an adverse impact on this Project, specifically including any notices regarding any tax or loan delinquencies; provided, however, that if the City receives evidence satisfactory to it that any default has been cured, except as otherwise provided herein, the payments to the Developer required hereunder shall resume if all other requirements have been met.

In the event that the Developer fails to deliver to the City any or all of the foregoing certifications within the time periods set forth herein, or otherwise violates any term or provision of this Agreement, then in such event, the City shall have no obligation to make any payment to the Developer until such time as any such failure or violation is corrected to the reasonable satisfaction of the City (except where this Agreement provides for forfeiture of any such payments), and all rights of the Developer to demand any current or future payment from the City shall be deemed waived until such failure or violation is so corrected, and all other obligations on the part of the City arising pursuant to this Agreement shall be deemed suspended and without any further force and effect unless and until such failure or violation is so corrected within the applicable cure period. Where this Agreement provides for forfeiture of any such payments, the City may in that event cancel this Agreement immediately and permanently.

Notwithstanding any of the foregoing, or any other provision contained herein, if the Developer and/or owner of the Redevelopment Property, if different than the Developer, fails in any year to timely pay any or all of the real estate taxes (or fails to provide evidence that they are being appealed) on the Redevelopment Property within thirty (30) days of when they become due, the City may, at its sole discretion, declare an event of default under Section 14 of this Agreement. The Developer and/or owner, if

different than the Developer, shall provide evidence to the City that such taxes were paid (or are being appealed) when due within thirty (30) days after the date when due.

Section 8.4. Undertakings on the Part of the Developer.

A. The Developer undertakes to commence construction of the Project in accordance with the Project Schedule, and shall not cause or permit the existence of any violation of the City Code. The Developer shall have achieved Substantial Completion of the entire Project in accordance with the Project Schedule, or by such later time as may be agreed by and between the City and the Developer.

B. The Developer shall require the title holder of record (if at any time different from the Developer) of the Redevelopment Property to give the City notice within ten (10) days of receipt of same regarding any forfeiture on the financing documents by the Developer for the financing of the Project or its subsequent purchase if an assignment is approved hereunder, and any tax and/or "scavenger" sale of the Redevelopment Property, or any portion thereof.

C. The Developer covenants that it shall use its best efforts to furnish or cause the tenants of any retail business to submit to the City copies of the tenants' monthly and annual sales tax reports as filed with the Illinois Department of Revenue. The terms of this Section shall, to the extent possible, be incorporated in the leases for such retail businesses and shall survive the issuance of the Certificate of Completion. To the extent the documents submitted to the City pursuant to this paragraph are not considered public documents pursuant to the Illinois Freedom of Information Act or other laws, they shall be deemed confidential and proprietary. This covenant shall survive the issuance of the Certificate of Completion.

D. The Developer hereby covenants and agrees to promptly pay or cause to be paid as the same become due, any and all taxes and governmental charges of any kind that may at any time be lawfully finally assessed and payable with respect to the Project and/or the Redevelopment Property.

E. The Developer and the City each represent to the other that it has not engaged the services of any finder or broker with respect to the purchase of any land related to the Project and that it is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of the acquisitions of any portion of the Redevelopment Property, and each agrees to hold the other harmless from such commissions or fees as are found to be due from the Party making such representations.

9. RESERVED.

10. ADHERENCE TO CITY CODES AND ORDINANCES. All development and construction of the Project shall comply in all respects with all applicable provisions in the City

Code and all other applicable codes and ordinances of the City in effect from time to time at the time of issuance of each building permit during the course of construction of the Project. The Developer has examined and is familiar with all of the covenants, conditions, restrictions, building regulations, zoning ordinances, property maintenance regulations, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter) and land use regulations, codes, ordinances, federal, state and local ordinances and the like, currently in effect and applicable to the construction and operation of the Project.

11. REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

Section 11.1. Organization and Authority. The City is a municipal corporation duly organized and validly existing under the laws of the State of Illinois, is a home rule unit of government, and has all requisite corporate power and authority to enter into this Agreement.

Section 11.2. Authorization. The execution, delivery and the performance of this Agreement and the consummation by the City of the transactions provided for herein and the compliance with the provisions of this Agreement (i) have been duly authorized by all necessary corporate action on the part of the City, (ii) require no other consents, approvals or authorizations on the part of the City in connection with the City's execution and delivery of this Agreement, and (iii) shall not, by lapse of time, giving of notice or otherwise, result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the City is subject.

Section 11.3. Litigation. To the best of the City's knowledge, there are no proceedings pending or threatened against or affecting the City or the TIF District in any court or before any

governmental authority which involves the possibility of materially or adversely affecting the ability of the City to perform its obligations under this Agreement.

Section 11.4. Environmental. To the actual knowledge of the City, the City represents and warrants that it has delivered to the Developer copies of all environmental reports, studies, remediation plans, no further remediation letters, and highway authority agreement relating to the Redevelopment Property that the City has in its files or the files of any City consultants (the "Reports"). The City makes no warranties or representations regarding the contents of such Reports. The City also covenants and represents that it has provided to the Developer any and all notices or other communications from any governmental agencies with jurisdiction with regard to the environmental conditions of the Redevelopment Property and the surrounding rights of way serving the Project. The Developer acknowledges that it shall not rely on the Reports or the information contained, except as provided herein, and shall conduct its own due diligence with respect to the Reports and with respect to all matters and information referred to in the Reports or otherwise relating to the Redevelopment Property and the environmental condition thereof. The Developer hereby waives and releases the City from and against any liability or claim related to the Reports and the accuracy or completeness of the information contained therein, except as specifically provided herein. The City makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Redevelopment Property or anywhere within the TIF District of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental

Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 961-9657, as amended) (collectively, the "Hazardous Substances"). The foregoing disclaimer relates to any Hazardous Substance allegedly generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on or in the vicinity of the Redevelopment Property or within the TIF District, as well as any activity claimed to have been undertaken on or in the vicinity of the Redevelopment Property that would cause or contribute to causing (1) the Redevelopment Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Redevelopment Agreement within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 691 *et seq.*, or any similar state law or local ordinance, (2) a release or threatened release of toxic or hazardous wastes or substances, pollutants or contaminants, from the Redevelopment Property within the meaning of, or otherwise bring any Redevelopment Property within the ambit of, CERCLA, or any similar state law or local ordinance, or (3) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, or any similar state law or local ordinance. Further, the City makes no warranties or representations regarding, nor does the City indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Project or anywhere within the TIF District of any substances or conditions in or on the Redevelopment Property that may support a claim or cause of action under RCRA, CERCLA, or any other federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements. The City makes no representations or warranties regarding the existence of any above ground or underground tanks in or about the Redevelopment Property, or whether any above or

underground tanks have been located under, in or about the Redevelopment Property and have subsequently been removed or filled. As far as any properties to be conveyed by the City to the Developer, the Developer agrees to accept any such conveyance on an "as-is" basis and waives and releases any or all claims the Developer may have against the City for any violation of any federal, state or local environmental law or regulation, except only as the Parties may otherwise agree.

Section 11.5. Waiver of Certain Claims. The Developer waives any claims against the City, and its members and boards, for indemnification, contribution, reimbursement or other payments arising under federal, state and common law or relating to the environmental condition of the land comprising the Redevelopment Property.

12. INSURANCE.

Section 12.1. Project Insurance. The Developer, and any successor in interest to the Developer, shall, after conveyance of the portions of the Redevelopment Property to be conveyed to the Developer under this Agreement, until construction of the Project is complete, obtain or cause to be obtained and continuously maintain insurance on the Project and, from time to time at the request of the City, furnish proof to the City 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 must obtain:

A. Prior to above-grade construction of the Project, builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," or similar form, in an amount equal to one hundred percent (100%) of the insurable value of the structures on the Property at the date of completion, and with coverage available in non-reporting form.

B. Prior to the commencement of the Project, comprehensive general liability insurance shall be obtained (including bodily injury, property damage, contingent liability, completed operations and contractual liability insurance). The insurance shall name the City, its officers, employees, agents and volunteers as additional insureds, with

all rights of a primary insured, with limits of not less than \$10,000,000.00 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). Coverage must be written on an occurrence basis.

C. Workers compensation insurance, with statutory coverage, only to the extent applicable.

Section 12.2. Insurer Ratings. All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Developer or its successors and approved by the City having at a minimum Best rating of "A" and a financial size category of Class M or better in Best's Insurance Guide that are authorized under the laws of the State to assume the risks covered by such policies. Unless otherwise provided in this Section, each policy must contain a provision that the insurer will not cancel nor materially modify the policy without giving written notice to the insured and the City 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, or its successor or assign, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section and provide City contemporaneous notice thereof. In lieu of separate policies, the Developer, or its successor or assign, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

13. INDEMNIFICATION AND LIMITATION OF LIABILITY.

Section 13.1. Indemnification. The Developer releases from and covenants and agrees that the City, its governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "*Indemnified Parties*") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss, damage, claims, demands, suits, costs, expenses (including reasonable attorney's fees), actions or other proceedings whatsoever

by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer and its officers, employees, agents and/or contractors (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project ("*Indemnified Claims*"); provided, however, that the Developer's indemnity under this Section shall be reduced to the extent the Indemnified Claims are caused, if at all, by the willful misconduct or gross negligence on the part of the Indemnified Parties or to the extent the Indemnified Claims are caused, if at all, by the City's failure to comply with any material requirement of this Agreement or other applicable law and the Developer's indemnification pursuant to this Section expressly does not include any claims from third-parties challenging or relating to the City's authority to create and establish the Redevelopment Project Area.

Section 13.2. Limitation of Liability. No recourse under or upon any obligation, covenant or condition in this Agreement, or for any claim based thereon or otherwise related thereto, shall be had against the City, or its officers, officials, agents and/or employees, in any amount in excess of any specific sum agreed by the City to be paid to the Developer hereunder, subject to the terms and conditions set forth herein, and no liability, right or claim at law or in equity shall attach to, or shall be incurred by, the City, or its officers, officials, agents and/or employees, in excess of such amounts and any and all such rights or claims of the Developer against the City, or its officers, officials, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the City.

14. EVENTS OF DEFAULT AND REMEDIES.

Section 14.1. Developer Events of Default. The following shall be Events of Default with respect to this Agreement:

A. If any material representation made by the Developer in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to the City 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. Failure of the Developer to comply with any material covenant or obligation contained in this Agreement, or any other agreement, financing or otherwise, concerning the Project, the Redevelopment Property, or the existence, structure or financial condition of the Developer.

C. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the 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, sequestrator (or similar official) of the Developer for any substantial part of its Redevelopment 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 sixty (60) consecutive days.

D. The Developer: (i) becomes insolvent; or (ii) is unable, or admits in writing its inability to pay, its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its or their property; or (iv) is adjudicated a bankrupt; or (v) files a petition in bankruptcy or to effect a plan or other arrangement with creditors; or (vi) files an answer to a creditor's petition (admitting the material allegations thereof) for an adjudication of bankruptcy or to effect a plan or other arrangement with creditors; or (vii) applies to a court for the appointment of a receiver for any asset; or (viii) has a receiver or similar official appointed for any of its assets, or, if such receiver or similar official is appointed without the consent of the Developer and such appointment shall not be discharged within sixty (60) days after his appointment or the Developer has not bonded against such receivership or appointment; or (ix) a petition described in (v) is filed against the Developer and remains pending for a period of sixty (60) consecutive days, unless the same has been bonded, and as a result thereof, the Developer ceases to operate; or (x) files any lawsuit, claim and/or legal, equitable or administrative action affecting the City's ability to collect any such sales tax revenue hereunder.

E. Failure to have funds to meet the Developer's obligations.

F. The Developer abandons the Project on the Redevelopment Property. Abandonment shall be deemed to have occurred when work stops on the Redevelopment

Property for more than sixty (60) consecutive days for any reason other than: (i) Uncontrollable Circumstances, (ii) if the Developer is ahead of its planned construction schedule on the Project Schedule, or (iii) work stoppage caused by an action or inaction of the City that is not in compliance with the terms of this Agreement.

G. The Developer materially fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the buildings contemplated by this Agreement.

H. Failure to timely pay when due all real estate property taxes on the Redevelopment Property (or to timely and in good faith appeal said real property taxes in accordance with Section 8.1(B) of this Agreement).

Section 14.2. City Events of Default. The following shall be Events of Default with respect to this Agreement:

A. If any representation made by the City in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to the 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; provided, however, that such default shall constitute an event of default only if the City does not remedy the default within sixty (60) days after written notice from the Developer.

B. Default by the City in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of the City; provided, however, that such default or breach shall constitute an event of default only if the City does not, within sixty (60) days after written notice from the Developer, initiate and diligently pursue appropriate measures to remedy the default, or if the City fails to cure such default within ninety (90) days of written notice of such default.

C. Failure of the City to comply with any of its obligations under this Agreement, including without limitation its obligations to make any payment to the Developer, including without limitation the City Incentives, as and when due, under this Agreement.

Section 14.3. Remedies of Default. In the case of an event of default hereunder:

A. The defaulting party shall, upon written notice from the non-defaulting party, take immediate action to cure or remedy such event of default. If, in such case, any monetary event of default is not cured within thirty (30) days, or if in the case of a non-monetary event of default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such event of default or breach shall not be cured or remedied within a reasonable time, but in no event more than ninety (90) additional days after receipt of such notice, unless extended by mutual agreement, 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 case the City shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, then, and in every such case, the Developer and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Developer and the City shall continue as though no such proceedings had been taken.

C. In the case of an event of default by the Developer, and its failure to cure such default after due notice and within the time frames provided for in this Agreement, in addition to any other remedies at law or in equity, the City may terminate this Agreement and upon such termination shall be relieved of its obligations under this Agreement, including but not limited to its obligation to pay any further incentive amounts to the Developer and its obligations to convey any land to the Developer.

D. In the case of an event of default by the City 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 as its sole and absolute remedy may terminate this Agreement and upon such termination shall be relieved of its obligations under this Agreement.

E. In the case of an event of default by the Developer occurring prior to the commencement of construction, the City agrees that it shall have no remedy of specific performance to force the Developer to commence construction.

Section 14.4. Third-Party Litigation; Reimbursement of City for Legal and Other Fees and Expenses. Subject to the limitations on the Developer's hold harmless and indemnification obligations set forth in Section 13 of this Agreement, in the event that any third party or parties institutes any legal proceedings against the City, and related to the terms of this Agreement, then, in that event, the Developer shall indemnify and hold harmless the City from any and all such proceedings. Further, the Developer, upon receiving notice from the City of such legal proceedings, shall assume, fully and vigorously, the entire defense of such lawsuit or proceedings and any and all costs and expenses of whatever nature relating thereto; provided, however, that the Developer may not at any time settle or compromise such proceedings without

advance written notice to the City. If such settlement or compromise involves any admission of wrongdoing on the part of the City, or any liability imposed on the City, monetary or otherwise, then the Developer shall be required to obtain the City's consent to such settlement or compromise in advance.

In any such litigation, if Illinois Rules of Professional Conduct prohibit the City and the Developer from being represented by the same counsel or if the positions of the City and the Developer in such litigation will necessarily be in conflict, then the City shall have the option of being represented by its own legal counsel. In the event that the City exercises such option, then the Developer shall reimburse the City from time to time on written demand from the City Manager and notice of the amount due for any and all reasonable out-of-pocket costs and expenses, including but not limited to court costs, reasonable attorneys' fees, witnesses' fees and/or other litigation expenses incurred by the City in connect therewith.

Section 14.5. No Waiver by Delay or Otherwise. Any delay 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, nor 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 14.6. Rights and Remedies Cumulative. Except as may be specifically provided for in this Agreement, 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.

15. RESERVED.

16. COSTS OF THE PROJECT.

Section 16.1. Budget. Attached hereto and incorporated herein as Exhibit G is the Developer's best estimate of the overall costs of the Project (the "Budget").

Section 16.2. Developer's Cost. Subject to reimbursement of the City Incentives, as provided herein, the Developer shall be responsible for the entire cost of constructing the Project.

Section 16.3. Developer's Budget Management. Should the actual cost or expense of the Project be greater than the amount set forth in the Budget, the Developer shall be required to pay such excess costs.

17. PROJECT AUDIT. Upon reasonable notice, the City and its representatives and consultants shall have access to all portions of the Project during reasonable times for the term of this Agreement. Upon reasonable notice, the City and its representatives and consultants shall have access to all books and records relating to the private financing of the Project, the Redevelopment Property and the Redevelopment Project Costs with respect thereto, including but not limited to the Developer's financing commitments, loan statements, general contractor's and contractor's sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices. These records shall be available for inspection, audit and examination.

18. CONSTRUCTION OF THE PROJECT.

Section 18.1. Delivery of Building and Engineering Plans. The Developer shall, pursuant to the Project Schedule, cause to be delivered to the City for review and approval the building and final engineering plans for the Project. The Developer shall also file at appropriate times and diligently pursue all required applications and supporting documentation as may be necessary to secure any permit required to be issued by any other unit of government whose approval is a necessary precondition to the Developer's right to construct the Project.

Section 18.2. Plan Review Cooperation. The City agrees to meet with the Developer and its authorized agents as frequently as may reasonably be necessary to coordinate the preparation of, submission to and review and approval by the City of the Project building permit applications. Any errors or omissions of the City in the review of and comments provided in response to the submittals shall not constitute a waiver of the application of the City's ordinances and regulations related to the Project.

Section 18.3. Corrected Documents. Should the City reject any submitted building permit applications for failure to comply with the Final Plans, the Developer shall, within twenty-one (21) business days, or such other reasonable time, after receiving written notice thereof, cause new or corrected documents to be prepared and submitted to the City. This process, within the time frames herein stipulated, shall be repeated as often as may be necessary until the documents are in compliance with the Final Plans and applicable laws and ordinances, except that all submittals after the initial submittal shall be reviewed by the City within such shorter period as may be reasonably practical.

Section 18.4. Time for Completion. Subject to an Uncontrollable Circumstance, the Project shall be constructed in accordance with the Project Schedule.

19. FINAL PROJECT COSTS RECAPTURE; EXCESS PROFIT.

Section 19.1. Final Certification of Project Budget; Recapture. The Developer acknowledges that the level of financial assistance provided by the City herein is based upon the Budget, previously attached hereto as Exhibit G. Within sixty (60) days of issuance of a final certificate of occupancy for the Project, the Developer shall submit a certification of actual costs in each of the categories as shown on Exhibit G. The Developer shall provide such documentation as the City deems necessary to confirm the actual costs. The City shall have the certified actual costs reviewed by its financial advisor and shall notify the Developer in writing when they are determined by it and its financial advisor to be acceptable. Once the certified actual costs are deemed to be acceptable by the City, to the extent the actual construction costs for the Project are less than the Budget, fifty (50%) percent of every dollar under Budget ("*Recapture Payment*") shall be recaptured and paid to the City within thirty (30) days of acceptance of the certified actual costs. The Recapture Payment shall in no event exceed the amount of the City Incentives.

Section 19.2. Excess Profit Documentation. Upon the occurrence of a Capital Event, the Developer shall pay to the City a portion of its profits ("*Excess Profit*") from the Project in accordance with the schedule below. Calculations of profits will be performed utilizing a standard unlevered Internal Rate of Return financial model calculating an annual return on the Project's total costs (as further defined below), annual net operating income, and net proceeds, if any, from the First Capital Event (the "*IRR*"). The IRR will be calculated via numerical iteration from the sum of: "total project expenditures" + "total project revenues" + "total TIF contribution" annually over the life of the TIF district. Utilizing the equation below, a solution will be derived for "r" = the unleveraged IRR for the Project; where "N" = the total number of

years in the life of the Project (defined the number of years starting with the year in which predevelopment expenditures began in 2013 through to Project completion, defined as the year in which final proceeds are collected); "C" = total net cash flows (total development revenues, including TIF proceeds, accruing to the Project less total development costs incurred) for each year; and "t" = each year in the life of the Project up to the date of the Capital Event.

$$NPV = \sum_{t=0}^N \frac{C_t}{(1/r)^t} = 0$$

The IRR analysis for payment of Excess Profits will be performed one time only upon the occurrence of the Capital Event. Attached as Exhibit H is an example of the methodology used to calculate Excess Profit, if any. For the calculation of IRR, actual costs and revenues will be used to the extent determined as of the date of the Capital Event. For values not yet determined, reasonable assumptions will be made by the City and Developer. To the extent that capitalization rates are required to calculate the IRR, the actual capitalization rates of the Capital Event will be used. To the extent that the actual capitalization rates are yet to be realized, the rates will be derived from forecasted Chicago regional terminal cap rate data as reported in the most recent available edition of Real Estate Research Corporation's quarterly "Real Estate Report." If this publication is no longer available at the time of calculation, a similar publication shall be substituted.

Within thirty (30) days following the Capital Event, the Developer shall provide to the City the Developer's initial calculation of the IRR and the Excess Profits, along with any and all documents and information supporting the Developer's initial calculation and as may be requested and deemed necessary by a professional financial services firm selected by the City and reasonably approved by the Developer ("*Financial Consultant*") to review the Developer's

initial calculation and to perform their own, independent calculation of the IRR and determination of Excess Profit. Documents to include: sale or refinance documentation; assumptions used in Developer's initial calculation; Developer's sworn affidavits for construction costs; annual operating statements; lending/financing documents; rent rolls; other documents verifying revenue generation; and documents supporting expenditures. If the Developer asserts that a record is proprietary, the proprietary record shall be submitted or made available to the Financial Consultant under such claim, but such documents may be subject to disclosure by court order or applicable law. The IRR calculation and computation of the Excess Profit shall then be finalized by the Financial Consultant ("*Final IRR Analysis*"). The cost of the Financial Consultant for the Final IRR Analysis shall be split equally between the Developer and the City.

Section 19.3. Excess Profit Sharing Analysis. If, as a result of the IRR calculation, the IRR is greater than eleven (11%) percent, the Developer will share Excess Profits with the City, on a "cascade" basis, as follows:

- Tranche 1 – To Developer– 100% of profits to Developer until an 11% IRR is achieved by the Project.
- Tranche 2 – Profit Sharing Payment to the City – After an 11% IRR is achieved by the Project, and up to the Project achieving a 12% IRR, the profit distribution will be 10% to the City and 90% to the Developer.
- Tranche 3 – Profit Sharing Payment to the City – After a 12% IRR is achieved by the Project, and up to the Project achieving a 13% IRR, the profit distribution will be 20% to the City and 80% to the Developer.
- Tranche 4 – Profit Sharing Payment to the City – After a 13% IRR is achieved by the Project, and up to a 14% IRR, the profit distribution will be 30% to the City and 70% to the Developer.
- Tranche 5 – Profit Sharing Payment to the City – After a 14% IRR is achieved by the Project, the profit distribution will be 40% to the City and 60% to the Developer on all profits from that point forward, subject to the Profit Cap set forth in Section 19.5.

The IRR analysis for payment of Excess Profits will be performed one time only and will be triggered upon the Capital Event. The refinancing of the construction debt for the Project will not trigger the IRR analysis for payment of Excess Profits.

Section 19.4. Excess Profit Payment. The amount of any recovery by the City of any Excess Profit under the provisions of Section 19.3 above shall be paid to the City simultaneously with the distribution of funds, if any, resulting in Excess Profit as a Capital Event.

Section 19.5. Recapture Payment Excess Profit Cap. The total amount of Recapture Payment and Excess Profit, if any, pursuant to this Section 19 paid to the City will not exceed \$5,928,152.00.

20. MISCELLANEOUS PROVISIONS.

Section 20.1. Cancellation. In the event the Developer or the City shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, or contained in the Redevelopment Plan, including the Developer's duty to build the Project, by the order of any court of competent jurisdiction, or in the event that all or any part of the Act or any ordinance adopted by the City in connection with the Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction, or in the event that all or any part of the Act or any ordinance adopted by the City in connection with the Project shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Redevelopment Plan or the covenants and Agreements or rights and privileges of the Developer or the City, then and in any such event, the Party so materially affected may, at its election, cancel or terminate this Agreement in whole (or in part with respect to that portion of the Project materially affected) by giving written notice thereof to the other

within sixty (60) days after such final decision or amendment. If the City terminates this Agreement pursuant to this Section 20.1, to the extent it is then appropriate, the City, at its option, may also terminate its duties, obligation and liability under all or any related documents and agreements provided. Further, the cancellation or termination of this Agreement shall have no effect on the authorizations granted to the Developer for buildings permitted and under construction to the extent permitted by said court order; and the cancellation or termination of this Agreement shall have no effect on perpetual easements contained in any recorded, properly executed document.

Section 20.2. Notices. All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service, (b) electronic communications, whether by electronic mail or fax between 9:00 a.m. and 5:00 p.m. CST Monday through Friday, (c) overnight courier, (d) registered or certified first class mail, postage prepaid, return receipt requested, or (e) priority mail with delivery confirmation.

If to City:	City of Elmhurst Attn: City Manager 209 North York Street Elmhurst, Illinois 60126
With a copy to:	Nicholas S. Peppers Storino, Ramello & Durkin 9501 West Devon Avenue, Suite 800 Rosemont, Illinois 60018
If to Developer:	Morningside Hahn, LLC Attn: David M. Strosberg 223 West Erie Street, 3 rd Floor Chicago, Illinois 60654

With a copy to:

Richard F. Klawiter
DLA Piper LLP (US)
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (d) shall be deemed received forty-eight (48) hours following deposit in the mail.

Section 20.3. Time of the Essence. Time is of the essence of this Agreement.

Section 20.4. Integration. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.

Section 20.5. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

Section 20.6. Recordation of Agreement. The Parties agree to record this Agreement, executed by the then current owners of the Redevelopment Property in the appropriate land or governmental records. The Developer shall pay the recording charges.

Section 20.7. Severability. If any provision of this Agreement, or any section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be construed as if such invalid part were never included

herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

Section 20.8. Choice of Law, Venue and Waiver of Trial by Jury. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Venue for any legal proceeding of any kind arising from this Agreement shall be in the Circuit Court of DuPage County, Illinois. The Parties hereto waive trial by jury in any action, proceeding or counterclaim brought by either of the Parties against the other on any matters whatsoever arising out of or in any way connected with this Agreement, or for the enforcement of any remedy.

Section 20.9. Entire Contract and Amendments. This Agreement (together with the exhibits attached hereto) is the entire contract between the City and the Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the City and the Developer and may not be modified or amended except by a written instrument executed by the Parties hereto, unless otherwise provided in this Agreement.

Section 20.10. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other person other than the City and the Developer or permitted assign, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever, except as specifically provided otherwise herein.

Section 20.11. Waiver. Any Party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 20.12. Cooperation and Further Assurances. The City and the Developer each covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 20.13. Successors in Interest. At any time, the Developer may assign its rights or obligations under this Agreement for the purpose of obtaining financing for the Project or any portion thereof, or to any entity in which the Developer owns a controlling interest. The Developer may not otherwise assign its rights or obligations under this Agreement to any other person or entity without prior written consent of the City pursuant to Section 20.19 of this Agreement.

Section 20.14. No Joint Venture, Agency or Partnership Created. Nothing in this Agreement, or any actions of the Parties to this Agreement, shall be construed by the Parties or any person to create the relationship of a partnership, agency or joint venture between or among such Parties.

Section 20.15. No Personal Liability of Officials of the City or the Developer. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the corporate authorities, City Manager, any elected official, officer, partner, member, director, agent, employee or attorney of the City or the Developer, in his or her individual capacity, and no elected official, officer, partner, member, director, agent, employee or attorney of the City or the 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 20.16. Repealer. To the extent that any ordinance, resolution, rule, order or provision of the City Code, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

Section 20.17. Term. The provisions of this Agreement shall run with and bind the Redevelopment Property and shall inure to the benefit of, be enforceable by, and obligate the City, the Developer, and any of their respective grantees, successors, assigns and transferees, including all successor legal or beneficial owners of all or any portion of the Redevelopment Property commencing with the Effective Date and expiring upon the earlier to occur of (i) December 31, 2035, being the expiration of the Redevelopment Project Area and (ii) the date the amount of any Recapture Payment and Excess Profit has been determined, if any, and paid to the City, if applicable ("*Term*"). Notwithstanding the foregoing, Section 8.1(B) of this Agreement shall remain in full force and effect through December 31, 2035.

Section 20.18. Estoppel Certificates. Each of the Parties hereto agrees to provide the other, upon not less than thirty (30) 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. If either Party fails to comply with this provision within the time limit specified, it shall be deemed to have appointed the other as its attorney-in-fact for execution of same on its behalf as to that specific request only.

Section 20.19. Nature, Survival and Transfer of Obligations.

A. Successors and Transferees. During the Term of this Agreement and to assure that all grantees, successors, assigns, and transferees of the Developer and all successor owners of all or any portion of the Redevelopment Property (except for the conveyance by the Developer to the City of the Public Parking Spaces and Public Civic Plaza) have notice of this Agreement and the obligations created by it, the Developer shall:

(i) Deposit with the City Clerk, concurrent with the City's approval of this Agreement, any consents or other documents necessary to authorize the City to record this Agreement in the office of the DuPage County Recorder of Deeds; and

(ii) Notify the City in writing at least thirty (30) days prior to any date on which the Developer transfers a legal or beneficial interest in any portion of the Redevelopment Property to a third party (except for the conveyance by the Developer to the City of the Public Parking Spaces and Public Civic Plaza); and

(iii) Require, prior to the transfer of all or any portion of the Redevelopment Property (except for the conveyance by the Developer to the City of the Public Parking Spaces and Public Civic Plaza), or any legal or equitable interest therein, to any third party, the transferee of said portion or interest in the Redevelopment Property to execute an enforceable written agreement agreeing to be bound by the provisions of this Agreement ("*Transferee Assumption Agreement*") and to provide the City, upon request, with such reasonable assurance of the financial ability of the transferee to meet those obligations as the City may require. The City agrees that upon a successor becoming bound to the obligation created in the manner provided in this Agreement and providing the financial assurances required pursuant to this Agreement, the liability of the Developer shall be released to the extent of the transferee's assumption of the liability. The failure of the Developer to provide the City with a copy of a

Transferee Assumption Agreement fully executed by the transferee and, if requested by the City, with the transferee's proposed assurances of financial capability before completing any transfer, shall result in the Developer remaining fully liable for all of its obligations under this Agreement but shall not relieve the transferee of its liability for all such obligations as a successor to the Developer.

B. **Transfer Defined.** For purposes of this Agreement, the term "transfer" shall be deemed to include any assignment, sale, transfer to a receiver or to a trustee in bankruptcy, transfer in trust, or other disposition of the Redevelopment Property (except for the conveyance by the Developer to the City of the Public Parking Spaces and Public Civic Plaza), or any beneficial interest in the Redevelopment Property, in whole or in part, by voluntary or involuntary sale, foreclosure, merger, sale and leaseback, consolidation, or otherwise; provided, however, that notwithstanding anything to the contrary set forth in this Agreement, the term "transfer" shall not be deemed to include any assignment, sale, transfer, or any other disposition of the Redevelopment Property or the rights and obligations under this Agreement as or by the Developer to (i) a Developer Affiliate, or (ii) an institutional investor or lender that is providing financing and/or capital to the Project for or on behalf of any of the entities described in (i) of this subsection.

C. **Mortgagees of Property.** This Agreement shall be binding on all mortgagees of the Redevelopment Property or other secured parties automatically upon such mortgagee assuming title to the Redevelopment Property, in whole or in part, by a foreclosure or a deed in lieu of foreclosure without the necessity of entering into a Transferee Assumption Agreement. Until such time, however, a mortgagee or other secured party shall have no personal liability hereunder.

Section 20.20. Collateral Assignment. It is understood and acknowledged that the Developer intends to obtain construction financing (the "*Construction Loan*") for the Project and that the construction lender ("*Lender*") typically requires a collateral assignment of any relevant development agreement. If such financing is obtained and if the Lender requires such a collateral assignment, the City hereby consents to the assignment of this Agreement to the Lender's collateral security for the Construction Loan.

In the event that any Lender is to succeed to the Developer's interest in the Redevelopment Property, or any portion thereof, pursuant to the collateral assignment and in conjunction with such succession accepts an assignment of the Developer's interest in this Agreement, the City shall recognize such party as the successor in interest to the Developer with

respect to the Redevelopment Property or the portion acquired by such Lender. However, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if the Lender accepts an assignment of the Developer's interest under this Agreement, it automatically accepts not only the Developer's rights hereunder but also all of the Developer's obligations hereunder. However, if such Lender does not expressly accept an assignment of the Developer's interest hereunder, such Lender shall be entitled to no rights and benefits under this Agreement. The foregoing (Lender's lack of expressly accepting an assignment) shall apply whether the succession is by foreclosure or deed in lieu of foreclosure or any other remedy. Under all such circumstances, the Redevelopment Property may only be developed in accordance with this Agreement.

With respect to a mortgage to which the City has not consented in writing, if that mortgagee or any other party shall succeed to the Developer's interest in the Redevelopment Property or any portion of it and in conjunction with such succession accepts an assignment of the Developer's interest in the Redevelopment Property, the City shall not be obligated to recognize such party as the successor in interest to the Developer under this Agreement. Unless and until the City accepts, in writing, such party as the successor interest, such party shall be entitled to no rights or benefits under this Agreement and the foregoing shall apply whether the succession is by foreclosure or deed in lieu of foreclosure or any other remedy. The exercise of any such remedy and the transfer of title to the Redevelopment Property or any portion of it to a mortgagee or any other party in connection with such exercise shall not be subject to the consent of the City.

Neither the Developer's making of a collateral assignment of its interest under this Agreement to a Lender, nor the exercise by a Lender of any of its remedies, shall constitute an

acceptance by such Lender or any other party of such assignment. Such Lender or other party shall not be deemed to have accepted such assignment until such time as such Lender or other party has executed and delivered to the City a written acceptance of such assignment. In the absence of such acceptance, such Lender or other party shall have no rights or benefits under this Agreement.

For so long as the Redevelopment Property is the subject of a TIF District, neither the Redevelopment Property nor any improvements on it may be collaterally assigned or otherwise encumbered without the City's consent for any purpose other than to finance the ownership and development of the Project pursuant to this Agreement.

If a default by the Developer under this Agreement occurs and the Developer does not cure it within the cure period that applies to the Developer under this Agreement, then the City shall promptly give the Lender a notice of expiration of such cure period (the "Cure Period Expiration Notice"). The Lender shall have the right, but not the duty, to perform any obligation of the Developer under this Agreement and to cure any default. Such Lender shall have thirty (30) days after receipt of the Cure Period Expiration Notice to cure such default. However, with respect to any default by the Developer, the cure of which requires the Lender to possess and control the Redevelopment Property, if such Lender undertakes, by written notice to the City within thirty (30) days after receipt of the Cure Period Expiration Notice, to exercise reasonable efforts to cure such default, such Lender's cure period shall continue for such additional time as may reasonably be required to obtain possession and control of the Redevelopment Property and thereafter cure the default within one hundred twenty (120) days. Such Lender may abandon exercise of its cure rights without liability to the City or any other party, provided it gives the City express written notice that it is so abandoning exercise of its cure rights. The City shall

accept cure by such Lender in fulfillment of the Developer's obligations, for the account of the Developer and with the same force and effect as if performed by the Developer. .

It is understood and acknowledged that, irrespective of any Lender remedies, the Redevelopment Property may not be developed, redeveloped, completed or maintained except in accordance with this Agreement. This restriction shall attach to and run with the land whether or not a Lender or any other entity holding an interest in the Redevelopment Property accepts the assignment of this Agreement. Notwithstanding anything in this Agreement or any other document to the contrary and irrespective of the underlying zoning of the Redevelopment Property, it is the intent of the Parties that any successor in interest to the Developer shall have only the development rights accorded by this Agreement and any approvals or permits issued pursuant to it. Further, each and every covenant, dependent or independent, and each and every obligation of this Agreement shall encumber such development.

Moreover, if any such Lender, mortgagee or other party thereafter seeks to sell, transfer, assign, or otherwise dispose of the Redevelopment Property and/or the Project, any such sale, transfer, assignment or disposition shall be governed by the provisions of Section 20.19 above.

Section 20.21. Special Service Area Number Six. The City, within sixty (60) days of the execution of this Agreement, will refer a request to the Finance and Council Affairs Committee of the City to review the financial impact of special service area number six on the residential portion of the Project.

Section 20.22. Termination. Notwithstanding any provision in this Agreement to the contrary, and subject to rights and remedies of the parties under Section 14.3 above, in the event this Agreement is terminated for any reason, as provided for herein, by either party, each party shall be solely responsible, and each party hereby waives any claims against the other, for any

and all costs and expenses incurred as a result of negotiating and entering into this Agreement and the undertakings associated therewith, including but not limited to the zoning entitlements resulting in the Final Plans.

[SIGNATORY PAGE FOLLOWS IMMEDIATELY]

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

CITY:

CITY OF ELMHURST,
an Illinois municipal corporation

ATTEST:

By: Patty Spencer
City Clerk

By: [Signature]
Mayor

[CITY SEAL]

DEVELOPER:

MORNINGSIDE HAHN,
an Illinois limited liability company

ATTEST:

By: [Signature]
~~Its: Manager/Member~~

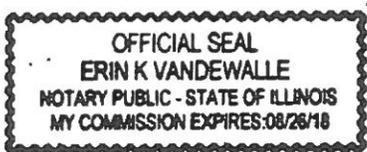
By: [Signature]
Its: Member

ACKNOWLEDGEMENTS

STATE OF ILLINOIS)
)
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Steven M. Morley, personally known to me to be the Mayor of the City of Elmhurst, DuPage County, Illinois, and Patty Spencer, personally known to me to be the City Clerk of said municipal corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and City Clerk, they signed and delivered the said instrument and caused the corporate seal of said municipal corporation to be affixed thereto, pursuant to authority given by the Mayor and City Council of said municipal corporation, as their free and voluntary act, and as the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 21st day of APRIL, 2015.



Erin K. VanDeWalle
Notary Public

STATE OF ILLINOIS)
)
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that David M. Strosberg, personally known to me to be the Manager/Member of Morningside Hahn LLC, and Mary Ellen Martin, personally known to me to be a ~~Member of said Illinois limited liability company~~, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Manager/Member and Member, they signed and delivered the said instrument, pursuant to authority given by the Members of said Illinois limited liability company, as their free and voluntary act, and as the free and voluntary act and deed of said Illinois limited liability company, for the uses and purposes therein set forth.

Given under my hand and official seal, this 17th day of April, 2015.



Heather E. Ervin
Notary Public

INDEX OF EXHIBITS

- Exhibit A Legal Description of Redevelopment Property
- Exhibit A-1 Map of Redevelopment Property
- Exhibit B Final Plans
- Exhibit C Project Schedule
- Exhibit D Redevelopment Project Costs
- Exhibit E Declaration
- Exhibit F Disclosure Affidavit
- Exhibit G Budget
- Exhibit H Excess Profit Example
- Exhibit I Code Waivers
- Exhibit J Minimum Assessed Valuation
- Exhibit K Environmental Estimate

NORTH YORK STREET (TIF 4)
Section 2 – Additional Information
For period ended 12/31/15

1) **Additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan**

Previously, the City Council approved a professional consulting services agreement with Houseal Lavigne Associates to prepare a long-term land use plan for the North York Street Redevelopment Area Project. **During Fiscal Year 2015, the City paid Houseal Lavigne \$20,524 for work completed on the plan.**

Previously, the City of Elmhurst entered into a loan agreement (Letter of Credit) with a consortium of local lending institutions headed by Fifth/Third Bank, Elmhurst. This agreement, entered into as of July 31, 1994, provides funding to be made available to the City on a “draw-down/as needed” basis for purposes appropriate to achieve the objectives of the four redevelopment plans. **During fiscal year 2015, the City paid \$30,458 in interest expense on the Letter of Credit outstanding balance of \$2,998,000.** During the previous reporting period, the City and Fifth/Third Bank entered into an agreement to modify and extend the term of the loan. The agreement extended the loan until October 31, 2017 and increased the maximum principal amount of the Note from \$3,000,000 to \$5,000,000.

During the previous fiscal year (2014), the City Council approved Resolution R-93-2014 authorizing the issuance of award to ABCO Electrical Construction & Design for the North District (Hahn Street Project) private overhead utility relocation project. **During Fiscal Year 2015, the City paid ABCO Electrical \$364,200 for work completed on the project. The City also paid AT&T \$35,694 for utility relocations for the Hahn Street Development.**

During the fiscal year 2014, the City Council approved Resolution R-57-2014 approving an agreement with Transystems Corporation for design engineering services for the North York Street local agency functional overlay roadway improvements. **During fiscal year 2015, Resolution R-62-2015 was approved authorizing Transystems to provide construction engineering services for the same project.**

During fiscal year 2015, the City Council approved Resolution R-131-2015 authorizing the execution a professional engineering services agreement with 3D Design Studio LLC to prepare a North York Corridor Streetscape Plan for the North York Street Redevelopment Area Project.



CITY OF ELMHURST
209 NORTH YORK STREET
ELMHURST, ILLINOIS 60126-2759
(630) 530-3000
www.elmhurst.org

STEVEN M. MORLEY
MAYOR
PATTY SPENCER
CITY CLERK
ELAINE LIBOVICZ
CITY TREASURER
JAMES A. GRABOWSKI
CITY MANAGER

MINUTES OF JOINT REVIEW BOARD MEETING

November 9, 2015

6:00 P.M. – Elmhurst City Council Chambers

Annual Joint Review Board (JRB) Meeting - Fiscal Year Ending December 31, 2014

- Central Business District Redevelopment Project (TIF I)
- Lake Street Redevelopment Project (TIF II)
- Rt. 83/St. Charles Road Redevelopment Project (TIF III)
- North York Street Redevelopment Project (TIF IV)

Board Members Present: Kurt Warnke, Public Member

Patrick Wagner, City of Elmhurst

Mark Mulliner, City of Elmhurst

Kevin York, City of Elmhurst

Jim Rogers, Elmhurst Park District

John McDonough, Elmhurst CUSD 205

Jim Collins, Elmhurst CUSD 205

Others:

James Grabowski; Thomas Trosien; Brian Baugh.

Kevin York welcomed everyone and introductions of the Joint Review Board (JRB) were made. It was noted that the JRB meetings for all of the TIF Districts would run concurrently and that the annual meetings to review the status and effectiveness of the four Tax Increment Financing (TIF) Districts are required by law. City Staff explained that due to the City changing its fiscal year and the State only being able to accept one report for each fiscal year, the City was required to combine the FY 2012/13 (05/01/12 – 04/30/13) report with the FY 2013 (05/01/13 – 12/31/13) report (20 month period). He noted that the 2014 fiscal year reports are the first reports under the new fiscal year that cover the 12 month period of January 1st through December 31st.

City Manager Grabowski briefly reviewed the map of Elmhurst noting each of the locations of the City's four TIF Districts. He started the discussion of TIF I by noting the make-up of the JRB members, stating this is the first meeting Mr. Gooch (public member) has missed and briefly reviewing the boundary of the TIF I District, including a review of the parcels that have been released in TIF I. He noted that the total EAV of the remaining and released properties in TIF I totals \$53,710,919 and that the released parcels generated \$2,453,296 in property tax increment and the remaining parcels generated \$1,685,828 for TIF I. Additional highlights noted during the TIF I review included the following: the fund balance/income statement schedule was reviewed noting property tax increment of \$2,074,779, interest

earnings of \$15,442, expenditures of \$1,273,141 and net income of \$817,071. Based on designated expenditures, a deficit of (\$1,004,009) is projected; total expenditures listed in Section 3.2A totaled \$1,273,141, including \$344,991 in pass through funds to the CBD SSA; Section 3.2B lists vendors that were paid in excess of \$10,000, noting a \$50,000 payment to Wilder Pond LLC for Façade Improvements; projected debt obligations and designated project costs exceed fund balance by \$1,004,009 (Section 3.3) so no available surplus; no property was purchased during the reporting period; the ratio of private to public investment in TIF I was 6 to 1; and, the schedule listing the three Intergovernmental Agreements was noted. Comments and questions from the JRB members included appreciation for rescheduling the meeting date, the status of 2004 Intergovernmental Agreement and that CUSD 205 will use the surplus distributions for building capital maintenance. (Alderman York departed to attend the Finance Committee meeting).

Highlights noted during the TIF II review included the following: make-up of the JRB; map of area and the expiration date of TIF II; property tax increment of \$677,141, interest income of \$4,952 for total proceeds of \$682,093 and a projected deficit of (\$630,129) due to planned expenses for redevelopment; total expenditures of \$1,538; no payments to vendors that exceeded \$10,000; the breakdown of the fund balance schedule (Section 3.3) reflects a projected deficit of (\$630,129); no property was acquired; private investment in TIF II is approximately \$25.9 million in private investment and the extremely high/healthy ratio of private to public investment was noted; and the 2013 Intergovernmental Agreements (Attachment M) were briefly reviewed. There were no questions from the JRB on TIF II.

The review of TIF III included the following: make-up of the JRB; map of area and the expiration date of TIF III; property tax increment of \$477,868, interest income of \$4,752 for total proceeds of \$482,620 and a projected deficit of (\$214,627); total expenditures of \$1,705,029 includes professional and consultant fees of \$22,048, property acquisition (997 Riverside Drive) of \$1,600,000 and debt service payments of \$82,275; vendor payments in excess of \$10,000 noting the payment to the DuPage County Treasurer for \$1.6 million for the purchase of property next to the Public Works Facility - it was noted that this purchase was included in the original redevelopment plan and project; the breakdown of the fund balance schedule (Section 3.3) includes designations of \$226,324 for debt service and a projected deficit of (\$214,627); property (997 Riverside Drive) was acquired for \$1,600,000; the ratio of private to public investment was 20 to 1. There were no questions from the JRB on TIF III. The TIF III meeting was completed at 6:21 p.m.

The review of TIF IV included the following: make-up of the JRB and acknowledgement of Mr. Kurt Warnke as the public member; map of area; property tax increment of only \$94,196 due to early stage of TIF, bond proceeds of \$611,701 and a projected deficit of (\$3,252,292) due to the Mariano's Redevelopment Agreement and the acquisition of 260 N. York Street (Pauli property); total expenditures of \$899,484 including \$625,000 for the Mariano's agreement and \$50,000 for relocation expenses relating to the Hahn development project; vendor payments in excess of \$10,000 included payments for attorney fees, consulting fees, relocation expenses, the second installment for the Mariano's redevelopment agreement and utility relocation expenses; the breakdown of the fund balance schedule (Section 3.3) includes the fund balance at the end of the reporting year of \$(254,292), debt obligations of \$2,998,000, and a projected deficit of \$(3,252,292); no property was acquired in fiscal year 2014; the public/private investments were noted in Section 5 and even in the early stage of the TIF, there is a 6 to 1 ratio of private to public investment; and, Attachment M listing the TIF IV Intergovernmental Agreements was noted. There were no questions from the JRB on TIF IV. Follow-up questions and comments on TIF I included the City will be distributing surplus of approximately \$170,000, due to the change in the fiscal year, the JRB meetings will probably be held in September, based on the question of when will future surplus distributions occur – City Manager Grabowski stated that no dates have been determined and that distributions will be based on when the Finance Committee reviews the TIF status, it was also stated that the JRB meeting dates are not tied to surplus distributions.

Meeting adjourned: 6:28 P.M.

* All four JRB meetings were held simultaneously

Submitted by: Thomas W. Trosien, Assistant Director of Finance

Tax Increment Financing(TIF): Joint Review Board Annual Meetings

Fiscal Year Ending
December 31, 2014



November 9, 2015

Joint Review Board (JRB)

- Introduction of members present
- By law, must meet annually to review the effectiveness and status of the TIF District

FY 2014 Annual Reports

Due to the change in the City's fiscal year to the calendar year and due to the limitations of the annual reporting systems of the State, the previous years report (FY 2013) was an "Amended" report that covered the 20 month period from May 1, 2012 through December 31, 2013.

The 2014 Annual Reports are the first reports under the new (calendar year) fiscal year that cover the 12 month period of January 1st through December 31st.



TIF I: FY 2014

Agenda – TIF I

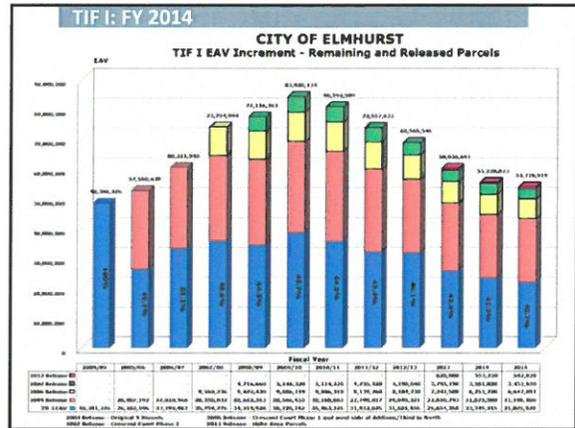
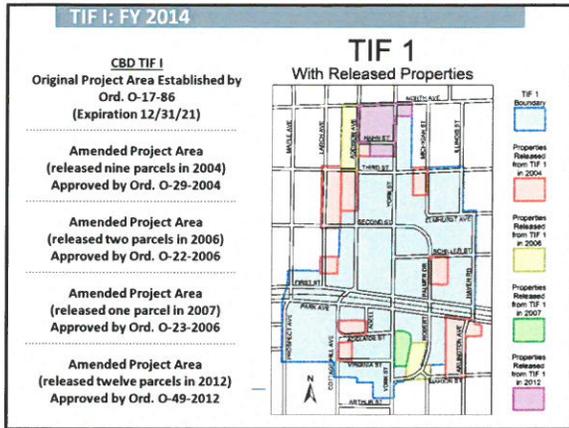
- 1) Call to Order
- 2) Review TIF I – 2014 Annual Report
- 3) Adjournment

TIF I: FY 2014

TIF I – Central Business District

Joint Review Board:

City of Elmhurst – Alderman York
Community Unit School District 205
Elmhurst Park District
Community College District 502
The County of DuPage
York Township
Mr. William Gooch



TIF I: FY 2014

TIF I Property Tax Increment Released and Remaining Parcels

2014 TAX LEVY	EAV Increment	Rate *	Property Tax Increment
2004 Release (9 Parcels)	21,190,200	7.7063	1,632,980
2006 Release	6,647,891	7.7063	512,306
2007 Release	3,453,930	7.7063	266,170
2012 Release	542,920	7.7063	41,839
Total Released	31,834,941	7.7063	2,453,296
Remaining EAV	21,875,978	7.7063	1,685,828

* Excludes SSA #7 Rate

TIF I: FY 2014

Section 3.1
SECTION 3.1 - (65 ILCS 5/11-74.45 (d) (5) and 65 ILCS 5/11-74.42 (d) (5))
Provide an analysis of the special tax allocation fund.

TIF NAME: Central Business District (Elmhurst TIF 1) FY 2014

Fund Balance at Beginning of Reporting Period: \$ 3,922,379

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 2,074,770	\$ 3,632,893	65%
State Sales Tax Increment	\$ -	\$ 3,357,688	6%
Local Sales Tax Increment	\$ -	\$ 3,595,722	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 15,442	\$ 956,663	2%
Land/Building Sale Proceeds	\$ -	\$ 827,299	1%
Bond Proceeds	\$ -	\$ 5,025,084	16%
Transfers from Municipal Sources	\$ -	\$ 954,919	2%
Private Sources	\$ -	\$ 369,629	1%
Other (Rental Income and Grants)	\$ -	\$ 876,239	2%
Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	\$ 3,922,379		
Cumulative Total Revenues/Cash Receipts	\$ 56,676,134	100%	
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$ 1,273,141		
Distribution of Surplus	\$ -		
Total Expenditures/Disbursements	\$ 1,273,141		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$ 827,071		
FUND BALANCE, END OF REPORTING PERIOD*	\$ 4,759,448		
SURPLUS/(DEFICIT) Carried forward from Section 3.3	\$ (1,024,079)		

TIF I: FY 2014

Section 3.2 A
SECTION 3.2 A - (65 ILCS 5/11-74.45 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

TIF NAME: Central Business District (Elmhurst TIF 1) FY 2014

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

Category of Permissible Redevelopment Cost (65 ILCS 5/11-74.43 (a) and 65 ILCS 5/11-74.6-10 (a))	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (a)(1) and (a)(1)		
Professional Services/Consultants Fees	96,714	
Other Expenses (includes SSA payments)	344,691	
	\$ 441,405	
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (a)(2) and (a)(4)		
Retail Business Improvements	36,885	
Facade Renovations	50,000	
	\$ 86,885	
5. Costs of construction of public works and improvements. Subsection (a)(3) and (a)(5)		
Streetscape	6,925	
Other Public Improvements - Roadway Improvements	264,140	
	\$ 271,065	
6. Financing costs. Subsection (a) (6) and (a)(8)		
Bond & Interest O.G. Series 2006	312,671	
Bond & Interest O.G. Series 2008	20,008	
Bond & Interest O.G. Series 2012	136,483	
Debt Service Fees	224	
	\$ 479,386	
TOTAL ITEMIZED EXPENDITURES		\$ 1,273,141

* Reflects pass through payments of property taxes for SSA 6 and SSA 7

TIF I: FY 2014

Section 3.2 B
SECTION 3.2 B - (65 ILCS 5/11-74.45 (d) (5) and 65 ILCS 5/11-74.42 (d) (5))

TIF NAME: Central Business District (Elmhurst TIF 1) FY 2014

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

There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

Name	Service	Amount
Storino, Ramello & Durkin	Professional/Legal	\$ 43,204.03
Van Slyke Enterprises	Professional/Consulting	\$ 38,200.00
Findezz! Community Mtg.	Professional	\$ 10,587.50
Elmhurst City Centre, Inc.	Professional	\$ 344,700.00
Brothers Asphalt Paving	Street Improvements	\$ 243,377.15
Cafe Amaro	Retail Improvements	\$ 10,000.00
Dagerati Group	Retail Improvements	\$ 10,000.00
V3 Companies	Professional/Engineering	\$ 14,541.92
Wildier Pond LLC	Facade Improvements	\$ 50,000.00

* Reflects pass through payments of property taxes for SSA 6 and SSA 7

TIF I: FY 2014		Section 3.3	
SECTION 3.3 - (65 ILCS 5/11-74.4-6 (d) (5) 65 ILCS 11-74.6-22 (d) (6))			
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period			
TIF NAME: Central Business District (Elmhurst TIF 1)		FY 2014	
FUND BALANCE, END OF REPORTING PERIOD		\$ 4,739,644	
	Amount of Original Issuance	Amount Designated	
1. Description of Debt Obligations			
GO Bond Series 2004 - 12/01/04 (Refunding)	\$ 9,900,000	\$ -	
GO Bond Series 2000 - 12/01/00 (Refunding)	\$ 5,405,000	\$ -	
GO Bond Series 2001 - 12/01/01 (Refunding)	\$ 10,000,000	\$ -	
GO Bond Series 2006 - 03/01/06	\$ 9,500,000	\$ 308,974	
GO Bond Series 2008 - 10/01/08 (Refunding)	\$ 8,170,000	\$ -	
GO Bond Series 2012 - 08/01/12 (Refunding - \$7,040,000)	\$ 10,000,000	\$ 3,099,479	
Taxable G. O. Note orig. dated 8/2/94 (Line of Credit)	\$ 2,950,000	\$ -	
Total Amount Designated for Obligations	\$ 55,925,000	\$ 3,408,453	
2. Description of Project Costs to be Paid			
Facade/Retail Improvements	\$	\$ 775,000	
Streetscape/Other Improvements	\$	\$ 1,560,000	
Total Amount Designated for Project Costs	\$	\$ 2,335,000	
TOTAL AMOUNT DESIGNATED	\$	\$ 5,743,453	
SURPLUS/(DEFICIT)	\$	\$ (1,004,009)	
* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)			

TIF I: FY 2014		Section 4	
SECTION 4 (65 ILCS 5/11-74.4-6 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6))			
FY 2014		TIF NAME: Central Business District (Elmhurst TIF 1)	
Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.			
<input checked="" type="checkbox"/> No property was acquired by the Municipality Within the Redevelopment Project Area			

TIF I: FY 2014		Section 5	
SECTION 5 - 65 ILCS 5/11-74.4-6 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)			
TIF NAME: Central Business District (Elmhurst TIF 1)		FY 2014	
Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below: _____ 23			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 92,731,102	\$ 450,000	\$ 1,200,000
Public Investment Undertaken	\$ 14,656,131	\$ 270,000	\$ 1,000,000
Ratio of Private/Public Investment	6 18/55		1 1/5

TIF I: FY 2014		Attachment M	
INTERGOVERNMENTAL AGREEMENTS		Name: City of Elmhurst TIF District: CBD TIF 1	
A list of all intergovernmental agreements in effect in FY 2014, to which the municipality is a party, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. (65 ILCS 5/11-74.4-6 (d) (10))			
Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
Intergovernmental Agreement between the City of Elmhurst and Elmhurst School District #205, approved March 25, 2004 (Resolution # R-06-2004)	Allows for the release of certain land parcels from the CBD TIF District and authorizes the extension of the CBD TIF 1 for an additional 12 years until 2021.	\$ -	\$ -
Intergovernmental Agreement between the City of Elmhurst and Elmhurst School District #205, dated April 2, 2013 (Resolution # R-17-2013)	Declare surplus of 10% of increment starting in year 11; maximum \$6 million reimbursement to District #205 for TIF eligible capital improvement expenses (funding from unencumbered funds and pledged funds from Nahn Development); release of Nahn properties from CBD TIF and included in North York Street TIF; and surplus distribution of \$5.5 from Lake Street TIF.	\$ -	\$ -
Intergovernmental Agreement between the City of Elmhurst and Elmhurst Park District, dated June 4, 2013 (Resolution # R-30-2013)	Declare surplus of 10% of increment starting in year 11; and surplus distribution of \$2.5 from Lake Street TIF II.	\$ -	\$ -
Based on the Intergovernmental Agreement listed above, Unit School District #205 received \$1,112,222 in additional property taxes during fiscal year 2014 due to the early release of the original nine parcels. During FY 2014 (which is the 12 year extension period), the City received \$2,074,770 (includes SSA levies) in property tax increment.			

TIF I: FY 2014

TIF I:

Questions.

TIF II: FY 2014

Agenda – TIF II

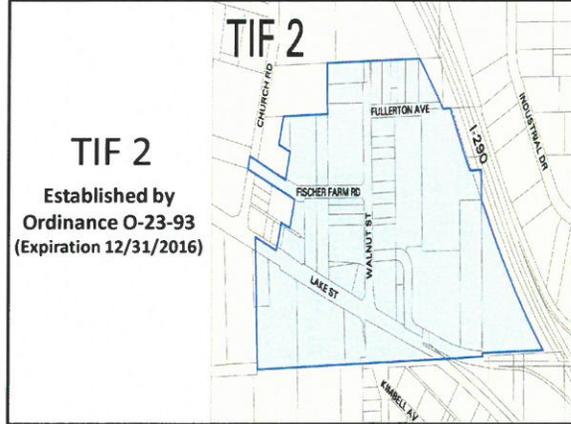
- 1) Call to Order
- 2) Review TIF II – 2014 Annual Report
- 3) Adjournment

TIF II: FY 2014

TIF II – Lake Street

Joint Review Board:

City of Elmhurst – Alderman Mulliner
 Community Unit School District 205
 Elmhurst Park District
 Community College District 502
 The County of DuPage
 Addison Township
 Mr. Kenneth Miller



TIF 2

Established by
 Ordinance O-23-93
 (Expiration 12/31/2016)

TIF II: FY 2014 Section 3.1

SECTION 3.1 - (85 ILCS 5/11-74.4-5 (d) (5) and 85 ILCS 5/11-74.8-22 (d) (5))
 Provide an analysis of the special tax allocation fund.

TIF NAME: Lake Street Redevelopment (Elmhurst TIF 2)	FY 2014		
Fund Balance at Beginning of Reporting Period	\$ 1,164,316		
Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 677,141	\$ 6,119,196	54%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 4,952	\$ 79,883	1%
Land/Building Sale Proceeds	\$ -	\$ 3,568,193	24%
Bond Proceeds	\$ -	\$ 3,059,801	21%
Transfers from Municipal Sources	\$ -	\$ -	0%
Private Sources	\$ -	\$ 99,800	1%
Other (Identify source)	\$ -	\$ 800	0%
Total Amount Deposited in Fund During Reporting Period	\$ 682,093		
Cumulative Total Revenue/Cash Receipts	\$ 14,927,605	100%	
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$ 1,538		
Distribution of Surplus			
Total Expenditures/Disbursements	\$ 1,538		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$ 680,555		
FUND BALANCE, END OF REPORTING PERIOD*	\$ 1,844,871		
SURPLUS*/(DEFICIT) (Carried forward from Section 3.3)	\$ (630,129)		

TIF II: FY 2014 Section 3.2 A

SECTION 3.2 A - (85 ILCS 5/11-74.4-5 (d) (5) and 85 ILCS 5/11-74.8-22 (d) (5))

TIF NAME: Lake Street Redevelopment (Elmhurst TIF 2) FY 2014

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

Category of Permissible Redevelopment Cost (85 ILCS 5/11-74.4-3 (g) and 85 ILCS 5/11-74.8-19 (g))	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (a)(1) and (b) (1)		
Contractual Services	1,548	
Other Expenses	292	
	\$ 1,840	
TOTAL ITEMIZED EXPENDITURES	\$ 1,840	

TIF II: FY 2014 Section 3.2 B

Section 3.2 B

TIF NAME: Lake Street Redevelopment (Elmhurst TIF 2) FY 2014

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

There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

TIF II: FY 2014 Section 3.3

SECTION 3.3 - (85 ILCS 5/11-74.4-5 (d) (5) and 85 ILCS 11-74.0-22 (d) (5))
 Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

TIF NAME: Lake Street Redevelopment (Elmhurst TIF 2) FY 2014

FUND BALANCE, END OF REPORTING PERIOD	\$ 1,844,871	
	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Taxable G.O. Note Payable dated 8/1/94 (Line of Credit)	\$ 3,202,656	
Special Assessment #556 dated 11/22/96	\$ 518,197	
Working Cash Fund Loan	\$ 375,000	
Intergovernmental Agreement (4/2/13) Obligation	\$ 1,500,000	
Total Amount Designated for Obligations	\$ 5,595,853	\$ -
2. Description of Project Costs to be Paid		
Land Acquisition / Land Improvements (2015 Budget)		\$ 2,475,000
Total Amount Designated for Project Costs		\$ 2,475,000
TOTAL AMOUNT DESIGNATED		\$ 2,475,000
SURPLUS*/(DEFICIT)		\$ (630,129)

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

TIF II: FY 2014 **Section 4**

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

FY 2014 TIF NAME: Lake Street Redevelopment (Elmhurst TIF 2)

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

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

TIF II: FY 2014 **Section 5**

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

TIF NAME: Lake Street Redevelopment (Elmhurst TIF 2) FY 2014

Check here if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area.

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below: 5

TOTAL:	11/1/00 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 25,909,199	\$ -	\$ -
Public Investment Undertaken	\$ 65,456	\$ -	\$ -
Ratio of Private/Public Investment	395.8099		0

TIF II: FY 2014

Attachment M Name: City of Elmhurst
TIF District: Lake Street (TIF 2)

**INTERGOVERNMENTAL AGREEMENTS
FY 2014**

A list of all intergovernmental agreements in effect in FY 2014, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements, [65 ILCS 5/11-74.4-5 (d) (19)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
Intergovernmental Agreement between the City of Elmhurst and Elmhurst School District #205, dated April 2, 2013 (Resolution # R-17-2013)	Declare surplus of 10% of increment starting in year 11, maximum \$6 million reimbursement to District #205 for TIF eligible capital improvement expenses (funding from unencumbered funds and pledged funds from Hahn Development); release of hahn properties from CBD TIF and included in North York Street TIF; and surplus distribution of \$1.5 from Lake Street TIF.	\$ -	\$ -
Intergovernmental Agreement between the City of Elmhurst and Elmhurst Park District, dated June 4, 2013 (Resolution # R-30-2013)	Declare surplus of 10% of increment starting in year 11; and surplus distribution of \$1.5 from Lake Street TIF II.	\$ -	\$ -

TIF II: FY 2014

TIF II:

Questions.

TIF III: FY 2014

Agenda – TIF III

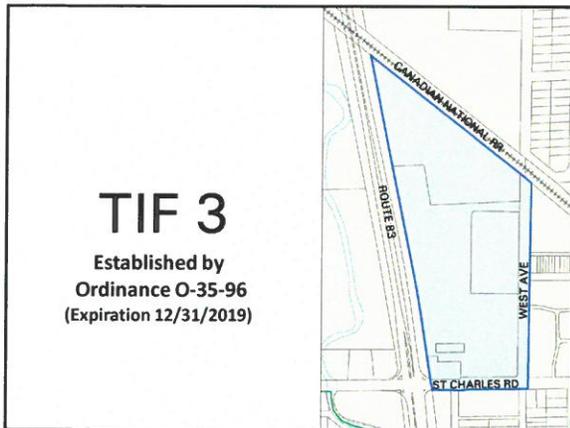
- 1) Call to Order
- 2) Review TIF III – 2014 Annual Report
- 3) Adjournment

TIF III: FY 2014

TIF III – Rt. 83/St. Charles Road

Joint Review Board:

City of Elmhurst – Alderman Wagner
Community Unit School District 205
Elmhurst Park District
Community College District 502
The County of DuPage
York Township
Dr. Robert Gorsky, Ph.D.



TIF III: FY 2014 Section 3.1

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

TIF NAME: RL 83/St. Charles Road (Elmhurst TIF 3) FY 2014

Fund Balance at Beginning of Reporting Period	\$	1,234,106	
Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$	477,868	\$ 5,415,307 83%
State Sales Tax Increment	\$	-	0%
Local Sales Tax Increment	\$	-	0%
State Utility Tax Increment	\$	-	0%
Local Utility Tax Increment	\$	-	0%
Interest	\$	4,751	\$ 23,561 0%
Land/Building Sale Proceeds	\$	-	0%
Bond Proceeds	\$	-	\$ 1,113,947 17%
Transfers from Municipal Sources	\$	-	0%
Private Sources	\$	-	0%
Other (Identify source)	\$	-	0%
Total Amount Deposited in Fund During Reporting Period	\$	482,620	
Cumulative Total Revenue/Cash Receipts	\$	6,552,835	100%
Total Expenditure/Cash Disbursements (Carried forward from Section 3.2)	\$	1,705,029	
Distribution of Surplus	\$	-	
Total Expenditure/Disbursements	\$	1,705,029	
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$	(1,222,409)	
FUND BALANCE, END OF REPORTING PERIOD*	\$	(11,697)	
SURPLUS/(DEFICIT)(Carried forward from Section 3.3)	\$	(214,627)	

TIF III: FY 2014 Section 3.2 A

SECTION 3.2 A - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
FY 2014

TIF NAME: RL 83/St. Charles Road (Elmhurst TIF 3)

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

Category of Permissible Redevelopment Cost (65 ILCS 5/11-74.4-3 (a) and 65 ILCS 5/11-74.6-10 (a))	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (a)(1) and (a)(11)		
Contractual Services - Professional and Consultant Fees	22,048	
Other Expenses	700	
	\$	22,754
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (a)(2), (a)(3) and (a)(3)		
Property Acquisition - 967 Riverside Drive	1,600,000	
	\$	1,600,000
5. Financing costs, Subsection (a) (B) and (a)(E)		
Bond & Interest G.O. Series 2005	75,040	
Bond & Interest G.O. Series 2014A	2,907	
Refunding Closing Costs	3,728	
	\$	81,675
TOTAL ITEMIZED EXPENDITURES		\$ 1,705,029

TIF III: FY 2014 Section 3.2 B

SECTION 3.2 B

TIF NAME: RL 83/St. Charles Road (Elmhurst TIF 3) FY 2014

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

There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

Name	Service	Amount
Storino, Ramello & Durkin	Profession/Legal	\$ 21,098.78
DuPage County Treasurer	Government- Land Purchase	\$ 1,600,000.00

TIF III: FY 2014 Section 3.3

TIF NAME: RL 83/St. Charles Road (Elmhurst TIF 3) FY 2014

FUND BALANCE, END OF REPORTING PERIOD \$ 11,697

1. Description of Debt Obligations	Amount of Original Issuance		Amount Designated
G.O. Bond Series 2004 - Dated 12/22/2004	\$	9,900,000	\$ -
(Partial refund of 1997, 1998 and 2002 G.O. bond issues)	\$	9,085,000	\$ -
G.O. Bond Series 2005 - Dated 12/01/2005	\$	75,040	\$ -
(Ae fund of 1998 and 2002 G.O. bond issues)	\$	2,907	\$ -
G.O. Bond Series 2014A - Dated 01/07/2014	\$	8,770,000	\$ 226,324
(Partial refund of 2004 and 2005 G.O. bond issues)	\$	-	\$ -
Total Amount Designated for Obligations	\$	27,735,000	\$ 226,324
2. Description of Project Costs to be Paid	None		
Total Amount Designated for Project Costs	\$	-	\$ -
TOTAL AMOUNT DESIGNATED	\$	27,735,000	\$ 226,324
SURPLUS/(DEFICIT)	\$	(214,627)	\$ -

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

TIF III: FY 2014 Section 4

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

TIF NAME: RL 83/St. Charles Road (Elmhurst TIF 3) FY 2014

Provide a description of all property purchased by the municipality during the reporting fiscal year within the

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

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1)	Street address	Approximate size or description of property	Purchase price	Seller of property
	997 Riverside Drive, Elmhurst, IL 60126	PIN 06-14-300-001 (170 x 656) / PIN 06-14-300-031 (170 x 240)	\$1,600,000.00	Victoria Olean as Trustee of Trust Agreement Dated 09/10/93

TIF III: FY 2014 Section 5

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (C) and 65 ILCS 5/11-74.8-22 (d) (7) (G)

TIF NAME: RL 83/St. Charles Road (Elmhurst TIF 3) FY 2014

Check here if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: _____

ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below: _____ 11 _____

TOTAL:	11/1/09 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See instructions)	\$ 20,701,150	\$ 4,158,500	\$ 4,158,500
Public Investment Undertaken	\$ 1,009,400	\$ -	\$ -
Ratio of Private/Public Investment	20.30/56		0

TIF III:

Questions.

TIF IV: FY 2014

Agenda – TIF IV

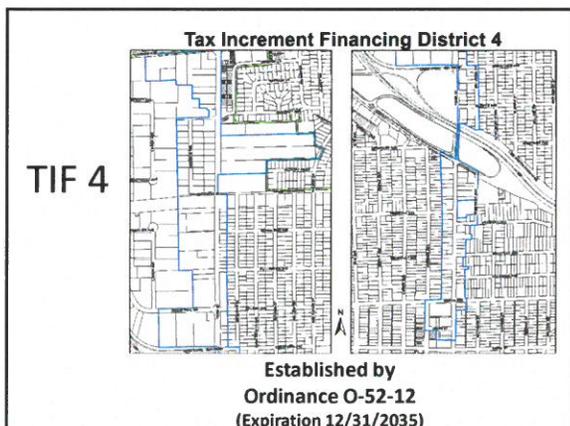
- 1) Call to Order
- 2) Review TIF IV – 2014 Annual Report
- 3) Adjournment

TIF IV: FY 2014

TIF IV – North York Street

Joint Review Board:

City of Elmhurst – Alderman Honquest
 Community Unit School District 205
 Elmhurst Park District
 Community College District 502
 The County of DuPage
 York Township
 Addison Township
 Mr. Kurt Warnke



TIF IV: FY 2014 Section 3.1

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.8-22 (d) (5))
 Provide an analysis of the special tax allocation fund.

TIF NAME: North York Street (Elmhurst TIF 4) FY 2014

Fund Balance at Beginning of Reporting Period: \$ (77,677)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 94,196	\$ 141,398	4%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 4	\$ 4	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ 611,701	\$ 2,998,000	94%
Transfers from Municipal Sources	\$ -	\$ -	0%
Private Sources	\$ -	\$ -	0%
Other (Rental Income)	\$ 16,968	\$ 56,588	2%
Total Amount Deposited in Fund During Reporting Period	\$ 722,869		
Cumulative Total Revenue/Cash Receipts		\$ 3,195,990	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$ 899,484		
Distribution of Surplus	\$ -		
Total Expenditures/Disbursements	\$ 899,484		
NET INCOME/CASH RECEIPTS OVER/UNDER CASH DISBURSEMENTS	\$ (176,615)		
FUND BALANCE, END OF REPORTING PERIOD*	\$ (254,292)		
SURPLUS/(DEFICIT) Carried forward from Section 3.3	\$ (8,252,292)		

TIF IV: FY 2014		Section 3.2 A	
SECTION 3.2 A - (85 ILCS 5/11-74.4-5 (d) (5) and 85 ILCS 5/11-74.6-22 (d) (5))			
TIF NAME: North York Street (Elmhurst TIF 4)		FY 2014	
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND (By category of permissible redevelopment cost, amounts expended during reporting period)			
Category of Permissible Redevelopment Cost (85 ILCS 5/11-74.4-3 (a) and 85 ILCS 5/11-74.6-22 (d) (5))	Amount	Reporting Fiscal Year	
1. Costs of studies, administration and professional services—Subsections (a)(1) and (a)(1)			
Contractual Services - Professional and Consultant Fees	151,267		
Other Expense	201		
		\$	151,548
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, Subsection (a)(3) and (a)(4)			
Other Public Improvements-York Street Ventures/Mariano's RDA	625,000		
		\$	625,000
5. Costs of construction of public works and improvements, Subsection (a)(4) and (a)(5)			
Other Public Improvements - Utility Relocation	45,182		
		\$	45,182
8. Financing costs, Subsection (a) (8) and (a)(8)			
Line of Credit - Note payable interest	27,774		
		\$	27,774
11. Relocation costs, Subsection (a)(9) and (a)(10)			
Relocation Costs - Dr. Thomas Nelson	60,000		
		\$	60,000
TOTAL ITEMIZED EXPENDITURES		\$	869,404

TIF IV: FY 2014		Section 3.2 B	
SECTION 3.2 B			
TIF NAME: North York Street (Elmhurst TIF 4)		FY 2014	
List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.			
There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.			
Name	Service	Amount	
Storino, Ramello & Durkin	Professional/Legal	\$	54,675.56
Van Slyke Enterprises	Professional/Consulting	\$	11,550.00
Housal Lavigne & Associates	Professional/Consulting	\$	59,475.82
York Street Ventures	RDA - Other Public Improvements	\$	625,000.00
Dr. Thomas Nelson	Relocation	\$	50,000.00
Commonwealth Edison	Utility Relocation - New Service	\$	43,501.55

TIF IV: FY 2014		Section 3.3	
SECTION 3.3 - (85 ILCS 5/11-74.4-5 (d) (5) and 85 ILCS 11-74.8-22 (d) (5))			
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period			
TIF NAME: North York Street (Elmhurst TIF 4)		FY 2014	
FUND BALANCE, END OF REPORTING PERIOD		\$	(254,292)
	Amount of Original Issuance	Amount Designated	
1. Description of Debt Obligations			
Taxable G.O. Note Payable orig. dated 8/1/04 (Line of Credit)	\$ 2,386,299	\$	2,998,000
Total Amount Designated for Obligations	\$ 2,386,299	\$	2,998,000
2. Description of Project Costs to be Paid			
None			
Total Amount Designated for Project Costs		\$	-
TOTAL AMOUNT DESIGNATED		\$	2,998,000
SURPLUS/(DEFICIT)		\$	(3,252,292)
* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)			

TIF IV: FY 2014		Section 4	
SECTION 4 (85 ILCS 5/11-74.4-5 (d) (8) and 85 ILCS 5/11-74.6-22 (d) (8))			
TIF NAME: North York Street (Elmhurst TIF 4)		FY 2014	
Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.			
X No property was acquired by the Municipality Within the Redevelopment Project Area			

TIF IV: FY 2014		Section 5	
SECTION 5 - 85 ILCS 5/11-74.4-5 (d) (7) (5) and 85 ILCS 5/11-74.6-22 (d) (7) (5))			
TIF NAME: North York Street (Elmhurst TIF 4)		FY 2014	
Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below: <u>3</u>			
TOTAL:	11/9/06 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 21,000,000	\$ 11,388,700	\$ 43,155,195
Public Investment Undertaken	\$ 3,020,000	\$ 3,121,200	\$ 998,952
Ratio of Private/Public Investment	6.4143		43 / 152

TIF IV: FY 2014		Attachment M	
		Name: City of Elmhurst TIF District: North York Street (TIF #4)	
INTERGOVERNMENTAL AGREEMENTS FY 2014			
A list of all intergovernmental agreements in effect in FY 2014, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. (85 ILCS 5/11-74.4-5 (d) (10))			
Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
Intergovernmental Agreement between the City of Elmhurst and Elmhurst School District #205, dated April 2, 2013 (Resolution # R-17-2013)	Declare surplus of 10% of increment starting in year 15; maximum \$6-million reimbursement to District #205 for TIF eligible capital improvement expenses (funding from unencumbered funds and pledged funds from Hahn Development); release of Hahn properties from CBD TIF and included in North York Street TIF; and surplus distribution of \$1.5 from Lake Street TIF.	\$ -	\$ -
Intergovernmental Agreement between the City of Elmhurst and Elmhurst Park District, dated June 4, 2013 (Resolution # R-30-2013)	Declare surplus of 10% of increment starting in year 15 and surplus distribution of \$1.5 from Lake Street TIF II.	\$ -	\$ -

TIF IV:

Questions.

CITY OF ELMHURST, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NORTH YORK REDEVELOPMENT FUND

For the Year Ended December 31, 2015
(with comparative actual for 2014)

	2015		Variance with Final Budget Over (Under)	2014 Actual
	Original and Final Budget	Actual		
REVENUES				
Taxes				
Property tax	\$ 310,000	\$ 298,248	\$ (11,752)	\$ 94,196
Interest	-	-	-	4
Miscellaneous - rental income	-	-	-	16,968
Total revenues	310,000	298,248	(11,752)	111,168
EXPENDITURES				
Current				
Contractual services				
Professional services	150,000	113,310	(36,690)	151,548
Debt service				
Interest	35,000	29,452	(5,548)	27,774
Capital outlay				
Other public improvements	2,960,000	2,230,688	(729,312)	720,162
Total expenditures	3,145,000	2,373,450	(771,550)	899,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,835,000)	(2,075,202)	759,798	(788,316)
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	1,675,000	1,664,901	(10,099)	-
Note proceeds	1,000,000	-	(1,000,000)	611,701
Total other financing source (uses)	2,675,000	1,664,901	(1,010,099)	611,701
NET CHANGE IN FUND BALANCE	\$ (160,000)	(410,301)	\$ (250,301)	(176,615)
FUND BALANCE (DEFICIT), JANUARY 1		(254,292)		(77,677)
FUND BALANCE (DEFICIT), DECEMBER 31		\$ (664,593)		\$ (254,292)

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015
(with comparative totals for 2014)

	Special Revenue	Capital Projects				Permanent		Total Nonmajor Governmental Funds	
		Stormwater	North York Redevelopment Project	Working Cash	Glos Mausoleum	2015	2014		
Cash	\$ 595,846	\$ 3,319,264	\$ -	\$ 5,020	\$ -	\$ -	\$ 3,920,130	\$ 575,869	
Investments	-	-	-	990,761	34,714	-	1,025,475	1,524,282	
Negotiable certificates of deposit	-	-	299,700	-	-	-	299,700	309,380	
Receivables	99,576	-	-	-	-	-	99,576	111,107	
Property tax	-	1,170,400	-	-	-	-	1,170,400	1,170,400	
Motor fuel tax allotments	-	-	-	3,964	56	-	4,020	1,346	
Due from other governments	-	-	-	-	-	-	-	-	
Accrued interest	-	-	-	-	-	-	-	-	
TOTAL ASSETS	\$ 695,422	\$ 4,489,664	\$ 299,700	\$ 999,745	\$ 34,770	\$ -	\$ 6,519,301	\$ 3,692,384	

ASSETS

Special Revenue	Capital Projects					Permanent		Total Nonmajor Governmental Funds
	Motor Fuel Tax	Stormwater	North York Redevelopment Project	Working Cash	Glos Mausoleum	2015	2014	
		Detention Project						
\$ 15,476	\$ 378,451	\$ 149,721	\$ -	\$ -	\$ 543,648	\$ 41,320		
32,227	-	-	-	-	32,227	33,644		
-	-	514,872	-	-	514,872	227,752		
-	1,170,400	-	-	-	1,170,400	1,170,400		
47,703	1,548,851	664,593	-	-	2,261,147	1,473,116		
-	-	299,700	-	-	299,700	309,380		
-	-	299,700	-	-	299,700	309,380		
47,703	1,548,851	964,293	-	-	2,560,847	1,782,496		
-	-	-	999,745	-	999,745	994,687		
647,719	-	-	-	-	647,719	758,598		
-	-	-	-	34,770	34,770	34,619		
-	2,940,813	-	-	-	2,940,813	376,276		
-	-	(664,593)	-	-	(664,593)	(254,292)		
647,719	2,940,813	(664,593)	999,745	34,770	3,958,454	1,909,888		
\$ 695,422	\$ 4,489,664	\$ 299,700	\$ 999,745	\$ 34,770	\$ 6,519,301	\$ 3,692,384		

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

LIABILITIES

Accounts payable
Accrued payroll
Due to other funds
Unearned revenue

Total liabilities

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes

Total deferred inflows of resources

Total liabilities and deferred inflows of resources

FUND BALANCES

Restricted for working cash
Restricted for streets
Restricted for culture
Restricted for capital projects
Unassigned (deficit)

Total fund balances (deficit)

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

CITY OF ELMHURST, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015
(with comparative totals for 2014)

	Special Revenue	Capital Projects				Permanent		Total Nonmajor Governmental Funds	
		Stormwater Detention Project	North York Redevelopment Project	Working Cash	Glos Mausoleum	2015	2014		
REVENUES									
Taxes									
Property tax	\$ -	\$ -	\$ 298,248	\$ -	\$ -	\$ -	\$ 298,248	\$ 94,196	
Intergovernmental									
Allotments	1,078,644	-	-	-	-	-	1,078,644	1,469,060	
Investment income	1,579	1,364	-	5,058	151	-	8,152	6,628	
Miscellaneous									
Other	-	4,983	-	-	-	-	4,983	35,554	
Total revenues	1,080,223	6,347	298,248	5,058	151	1,390,027	1,605,438		
EXPENDITURES									
Current									
Streets	1,191,102	-	-	-	-	-	1,191,102	1,280,965	
Redevelopment	-	-	113,310	-	-	-	113,310	151,548	
Capital outlay	-	1,648,703	2,230,688	-	-	-	3,879,391	839,954	
Debt service									
Interest and issuance costs	-	62,772	29,452	-	-	-	92,224	51,098	
Total expenditures	1,191,102	1,711,475	2,373,450	-	-	5,276,027	2,323,565		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(110,879)	(1,705,128)	(2,075,202)	5,058	151	(3,886,000)	(718,127)		

ATTACHMENT K
(TIF IV)

Revenue	Capital Projects				Permanent		Nonmajor Governmental Funds	
	Stormwater Detention Project	North York Redevelopment Project	Working Cash	Glos Mausoleum	2015	2014		
\$ -	\$ 4,000,000	-	\$ -	\$ -	\$ 4,000,000	\$ 1,377,597		
-	269,665	-	-	-	269,665	47,606		
-	-	-	-	-	-	(1,425,203)		
-	-	-	-	-	-	611,701		
-	-	1,664,901	-	-	1,664,901	-		
-	-	-	-	-	-	213,917		
-	4,269,665	1,664,901	-	-	5,934,566	825,618		
(110,879)	2,564,537	(410,301)	5,058	151	2,048,566	107,491		
758,598	376,276	(254,292)	994,687	34,619	1,909,888	1,802,397		
\$ 647,719	\$ 2,940,813	\$ (664,593)	\$ 999,745	\$ 34,770	\$ 3,958,454	\$ 1,909,888		

OTHER FINANCING SOURCES (USES)

Bonds issued
Premium on bonds issued
Payment to escrow agent
G.O. note proceeds
Proceeds from the sale of capital assets
Transfers in

Total other financing sources (uses)

NET CHANGE IN FUND BALANCES

FUND BALANCES (DEFICIT), JANUARY 1

FUND BALANCES (DEFICIT), DECEMBER 31



630.566.8400 // www.sikich.com

1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85-1142**

The Honorable Mayor
Members of the City Council
City of Elmhurst, Illinois

We have examined management's assertion that the City of Elmhurst, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2015. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of Elmhurst, Illinois, complied with the aforementioned requirements for the year ended December 31, 2015, is fairly stated in all material respects.

This report is intended solely for the information and use of the City Council, management, the joint review board, the Illinois State Comptroller, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read 'Sikich LLP'.

Naperville, Illinois
June 22, 2016

ATTACHMENT L
(TIF IV)

INTERGOVERNMENTAL AGREEMENTS
FY 2015

A list of all intergovernmental agreements in effect in FY 2014, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
Intergovernmental Agreement between the City of Elmhurst and Elmhurst School District #205, dated April 2, 2013 (Resolution # R-17-2013)	Declare surplus of 10% of increment starting in year 11; maximum \$6 million reimbursement to District #205 for TIF eligible capital improvement expenses (funding from unencumbered funds and pledged funds from Hahn Development); release of Hahn properties from CBD TIF and included in North York Street TIF; and surplus distribution of \$1.5 from Lake Street TIF.	\$ -	\$ -
Intergovernmental Agreement between the City of Elmhurst and Elmhurst Park District, dated June 4, 2013 (Resolution # R-30-2013)	Declare surplus of 10% of increment starting in year 11; and surplus distribution of \$1.5 from Lake Street TIF II.	\$ -	\$ -