

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Oak Fores TIF No.8

| | |
|---|-------------------------------------|
| Primary Use of Redevelopment Project Area*: Combination | |
| *Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed. | |
| If "Combination/Mixed" List Component Types: Retail Comm. Res | |
| Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one): | |
| Tax Increment Allocation Redevelopment Act | <input checked="" type="checkbox"/> |
| Industrial Jobs Recovery Law | <input type="checkbox"/> |

Please utilize the information below to properly label the Attachments.

| | No | Yes |
|---|----|-----|
| For redevelopment projects beginning prior to FY 2022, 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). For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions 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, enactment or extension, and a copy of the redevelopment plan (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 |
| Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D). | | X |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E). | | X |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F). | X | |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G). | X | |
| Were there any reports <u>submitted to</u> the municipality <u>by</u> 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 the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J). | X | |
| An analysis prepared by a financial advisor or underwriter, chosen by the municipality , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (labeled Attachment J). | X | |
| Has a cumulative of \$100,000 of TIF revenue been deposited 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, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L). | X | |
| A list of all intergovernmental agreements in effect 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 the list only, not actual agreements (labeled Attachment M). | X | |
| For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N). | X | |

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)] and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Oak Fores TIF No.8

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period

| SOURCE of Revenue/Cash Receipts: | Revenue/Cash Receipts for Current Reporting Year | Cumulative Totals of Revenue/Cash Receipts for life of TIF | % of Total |
|---|--|--|------------|
| Property Tax Increment | | | 0% |
| State Sales Tax Increment | | | 0% |
| Local Sales Tax Increment | | | 0% |
| State Utility Tax Increment | | | 0% |
| Local Utility Tax Increment | | | 0% |
| Interest | | | 0% |
| Land/Building Sale Proceeds | | | 0% |
| Bond Proceeds | | | 0% |
| Transfers from Municipal Sources | | | 0% |
| Private Sources | | | 0% |
| Other (identify source _____; if multiple other sources, attach schedule) | | | 0% |

All Amount Deposited in Special Tax Allocation Fund

Cumulative Total Revenues/Cash Receipts

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

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements

Net/Income/Cash Receipts Over/(Under) Cash Disbursements

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD*

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

Previous Year Explanation:

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

FY 2023

Name of Redevelopment Project Area:

Oak Fores TIF No.8

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
PAGE 1**

| 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. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost. | | |
| General Government Administration | 57,036 | |
| | | |
| | | |
| | | \$ 57,036 |
| 2. Annual administrative cost. | | |
| | | |
| | | |
| | | \$ - |
| 3. Cost of marketing sites. | | |
| | | |
| | | |
| | | \$ - |
| 4. Property assembly cost and site preparation costs. | | |
| | | |
| | | |
| | | \$ - |
| 5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area. | | |
| | | |
| | | |
| | | \$ - |
| 6. Costs of the construction of public works or improvements. | | |
| Interest and Fiscal Charges | | |
| | | |
| | | |
| | | \$ - |

SECTION 3.2 A
PAGE 3

| | | |
|--|--|------------------|
| 13. Relocation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 14. Payments in lieu of taxes. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 15. Costs of job training, retraining, advanced vocational or career education. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 17. Cost of day care services. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 18. Other. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| TOTAL ITEMIZED EXPENDITURES | | \$ 57,036 |

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

FY 2023

Name of Redevelopment Project Area:

Oak Fores TIF No.8

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

FUND BALANCE BY SOURCE

| |
|-------------|
| \$ (57,036) |
|-------------|

| 1. Description of Debt Obligations | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Obligations | \$ - | \$ - |

| 2. Description of Project Costs to be Paid | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| | | |
| | | |
| | | |
| | | |
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| | | |
| | | |
| | | |
| Total Amount Designated for Project Costs | | \$ - |

TOTAL AMOUNT DESIGNATED \$ -

SURPLUS/(DEFICIT) \$ (57,036)

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

FY 2023

Name of Redevelopment Project Area:

Oak Fores TIF No.8

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

| |
|---|
| X |
|---|

Indicate an 'X' if no property was 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: | |

| | |
|--|--|
| Property (5): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (6): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (7): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Oak Fores TIF No.8

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

| | |
|--|---|
| 1. <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area. | |
| 2. The municipality <u>DID</u> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.) | X |
| 2a. The total number of <u>ALL</u> activities undertaken in furtherance of the objectives of the redevelopment plan: | 1 |
| 2b. The total number of <u>NEW</u> projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any. | 1 |

| LIST <u>ALL</u> projects undertaken by the Municipality Within the Redevelopment Project Area: | | | |
|---|------------------------|--|--|
| TOTAL: | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
| Private Investment Undertaken (See Instructions) | \$ - | \$ - | \$ - |
| Public Investment Undertaken | \$ - | \$ - | \$ - |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 1 Name: LPC Oak Forest LP

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

Project 2 Name:

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

Project 3 Name:

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

Project 4 Name:

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

Project 5 Name:

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

Project 6 Name:

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

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Oak Fores TIF No.8

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

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

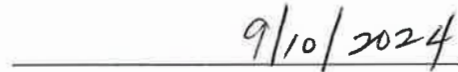
Attachment B

Re: City of Oak Forest TIF No. 8

I, Henry L. Kuspa, the duly elected Chief Executive Officer of the City of Oak Forest, County of Cook, State of Illinois, do hereby certify that to the best of my knowledge, the City complied with the requirements pertaining to the Illinois Tax Incremental Redevelopment Allocation Act during the fiscal year beginning May 1, 2022 and ending April 30, 2023.



Mayor



Date



20 N. Wacker Drive, Ste 1660
Chicago, Illinois 60606-2903
T 312 984 6400 F 312 984 6444

15010 S. Ravinia Avenue, Ste 10
Orland Park, Illinois 60462-5353
T 708 349 3888 F 708 349 1506

Klein, Thorpe & Jenkins, Ltd.

DD 312 984 6421
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OPINION OF LEGAL COUNSEL

City of Oak Forest

RE: Oak Forest TIF No. 8
(Date Designated February 2, 2022)
Section 11-74,4-5(d)(4) Illinois Tax Increment
Allocation Redevelopment Act Review

FROM: Klein, Thorpe & Jenkins, Ltd.

September 10, 2024

We serve as legal counsel for the City of Oak Forest, Illinois. We have conducted a review as provided at Section 11-74,4-5(d)(4) of the Illinois' Tax Increment Allocation Redevelopment Act. Our review is based on the information provided by City staff and consultants regarding this TIF #8. To the best of our knowledge and belief, it is our opinion that the City of Oak Forest has completed its FY 2023 Annual Tax Increment Finance Report for TIF #8 consistent with the applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act for the fiscal year beginning May 1, 2022 and ending April 30, 2023.

Klein, Thorpe & Jenkins, Ltd.

A handwritten signature in black ink, appearing to read 'Scott F. Uhler', with a stylized flourish at the end.

Scott F. Uhler

Attachment D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan, including:

- A. Any project implemented during the reporting fiscal year beginning; and
- B. A description of the redevelopment activities undertaken.

The City entered into a Redevelopment Agreement with LPC Oak Forest, LP Project located (East of Cicero South 167th Street and Northwest of I-57)

Attachment E TIF 8

The City entered into a Redevelopment Agreement with LPC Oak Forest , LP Project.

**REDEVELOPMENT AGREEMENT FOR THE
PROJECT LOCATED EAST OF CICERO AVENUE,
SOUTH OF 167TH STREET, AND NORTHWEST OF 1-57
(LPC OAK FOREST, LP)**

The following terms and conditions are hereby agreed to by and between the City of Oak Forest, Cook County, Illinois ("City") and LPC OAK FOREST, LP ("Developer") as the Redevelopment Agreement For The Project Located East Of Cicero Avenue, South Of 167th Street, And Northwest Of 1-57, dated this 13th day of December 2022. The City and the Developer are sometimes referred to herein individually as a "Party," or collectively as the "Parties."

WITNESSETH:

In consideration of these Preliminary Statements, the mutual covenants herein contained, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties hereto agree as follows:

I. PRELIMINARY STATEMENTS

Among the matters of mutual inducement which have resulted in this Agreement are the following:

- A. The City is a home rule unit of government in accordance with Article VII, Section 6 of the Constitution of the State of Illinois, 1970.
- B. The City has the authority, pursuant to the laws of the State of Illinois, including, but not limited to 65 ILCS 5/8-1-2.5, 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 and 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 otherwise take action in the best interests of the City.
- C. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended ("Act"), to finance redevelopment in accordance with the conditions and requirements set forth in the Act.
- D. The City pursuant to Ordinance Nos. 2022-02-08890, 2022-02-08900, and 2022-02-08910, adopted on February 22, 2022, has designated approximately 43.09 acres of land located west of Cicero Avenue and northeast of 1-57, in Oak Forest, Illinois, as a tax increment financing district (the "*TIF District*") and redevelopment project area (the "*Project Area*") pursuant to a Tax Increment Redevelopment Plan (the "*TIF Plan*") pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (the "*TIF Act*") and said Project Area and TIF District being that same area as depicted on **Exhibit A** and as legally described in **Exhibit B**.

- E. The City Council has previously passed Resolution 2020-09-0379R, as further amended, defining the Project Area and designating LPC Oak Forest, LP (the "*Developer*") as the preferred developer, said designation having been extended to June 2022.
- F. The City Council has previously passed Resolution No. 2021-11-0415R, dated November 9, 2021, and Resolution No. 2022-10-0431R, dated October 11, 2022, supporting and consenting to the Developer's application to the Cook County Assessor for Class 8 classification with respect to the Property and the Project, including consenting and supporting to one renewal period of the Class 8 incentive (the "*Class 8 Ordinance*").
- G. The Developer has acquired the land located in the Project Area (the "*Property*"), identified in **Exhibit A**, and proposes to redevelop the same as an industrial and distribution facility, as depicted on the site plan attached hereto as **Exhibit C**, and made part hereof (the "*Project Area*").
- H. It is necessary for the successful completion of the Project that the City enter into this Agreement with Developer to provide for the redevelopment of the Project Area, thereby implementing the TIF Plan (the "*Agreement*").
- I. The City seeks to have the Project Area rehabilitated, developed and redeveloped in accordance with the TIF Plan, and particularly the Project as a part thereof, in order to serve the needs of the City, address obsolescence, lack of productive use, arrest physical decay and decline in the Redevelopment Project Area, increase employment opportunities, stimulate commercial growth and stabilize the tax base of the City and, in furtherance thereof, the City is willing to offer Developer the TIF incentives referenced hereinabove, under the terms and conditions hereinafter set forth, to assist such development.
- J. Developer is unable and unwilling to undertake the Project to redevelop the Project Area, but for certain tax increment financing ("*TIF*") incentives, with regard to the reimbursement of certain TIF eligible redevelopment project costs related to the Project related to land acquisition and improvements, to be provided by the City in accordance with the Act and the home rule powers of the City, which the City is willing to provide under the terms and conditions contained herein.
- J. The Parties acknowledge and agree that but for the aforementioned TIF incentives, to be provided by the City, Developer cannot successfully and economically develop the Developer Project in a manner satisfactory to the City. The City has determined that it is desirable and in the City's best interest to assist Developer in the manner set forth herein, and as this Agreement may be supplemented and amended from time to time pursuant to the mutual agreement of the Parties and in the manner as herein provided.
- K. This Agreement has been submitted to the Corporate Authorities of the City for consideration and review, the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same, and any and all actions taken by the City in furtherance hereof, 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.

- L. This Agreement has been submitted to the Developer for consideration and review, Developer's authorized principles and representatives have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon Developer according to the terms hereof, and any and all action of Developer's members precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.

II. 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, and as follows:

- A. **"Administrative Costs"** means the costs and expenses the City has incurred as of the Effective Date in establishing the TIF District; preparing and adopting the Redevelopment Plan; and approving tax increment financing for the TIF District in an amount not to exceed \$99,939.32.
- B. **"Accounting"** and **"Accounting Date"**: On the first December 1st after issuance of the Certificate of Project Completion by the City and on the first day of every succeeding December (each, an "Accounting Date"), the City shall commence an accounting (each, an "Accounting") to determine the amount of the Incremental Property Taxes the City has received. Each subsequent Accounting will encompass the period commencing on every succeeding first day of December and ending on November 30 of the following year (an "Accounting Year"). The Owners shall assist the City in completing the Accounting by providing, or causing to be provided information as the City may reasonably request to assist it in determining the amounts of Incremental Property Taxes that have been generated during the period that is the subject of such Accounting. The City shall promptly cause the Available Incremental Property Taxes after each Accounting to be deposited in the Pledged TIF Fund upon the completion of an Accounting and forwarded to the Noteholder on February 1st of the year after such Accounting Year.
- C. **"Agreement"** means this Redevelopment Agreement For The Project Located East Of Cicero Avenue, South Of 167th Street, And Northwest Of 1-57 (LPC Oak Forest, LP) as made and entered into by and between the City of Oak Forest, Illinois and LPC Oak Forest, LP on the Effective Date.
- D. **"Available Incremental Property Taxes"** means sixty-five percent (65%) of the Incremental Property Taxes that are generated by the Property parcels, as calculated after payment of the Administrative Costs.
- E. **"Certificate of Project Completion"** means that written certification in recordable form, issued by the City following Substantial Completion of the

Project, certifying Developer's satisfaction of all construction terms, covenants, and conditions contained in this Agreement.

- F. **"Change in Law"** means the occurrence, after the Effective Date, of an event described below in this definition, provided such event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement and such event is not caused by the Party relying thereon:

Change in Law means any of the following: (1) the enactment, adoption, promulgation or modification of any federal, State or local law, ordinance, code, rule or regulation (other than by the City, or, with respect to those made by the City, only if they violate the terms of this Agreement); (2) the order or judgment of any federal or State court, administrative agency or other governmental body (other than the City); or (3) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency (other than the City, or, with respect to those made by the City, only if they violate the terms of this Agreement). 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 actions to be performed under this Agreement (except any imposition of any conditions on, or delays in, any such issuance or renewal by the City, except as provided herein).

- G. **"Corporate Authorities"** means the Mayor and City Council of the City of Oak Forest, Illinois.
- H. **"Day"** means a calendar day.
- I. **"Developer"** means LPC Oak Forest, LP, which is an affiliate of Logistics Property Company, the preferred developer as identified and designated in City Council Resolution 2020-09-0379R.
- J. **"Effective Date"** means the day on which this Agreement is executed by the City, with said date appearing at the top of page 1 hereof.
- K. **"Eligible Costs"** means the qualifying redevelopment project costs that are: (i) authorized and defined by the TIF Act (65 ILCS 5/11-74.4-3(q)) and the TIF Plan; and (ii) incurred by the Parties in the construction of the Project and listed on **Exhibit E** hereto.
- L. **"Final Plans"** means the final site plans, plats of subdivision or consolidation, engineering plans, landscape plans, lighting and photometric plans, architectural plans, parking and streetscape plans, signage plans, and all other final plans, plats, and specifications for the Project approved (i) by the Corporate Authorities as necessary to or in furtherance of the Project; or (ii) by the Corporate Authorities or by any officer, board, or commission of the City pursuant to this Agreement or the City Codes and ordinances.

- M. **“Incremental Property Taxes”** means that portion of the *ad valorem* real estate taxes arising from the taxes levied upon the Property, which taxes are actually collected and paid to the City, and which are attributable to the increase in the equalized assessed valuation (“EAV”) of the Property over and above the EAV of the Property at the time of the formation of the TIF District, all as determined and collected by the County Clerk of the County of Cook, Illinois, pursuant to and in accordance with the TIF Act, the TIF Ordinances and this Agreement, and which have been paid to and received by the Chief Financial Officer of the City on and after the Commencement Date (as defined below). See **Exhibit D** for most recent and projected EAV.
- N. **“Incentive Fund”** means the special tax allocation fund set up by the City into which the City will deposit Incremental Property Taxes generated by the Property.
- O. **“Inducement Resolution”** means that City Council Resolution 2020-09-0379R, as further amended, defining the Project Area and designating Logistics Property Company and its affiliates as the preferred developer.
- P. **“Issuance Date”** means the date that the TIF Notes are issued.
- Q. **“Maximum Reimbursement Amount”** shall mean the maximum amount of the Eligible Costs reimbursement provided for herein (but excluding annual interest on the TIF Note) not to exceed the sum of fifteen million, five hundred sixty-six, seven hundred and one dollars (\$15,566,701.00) as set forth in Section VII, C, i herein below.
- R. **“Note Interest Rate”** shall mean a rate equal to 5.75%.
- S. **“Party” or “Parties”** means the City and/or the Developer, individually/collectively, and their respective successors and/or assigns as permitted herein, as the context requires.
- T. **“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.
- U. **“Pledged TIF Fund”** means a subaccount created by the City within the Incentive Fund and pledged to the payment of the amounts due under the TIF Notes.
- V. **“Project”** means that plan identified and described for the Property and generally described in **Exhibit F**, attached hereto, including all phases thereof.
- W. **“Project Area”** means that area designated for this project as identified in City Council Resolution 2020-09-0379R and as depicted on **Exhibit C**, attached hereto.
- X. **“Project Budget”** means the budget for the costs of the Project as provided in Exhibit E hereto.

- Y. **“Property”** means that land acquired by the Developer for the Project and legally described in **Exhibit A** upon which the Project will be located and developed.
- Z. **“Qualified Institutional Buyer”** means an entity defined by Rule 144A of the 1933 Securities Act.
- AA. **“State”** means the State of Illinois.
- BB. **“Substantial Completion”** means satisfaction of the following criteria relative to the Project:
- i. The Developer has completed the construction of the Project, and the City has inspected and approved, all public and private infrastructure improvements, including all required internal drives, surface parking areas, and water, sanitary sewer, storm drainage, and landscaping improvements (with the understanding that landscaping may be installed and completed only when weather conditions permit), the Developer was to have constructed;
- CC. **“Taxable TIF Note”** means the promissory note issued pursuant to Section VII herein and substantially in the form attached hereto as Exhibit H which is not a Tax-Exempt Obligation and which is subordinate to the Tax-Exempt TIF Note with respect to payment from the Available Incremental Property Taxes.
- DD. **“Tax-Exempt TIF Note”** means the promissory note issued pursuant to Section VII herein and substantially in the form attached hereto as Exhibit H which is a Tax-Exempt Obligation and which is senior to the Taxable TIF Note with respect to payment from the Available Incremental Property Taxes.
- EE. **“Tax Exempt Obligation”** means a note the interest on which is not included in gross income of the owners thereof for federal income tax purposes.
- FF. **“TIF Act”** means the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*).
- GG. **“TIF District”** means that area of approximately 43.09 acres of land located west of Cicero Avenue and northeast of I-57, in Oak Forest, Illinois, which has been designated as the City of Oak Forest Cicero Avenue and I-57 Increment Financing District (TIF District #8) as a tax increment financing district pursuant to a Tax Increment Redevelopment Plan pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (*the “TIF Act”*) as legally described in **Exhibit B**.
- HH. **“TIF Eligible Redevelopment Costs”** means the costs of the Project, to be reimbursed, in part, from Incremental Property Taxes pursuant to the TIF Act, and permitted to be reimbursed as a “redevelopment project cost” in Section 3(q) of the TIF Act, 65 ILCS 5/11-74.4-3(q), by the City, as limited in, and as provided in, this Agreement, including in **Exhibit E** hereto. The sole source of reimbursement for Developer under this Agreement shall be from that portion of

the Incremental Property Taxes generated by Developer, as provided in this Agreement.

- II. **"TIF Notes"** means, together, the Tax-Exempt TIF Note and the Taxable TIF Note. For avoidance of doubt, the Parties anticipate and agree the City will issue one Tax-Exempt TIF Note and, if the initial principal amount of the Tax-Exempt TIF Note is less than full amount of the Certified Eligible Costs and the Maximum Reimbursement Amount, the City will issue one Taxable TIF Note with an initial principal amount as provided in Section VII.D.i.a below. In the event the Taxable TIF Note is not required, references herein to TIF Notes shall mean the Tax-Exempt TIF Note, notwithstanding the use of the plural form.
- JJ. **"TIF Note Aggregate Principal Limitation"** means the total principal amount of the TIF Notes issued which shall not exceed the Maximum Reimbursement Amount.
- KK. **"TIF Ordinances"** means Ordinance Nos. 2022-02-08890, 2022-02-08900, and 2022-02-08910 adopted by the Corporate Authorities on February 22, 2022, establishing the TIF Plan and District over the Property.
- LL. **"TIF Plan"** means the City of Oak Forest Cicero Avenue and I-57 Increment Financing District (TIF District #8) Redevelopment Project Area Redevelopment Plan, a Tax Increment Redevelopment Plan to be established pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (*the "TIF Act"*)
- MM. **"Uncontrollable Circumstance"** means any event which:
- i. is beyond the reasonable control of and without the fault of the Party relying thereon; and
 - ii. is one or more of the following events:
 - a. a Change in Law;
 - b. insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, fire, nuclear incident, embargo, terrorist attacks, war or naval blockade;
 - c. epidemic, pandemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary or ordinary weather conditions or other similar act of God;
 - d. governmental condemnation or taking other than by the City and, if claimed by Developer, governmental condemnation or taking by the City;
 - e. strikes or labor disputes, or work stoppages not initiated by if claimed by Developer, the Developer, or if claimed by the City, the City;
 - f. unreasonable delay in the issuance of building or other permits or approvals by the City or other governmental authorities having jurisdiction other than the City including but not limited to the Illinois Department of Transportation ("IDOT"), the Metropolitan Water Reclamation District of Greater Chicago ("MWRD") and/or the Illinois Environmental Protection Agency ("IEPA") and public or private utilities providing service to the Project;

- g. shortage or unavailability of essential materials, which materially change the ability of the Party relying thereon to carry out its obligations under this Agreement;
- h. unknown or unforeseeable geo-technical or environmental conditions;
- i. major environmental disturbances, which delay construction by more than thirty (30) days;
- j. vandalism and malicious mischief; or
- k. terrorist acts.

The City's failure to adopt the TIF Note Authorizing Ordinance in accordance with Section VII.A of this Agreement shall be an Uncontrollable Circumstance.

Uncontrollable Circumstance shall not include any of the following (except to the extent caused by events which are Uncontrollable Circumstances): economic hardship; scarcity or cost increases of materials; or a failure of performance by a contractor.

For each day that the City or Developer is delayed in its performance under this Agreement by an Uncontrollable Circumstance, the dates set forth in this Agreement shall be extended by one (1) day without penalty or damages to either Party.

III. CONSTRUCTION OF TERMS

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. In the event of a conflict between any exhibit and the terms of this Agreement, the Agreement shall control.
- 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 Administrator, 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. Developer is entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the City as having been properly and legally given by the City.
- H. In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by Developer in a different manner Developer hereby designates Aaron Martell 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 Developer and with the effect of binding Developer in that connection (such individual being designated as an "Authorized Developer Representative"). Developer shall have the right to change its Authorized Developer Representative by providing the City with written notice of such change from both authorized representatives which notice shall be sent in accordance with Section XIX.B. of this Agreement.

IV. COOPERATION OF THE PARTIES

The City and Developer agree to cooperate in implementing the Project in accordance with the Parties' respective obligations set forth in this Agreement, and specific approvals by the City in the future, relative to the development of the Property and the Project, including zoning applications relative thereto, and City-issued permits and approvals relative thereto.

V. PROPERTY DEVELOPMENT

A. Developer Property.

- i. The Developer has completed acquisition of the land comprising the Property.
- ii. The Redevelopment Plan and Project Objectives for the Property are set forth in **Exhibit F**.
- iii. Developer agrees subject to Uncontrollable Circumstances to the following initial timelines for the plan for development of the Property:
 - a. No later than Developer's delivery of its written notice of intent, in compliance with Section XIX.B, to commence construction, Developer will provide reasonable proof, such as term sheets, commitment letters, or letter of intent, that construction financing will be available when needed for the proposed Project construction and infrastructure.

VI. DEVELOPMENT OF THE PROPERTY

A. Approvals, Permits, Construction, and Completion.

The Developer shall, subject to Uncontrollable Circumstances:

- i. [Intentionally Omitted.]
- ii. On or before June 1, 2023, obtain all necessary permits and approvals from all governmental agencies having jurisdiction over construction of the Project.
- iii. Weather permitting, on or before June 1, 2025, commence construction of the Project.
- iv. On or before December 31, 2026, complete construction of the Project
- v. On or before April 30, 2027, obtain a Certificate of Project Completion (as defined in Section II.E. above) for the Project.

B. Incentive Amount.

- i. The City shall reimburse Developer for TIF Eligible Redevelopment Costs, in relation to the Project, in an amount not to exceed the Maximum Reimbursement Amount pursuant to the issuance of the TIF Notes payable solely from the Pledged TIF Fund. The TIF Eligible Redevelopment Costs of the Project are set forth in **Exhibit E** attached hereto and made a part hereof.
- ii. The total aggregate principal amount of TIF Notes issued shall not exceed the Maximum Reimbursement Amount and payment of the principal and interest payable on the TIF Notes shall be made solely from Available Incremental Property Taxes deposited in the Pledged TIF Fund.
- iii. Upon Developer incurring TIF Eligible Redevelopment Costs, and Developer providing the City with the information and materials required by Sections VI.C. below, the City shall issue the TIF Notes pursuant to Section VII hereof.
- iv. Beginning on the date the Certificate of Project Completion is issued, the City shall deposit Available Incremental Property Taxes into the Pledged TIF Fund.

C. Conditions and Procedure for Issuance of TIF Note.

- i. The City's obligation to reimburse the Developer in relation to certain TIF Eligible Redevelopment Costs of the Project pursuant to the issuance of the TIF Note, is subject to the following conditions precedent, in addition to those set forth elsewhere in this Agreement:
 - a. Acquisition by the Developer of all necessary City zoning approvals for the Project; the City agrees to cooperate in good faith to facilitate the necessary approvals;
 - b. The Developer being current with all Federal, State and local tax obligations;
 - c. The Developer has received the Certificate of Project Completion for the Project;
 - d. The Developer is in compliance with the covenants and obligations in this Agreement and otherwise in compliance with the laws and regulations of the City, the State of Illinois and the United States of America;
 - e. The Developer has submitted to the City a Certification Request and lien

- waivers, along with appropriate supporting documentation in relation thereto, with respect to the TIF Eligible Redevelopment Costs for which the Developer seeks payment;
- f. The Developer shall, upon request by the City, provide the City with all reasonable and customary documentation required by the City to evidence the TIF Eligible Redevelopment Costs, such records to include, but not be limited to, all invoices for the improvements, all contracts with the Developer's contractor(s), subcontractor(s), contractor's affidavits, subcontractor's affidavit, lien waivers with invoices, copies of checks and any other documentation reasonably requested by the City and/or in the possession of the Developer; and
 - g. The City has validated the costs associated with the disbursement request have been incurred and paid by the Developer.
- ii. The City shall reimburse the Developer for the Developer's actual expenditures of TIF Eligible Redevelopment Costs set forth in, and in the amounts included in, **EXHIBIT E**, relative to the Project as previously authorized by Inducement Resolution 2020-09-0379R, as amended by subsequent Resolutions 2021-03-0393R, 2021-06-0407R and most recently on November 23, 2021, by 2021-11-0418R whether incurred by the Developer prior to or after the Effective Date pursuant to the issuance of the TIF Notes. Said TIF Notes shall be issued to the Developer as follows:
- a. The City shall issue the TIF Notes, provided the City is in receipt of the Developer's request for reimbursement of TIF Eligible Redevelopment Costs documented by the Developer to have been incurred and paid for by the Developer in relation to the Project (which documentation shall accompany each such request for reimbursement). To obtain reimbursement of Eligible Costs, in accordance with this Agreement, the Developer shall submit to the City Administrator written requests for reimbursement which are in the form attached hereto as **Exhibit G** ("**Certification Request**"), provided, however, that the Developer may not submit more than one Certification Request to the City per calendar quarter. Each Certification Request shall be accompanied by: (i) evidence that the Developer has actually incurred and paid the Eligible Costs for which it seeks reimbursement; (ii) sworn statements and lien waivers from the Developer's general contractor for any material, fixtures, apparatus, machinery, services, or labor provided by any contractor, subcontractor, or other person or entity entitled to file a lien under the Mechanics Lien Act, 770 ILCS 60/1, included in the Eligible Costs for which reimbursement is sought; and (iii) a sworn statement from the Developer that it remains in full compliance with all applicable provisions of this Agreement. If the Developer does not fulfill its obligations under the preceding sentence, the City will have no obligation to certify or reimburse the Developer for such Eligible Costs unless and until it does fulfill them.
 - b. The City Administrator will approve or disapprove each Certification Request, or, if the City Administrator finds an error or deficiency in the Certification Request, the City Administrator will give written notice to the Developer, identifying such error or deficiency in reasonable detail, within 30 days after the date that the City receives the Certification Request. The process of submission, identification of errors or deficiencies,

and resubmission shall continue in good faith until the City and said Developer agree on the content and compliance of the Certification Request. If the City Administrator does not approve, disapprove, or give written notice as provided above within the 30-day period identified above, the City Administrator will be deemed to have approved the Certification Request.

- c. Upon approval of a Certification Request, the City Administrator shall issue a certificate of expenditure ("*Certificate of Expenditure*") to the City's Director of Finance in an amount corresponding to the approved Certification Request authorizing the approved Eligible Costs to be included in the principal for the appropriate TIF Notes as provided herein. The Developer shall provide the City written notice when it has submitted its final Certification Request to the City.
 - d. The payment of principal and interest on the TIF Notes shall only be paid from Available Incremental Property Taxes available in the Pledged TIF Fund, and payments on the Taxable TIF Note from the Available Incremental Property Taxes shall be subordinate to payments on the Tax-Exempt TIF Note therefrom.
 - e. In the event that the City ceases to receive Incremental Property Taxes, as a result of a Change in the Law, and no alternate tax is enacted to replace the Incremental Property Taxes, the City shall not be obligated to make any payments due under the TIF Notes.
 - f. The City's obligation to make the payments on the TIF Notes shall cease upon the payment of all principal and interest due on the TIF Notes or the expiration of the Term (as specified in Section XIX.P. below) of this Agreement, whichever occurs first.
- iii. The TIF Notes are not a general obligation of the City, and the City's full faith and credit are not pledged or encumbered to make the principal and interest payments on the TIF Notes.
 - iv. A delineation of the TIF Eligible Redevelopment Costs for the Developer Project is set forth in **Exhibit E**, and the City shall not reimburse the Developer for any costs of the Project not listed on said **Exhibit E**.

VII. DEVELOPER REIMBURSEMENT REGARDING TIF NOTES

- A. **Adoption of TIF Note Authorizing Ordinance.** The Corporate Authorities agree to work with Bond Counsel to adopt an Ordinance authorizing the issuance of the TIF Notes ("*TIF Note Authorizing Ordinance*") to be issued hereunder. Said TIF Note Authorizing Ordinance will be adopted by the City not more than 60 days after Developer delivers written notice to the City of its intent to proceed with construction of the Project, in compliance with Section XIX.B. The form of the TIF Note Authorizing Ordinance shall be subject to the Developer's approval. In the event the TIF Note Authorizing Ordinance is not adopted within 60 days after delivery of the aforesaid written notice, the Developer may, by notice given in accordance with this Agreement, elect to terminate this Agreement. For so long as this Agreement remains in effect and no Developer Event of Default exists hereunder, the City will not amend or repeal the TIF Note Authorizing Ordinance without the prior written consent of the Developer.
- B. **Issuance of TIF Notes.** The City shall satisfy its obligations under Section 11-74.4-8 of the TIF Act for so long as the TIF District and term remains in existence

and the City obligations under this Agreement and the TIF Notes remain outstanding.

C. **Reimbursement of Eligible Costs.**

- i. **Reimbursement.** The City acknowledges that the Developer has already incurred certain Eligible Costs related to the Project prior to the Effective Date, and that they will incur additional Eligible Costs after the Effective Date. To provide for the reimbursement for certain of those Eligible Costs, the Corporate Authorities will execute and deliver to the Developer the TIF Notes described below. The Developer acknowledges that: (a) the reimbursement of Eligible Costs pursuant to any TIF Note and this Section will not commence until after the issuance date of such TIF Note, as contemplated by this Section; and (b) under no circumstances shall the maximum amount of the Eligible Costs reimbursement provided for herein (but excluding annual interest on the TIF Notes) exceed the sum of \$15,566,701 (the "Maximum Reimbursement Amount").
- ii. **Eligible Costs.** Subject to the City's review and approval of Certification Requests as provided for in this Agreement, the City shall reimburse Developer for Eligible Costs they have incurred prior to the Effective Date as provided from the date of the Inducement Resolution and all Eligible Costs they will incur after the Effective Date, in constructing the Redevelopment Project up to the Maximum Reimbursement Amount. Such Eligible Costs are listed on **Exhibit E** attached hereto, and include all demolition, site preparation, environmental remediation, rehabilitation and other eligible redevelopment projects costs under the TIF Act the Developer has incurred or expects to incur in constructing the Project. The Parties acknowledge that the individual line items and cost ranges of Eligible Costs listed on **Exhibit E** are estimates, and that (i) the final Eligible Costs to be reimbursed shall be established by, and shall only be reimbursable subject to, the Developer submission of certification requests to the City utilizing that form attached hereto as **Exhibit G**, and the City's issuance of a Certificate of Expenditure, and (ii) the amount of Eligible Costs that are reimbursed for any particular category of Eligible Cost listed on **Exhibit E** may be equal to, more, or less than the cost range identified on **Exhibit E** so long as the total amount reimbursed pursuant to all TIF Notes (but excluding annual interest on the TIF Note) does not exceed the Maximum Reimbursement Amount.

- D. **TIF Notes.** Subject to the provisions and conditions in this Section, the City will issue the TIF Notes as described in this Section. The City shall not be required to issue the Tax-Exempt TIF Note unless, and only to the extent that, the requirements under the Internal Revenue Code for the exclusion of the interest on the Tax-Exempt TIF Note from the income of the holders thereof for federal income tax purposes are met, and the City receives an opinion of Bond Counsel that the interest paid and received on the Tax-Exempt TIF Note is not includible in the gross income of the registered owners thereof under the Internal Revenue Code for federal income tax purposes, subject to customary qualifications and exceptions. In order to assist the City in obtaining such opinion, the Developer agrees in good faith to provide any information, representations and certifications as Bond Counsel may reasonably request be provided. The City shall use good faith efforts to obtain such opinion so that the Tax-Exempt TIF Note described

below can be issued as and when contemplated by the provisions of this Agreement. The Owners acknowledge and agree that the City's inability to issue the Tax-Exempt TIF Note shall not be a City Event of Default. The parties acknowledge that a change in law or a change in facts related to the Project or the financing may preclude the issuance of the TIF Note as a tax-exempt obligation. The City will issue the TIF Notes for the Project as follows:

- i. The City, provided the conditions below have been satisfied, will issue the TIF Notes pursuant to the TIF Note Authorizing Ordinance and the following provisions:
 - a. The City will issue the TIF Notes with respect to the Project to Developer. The aggregate initial principal amount of the Tax-Exempt TIF Note and the Taxable TIF Note will be equal to the Eligible Costs incurred by the Developer and certified by the City following the submittal of an appropriate Certification Request (the "Certified Eligible Costs"), provided, however, that such aggregate initial principal amount shall not exceed the Maximum Reimbursement Amount (the "Aggregate Note Issuance Amount"). The initial principal amount of the Tax-Exempt TIF Note shall be equal to the maximum portion of the Aggregate Note Issuance Amount that may be issued as a Tax-Exempt Obligation under the Internal Revenue Code as determined by Bond Counsel. The initial principal amount of the Taxable TIF Note shall be equal to the difference between the Aggregate Note Issuance Amount and the principal amount of the Tax-Exempt TIF Note. If the initial principal amount of the Tax-Exempt TIF Note is equal to the Aggregate Note Issuance Amount, the Taxable TIF Note will not be issued. The City agrees to engage Bond Counsel with respect to the issuance of the TIF Notes no later than sixty (60) days after it receives a written request from Developer to issue the TIF Notes, and to proceed with due diligence to issue the TIF Notes thereafter. The TIF Notes shall be in substantially the form attached hereto as Exhibit H. Interest on the TIF Notes will accrue from and after the Issuance Date at the Note Interest Rate and compound annually. The City will begin to make payments on the TIF Notes on February 1 of the year following the Issuance Date. The TIF Notes will be payable solely from and have a first lien on the Available Incremental Property Taxes. The lien of the Taxable TIF Note on the Available Incremental Property Taxes shall be subordinate to the lien of the Tax-Exempt TIF Note on the Available Incremental Property Taxes. Concurrently with the issuance of the TIF Notes, the City will issue an amortization schedule for the TIF Notes and establish annual payment dates for the TIF Notes pursuant to such schedule.
- ii. **Terms of TIF Notes.** The TIF Notes issued to the Developer will:
 - a. Evidence the City's obligation to reimburse the Developer for Eligible Costs, subject to and in accordance with the provisions of this Agreement and the terms of the TIF Notes;
 - b. Mature within twenty (20) years from the date of the issuance thereof, unless the TIF District will expire prior to such date, in which case, the TIF Notes will mature on the expiration date of the TIF District;
 - c. Be secured solely by and payable solely from the Available Incremental Property Taxes, subject to the limitations set forth in, this Agreement;

- d. In no event shall the TIF Notes have an initial principal amount in excess of the Eligible Costs that have been: (i) incurred by the Developer; and (ii) certified by the City following the submittal of an appropriate Certification Request;
- e. Provide that each payment will be applied, with respect to each of the Tax-Exempt TIF Note and the Taxable TIF Note, first to accrued but unpaid interest, second to current interest, and third to principal and until all interest and principal then due in accordance with the established amortization schedule is paid;
- f. With respect to the Tax-Exempt TIF note, if requested by the Developer, provide for the capitalization of interest, a debt service reserve fund, and any other features reasonably necessary or desirable to make the Tax-Exempt TIF Note marketable;
- g. Be assignable to or pledged as collateral to any lender providing financing for the Project; and
- h. Be saleable or assignable to a Qualified Institutional Buyer.

E. **Conditions to TIF Note Issuance.** In addition to the conditions set forth in Section VI,B above, the TIF Note issuance will occur only upon the satisfaction of each of the following conditions:

- i. **Certificates of Completion.** Issuance of Certificates of Completion for the Project and no Developer Event of Default is then outstanding with respect to the Project;
- ii. **Fee Payment.** The payment of all fees related to the issuance of the TIF Note, including Bond Counsel fees, feasibility consultant fees and City Attorney fees by Developer;
- iii. **Bond Opinion.** The issuance of an opinion of Bond Counsel that the TIF Notes are valid and binding obligations of the City; and
- iv. **Tax Exempt.** The issuance of an opinion of Bond Counsel that the interest paid or received on Tax-Exempt TIF Note is not includible in the gross income of the registered owners thereof under the Internal Revenue Code of federal income tax purposes.

F. **Pledge and Use of Available Incremental Property Taxes**

- i. **Pledge of TIF Funds.** The City pledges, for repayment of Eligible Costs, all Available Incremental Property Taxes. The Available Incremental Property Taxes will be irrevocably pledged to and only such funds shall be used by the City for the payment of amounts due under the TIF Notes, as provided in this Agreement, the TIF Note Authorizing Ordinance, and the TIF Notes.
- ii. **Deposit of Available Incremental Property Taxes in the Pledged TIF Fund.** The City shall deposit the Available Incremental Property Taxes into the Pledged TIF Fund on an annual basis and take such actions as may be necessary to ensure that they are paid in accordance with the terms of the TIF Notes. Payments from the Pledged TIF Fund shall be made solely to pay the principal and interest due under the TIF Notes. For the purpose of paying the sums due under the TIF Notes, there will be created a Pledged TIF Fund held by the City in a separate account within the Incentive Fund. The Pledged TIF Fund will have separate sub-accounts for each of the Tax-Exempt TIF Note and the Taxable TIF Note. The principal of and interest on the TIF Notes will be paid solely and only from amounts on deposit in the respective

sub-account of the Pledged TIF Fund. Available Incremental Property Taxes will first be deposited into the Tax-Exempt TIF Note subaccount of the Pledged TIF Fund to the extent that Deferred Interest, Current Interest or principal related to the Tax-Exempt TIF Note is then due, and the remainder of the amount to be deposited hereunder shall be deposited into the Taxable TIF Note sub-account of the Pledged TIF Fund up to the amount of Deferred Interest, Current Interest or principal then due thereon.

- iii. **Excess Incremental Tax Revenues.** If there are funds contained in the Pledged TIF Fund in excess of the amounts required to be paid pursuant to the TIF Notes, then the City may (i) use such funds for prepayment of one or more of the TIF Notes that are prepayable as provided in this Section, or (ii) if all TIF Notes have been paid in full, use such funds for any lawful purpose permitted under the TIF Act, including calculation and distribution of "surplus" in accordance with Sections 11-74.4-7 and 11-74.4-8a of the TIF Act. Because the Pledged TIF Fund is a special fund, the amounts in the fund will be disbursed in accordance with this Agreement, the approved TIF Ordinances, the TIF Note Authorizing Ordinance, and the TIF Notes without further action by the Corporate Authorities.

G. **Non-Recourse Obligation.** The Owners, for their own account and on behalf of other Developer Parties, acknowledge that the Available Incremental Property Taxes may be insufficient to provide for the payment of all principal and interest coming due on the TIF Notes, and that:

- i. **No General Obligation.** The City's obligation to make any payments of principal and interest due under the TIF Notes, or otherwise to reimburse the Developer for Eligible Costs, is not and will not be a general debt of the City or a charge against its general credit or taxing powers, but is and will be a special limited obligation payable solely out of the Available Incremental Property Taxes;
- ii. **Insufficiency for Payment.** The Available Incremental Property Taxes may be insufficient to provide for the payment of all principal and interest due on the TIF Notes;
- iii. **No Recourse.** If the Available Incremental Property Taxes are insufficient to pay all principal and interest due under the TIF Notes, there shall be no recourse against the City, other than enforcing the City's obligations to use the Available Incremental Property Taxes to pay such amounts, as required by this Agreement;
- iv. **No City Obligation.** The Developer will have no right to, and agree that they will not, compel any exercise of the taxing power of the City to pay any principal or interest coming due on the TIF Notes, or to reimburse any Eligible Cost, and no execution of any claim, demand, cause of action or judgment may be levied upon or collected from the general credit, general funds or other property of the City (unless the City fails or refuses to make payments due a holder of a TIF Notes in violation of the terms of this Agreement or such TIF Notes); and
- v. **Scope of Recourse.** No recourse may be had for any payment due pursuant to this Agreement or the TIF Notes against any past, present, or future elected or appointed officer, official, agent, representative, employee, or attorney of the City in his or her individual capacity.

VIII. UNDERTAKINGS ON THE PART OF THE CITY

- A. The City agrees to:
 - i. Cooperate with Developer in Developer's attempts to obtain all necessary approvals, licenses and/or permits from any governmental or quasi-governmental entity other than the City and, upon request of Developer, will promptly execute any applications or other documents (upon their approval by the City) which Developer intends to file with such other governmental agencies, quasi-governmental agencies and/or utility companies in regard to the Project.
- B. The City shall further promptly respond to, and/or process, and consider requests of Developer for applicable building approvals and/or permits, driveway permits, drive thru permits, special use permits (if and to the extent applicable), curb cut permits, or other approvals, permits and/or licenses necessary for the construction of the Project. Approval of any building approvals and/or permit applications and/or engineering plans and/or operating licenses shall be contingent on the Developer providing all required and requested documentation including, but not limited to, building plans required to substantiate that said improvements fully conform with all applicable State statutes and also all City ordinances and codes, as well as receipt of all required building approvals from any federal, state, regional or county agencies having applicable jurisdiction.

IX. DEVELOPER'S OBLIGATIONS

Developer shall have the obligations set forth below, in addition to those set forth elsewhere in this Agreement, for the development, construction, financing, completion and furtherance of the Project:

- A. **Use of Funds.** The Developer shall use payments from the City under this Agreement solely for TIF Eligible Redevelopment Costs in strict compliance with the Act.
- C. **Construction in Accordance with Approvals and Laws.** The Developer shall construct the Project materially and substantially in conformance with the approvals therefor from the City and applicable governmental entities. The Developer shall pay or cause to be paid all building-related fees required by the City Code, except as waived or modified in this Agreement. The Developer shall at all times acquire, install, construct, operate and maintain the Project in substantial conformance with all applicable laws, rules, ordinances, and regulations. All work with respect to the Project shall substantially conform to all applicable federal, State 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 applicable to all properties in the City and are in effect from time to time during

the construction and maintenance of the Project and/or during the term of this Agreement.

- D. **Construction Staging.** During the initial construction of the Project as herein contemplated, the Developer shall stage its construction of the Project to avoid to the fullest extent possible any unreasonable community disruption. During construction, the Developer shall also keep all public streets used by the Developer clean on a daily basis, and for each day in which such public streets are not properly clean and such condition is not remedied within twenty four (24) hours of written notice to Developer, the Developer shall pay the City the sum of Two Hundred Fifty and No/100 Dollars (\$250.00) for each such violation. Developer shall park and stage all construction equipment, materials and vehicles to be used in relation to the construction of the Project on the Property.
- D. **Sufficient Funds.** Developer shall submit written evidence to the City, in a form and substance reasonably satisfactory to the City, that Developer has access to sufficient funds to pay any costs of the Project within ninety (90) days after the Effective Date. Such evidence can include, without limitation, commitments for financing and/or letters of credit from a lender, and/or investor commitments, for the anticipated costs of such Project.
- E. **Meetings with City.** Developer shall meet with the Corporate Authorities and City staff and make presentations to the Corporate Authorities and City staff as reasonably requested by the City Mayor or City Administrator in order to keep the City apprised of the progress of the Project.

X. **ADDITIONAL COVENANTS OF DEVELOPER**

- A. **Continued Existence.** 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 a Delaware limited partnership in good standing in the State of Illinois so long as this Agreement is in effect, and for so long as Developer maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement, whichever is the first to occur.
- B. **Further Assistance and Corrective Instruments.** The City and Developer agree that they 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 effectuate or facilitating the performance of this Agreement to the extent legally permitted and within the City's and the Developer's sound legal discretion.
- C. **No Gifts.** Developer covenants that no director, employee or agent of Developer, or any other Person connected with Developer, has 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.
- E. **Disclosure.** Concurrently with execution of this Agreement, Developer shall disclose to the City the names, addresses and ownership interests of all Persons

whose ownership interest in the Developer exceeds ten percent (10%), together with such supporting documentation that may be reasonably requested by the City. Developer further agrees to notify the City of the names, addresses and ownership interests of any changes to the foregoing prior to issuance of the Certificate of Project Completion.

- E. **Open Book.** The Project shall be an "open book" project, meaning that the Developer and the general contractor (or contractors, if more than one) will assure continuing access to the City's agents at Developer or general contractor's office for the purpose of reviewing and auditing their respective books and records relating to any item necessary to determine the costs of the Project; provided, however, that all such access shall be limited to normal business hours upon reasonable prior notice and shall not occur more frequently than once per calendar quarter. The foregoing City review rights shall terminate one (1) year after the issuance of the Certificate of Project Completion with respect to costs for the Project, unless the Developer has failed to make available any such books and/or records requested in writing by the City. Developer shall provide to the City copies of any partnership agreements, limited liability company operating agreements, corporate by-laws or joint venture agreements pertaining to the Property to which the Developer is a party; provided that the Developer may, (if Developer has previously provided the City not less than thirty (30) days to review such confidential financial materials), remove from the copies of such agreements any confidential financial information previously disclosed to the City and not since changed in form or substance and the City shall keep such agreements confidential, to the maximum extent permitted by law. All documents made available for review or provided to the City pursuant to this Section may be proprietary, privileged and confidential and are provided to the City subject to the protections from disclosure set forth in Section 7(g) of the Freedom of Information Act (5 ILCS 140/7 (g)). Failure to provide the corporate documents or allow review of the financial books within fifteen (15) days after request by the City shall be an Event of Default. Developer shall exercise prudence and good faith in attempting to contract with persons or entities that are reputable and experienced in their respective areas for the provision of services or material for the design and construction of Project at costs not in excess of market rates. The general contractor (or general contractors) designated by Developer shall be experienced and reputable.

XI. ADHERENCE TO CITY CODES AND ORDINANCES

Except as otherwise provided for in this Agreement, all development and construction of the Project shall comply in all respects with the provisions in the building, plumbing, mechanical, electrical, storm water management, fire prevention, property maintenance, zoning and subdivision codes of the City and all other germane codes and ordinances of the City in effect from time to time during the course of construction of the Project. The Developer, by executing this Agreement, expressly warrants that it has examined and is familiar with all 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.

XII. SPECIAL CONDITIONS

- A. **Certificate of Project Completion.** Within thirty (30) days after written request from Developer, and provided that Developer has not received any notice of default under this Agreement or notice of non-compliance with any City codes with respect to Developer's construction obligations, any of which have not been cured, and after the City confirmed that the proposed building on the Property has been constructed in substantial and material compliance with all City codes and this Agreement, the City shall deliver a Certificate of Project Completion or, if not complete or satisfied, a written statement as to what deficiencies exist, and upon Developer's correction of such issues, the City shall then promptly issue to Developer a Certificate of Project Completion. The date the Certificate of Project Completion is issued shall be the "Commencement Date."
- B. **Certification of Developer's Project Cost.** Within thirty (30) days of the issuance of the Certificate of Project Completion, the Developer shall certify, in writing, to the City, the amount spent (inclusive of all hard and soft costs) to complete the Project, and an estimate of the number of jobs to be generated or created by the Project. The sworn statement(s) for construction loan draws relative to the Project shall be provided to the City with the submittal called for herein. Furthermore, with respect to such certification, the City shall have the right to request to audit the Project books and records ("**Budget Documents**"), the Developer will make available all books and records reasonably requested by the City and deemed necessary to confirm the total Project costs for Project.

As indicated on the Project Budget, the Developer estimates the total cost of constructing the Project, including all land acquisition costs and all hard costs and soft costs, at \$76,789,194. The Developer agrees to have its Project expenditures audited upon completion of the Project. To the extent the total Project cost is determined to be less than \$76,789,194 ("Budget Savings"), the City shall have the right, provided they exercise such right prior to the issuance of TIF Notes, to reduce the total incentive for the Project by a dollar amount that is equal to fifty percent (50%) of the reduction in the Project cost, as determined on or around the date of issuance of a Certificate of Project Completion for the Project, versus the estimated expenditures for the Project as set forth in the Project Budget. For example purposes only, if the Maximum Reimbursement Amount for the Project is \$15,566,701, and the Project Budget for the Project is \$76,789,194, but the actual Project cost, determined on or around the date of issuance of a Certificate of Project Completion for the Project, is \$70,000,000, then the Maximum Reimbursement Amount in this example would be reduced to \$12,172,104 (i.e., \$15,566,701 less 50% of \$6,789,194). The total Project expenditures shall be established by documents reasonably requested by the City proving the expenditure and payment therefor. The Project's incentive reduction will be reflected in the principal amount of the TIF Notes.

Any dispute arising out of, in connection with, or in relation to this Section XII.B or their interpretation or any breach thereof shall be determined and settled by

arbitration in Cook County, Illinois by a sole arbitrator pursuant to the rules and regulations then obtaining of the American Arbitration Association and any award rendered therein shall be final and conclusive upon the Developer and the City. The service of any notice, process, motion or other document in connection with an arbitration award under this Agreement or for the enforcement of an arbitration award hereunder may be effectuated by either personal service or by certified or registered mail to the respective addresses provided herein.

- C. **Employment Opportunities.** To the extent feasible, the Developer shall make reasonable efforts to notify City residents of employment opportunities that are available relative to the Project, and, to the extent permitted by law, make reasonable efforts to employ qualified residents of the City in relation to the Project.

XIII. REPRESENTATIONS AND WARRANTIES OF DEVELOPER

Developer represents, warrants and agrees as the basis for the undertakings on its part herein contained that as of the date hereof and until completion of the Project:

- A. **Existence and Authority.** Developer is a Delaware limited partnership in good standing in 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. Developer is solvent, able to pay its debts as they mature and financially able to perform all the terms of this Agreement. To Developer's knowledge, there are no actions at law or similar proceedings which are pending or threatened against Developer which would result in any material and adverse change to Developer's financial condition, or which would materially and adversely affect the level of Developer's assets as of the date of this Agreement or that would materially and adversely affect the ability of Developer to proceed with the construction and development of the Project.
- B. **No Conflict.** Neither the execution and delivery of this Agreement by Developer, the consummation of the transactions contemplated hereby by Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by 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 Developer (with Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer or any of its partners, directors, or venturers is now a party or by which Developer or any of its partners, directors or 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 Developer, any related party or any of its partners, directors or venturers under the terms of any instrument or agreement to which Developer, any related party or any of its partners, directors or venturers is now a party or by which Developer, any related party or any of its partners, directors or venturers is bound.
- C. **Adequate Resources.** Developer has sufficient financial and economic resources to implement and complete Developer's obligations contained in this Agreement.

- D. **No Adverse Notices.** Developer represents and warrants that it has not received any notice from any local, State or federal official that the activities of Developer with respect to the Property and/or the Project may or will be in violation of any environmental law or regulation. Developer is not aware of any State or federal claim filed or planned to be filed by any Party relating to any violation of any local, State or federal environmental law, regulation or review procedure, and Developer is not aware of any violation of any local, State or federal law, regulation or review procedure which would give any person a valid claim under any State or federal environmental statute.
- E. **Experience.** Developer represents and warrants to the City that Developer, and its respective principals, are experienced in the development and operation of industrial developments similar or comparable to the Project, and are able to provide the Project with the necessary skill, knowledge and expertise as well as input from other experts and consultants in the construction and operation of such a Project.
- F. **Payment of Real Estate Taxes.** Developer and successor owners intend to pay or cause to be paid all general and special real estate taxes levied during their respective period of ownership against their respective interest in the Project on or prior to the date same is due and do not expect said taxes to become delinquent. The parties agree that the remedies for delinquency of the payment of taxes are limited to those specifically afforded by State law, and this Agreement shall not provide any additional remedies beyond the scope of State law remedies. Developer and successor owners shall deliver evidence of payment of such taxes to the City upon request. The Developer agrees to provide the City with copies of any filings relating to appeals of the assessment of any portion of the Project with the County of Cook, any agency of the State of Illinois or any Cook County Court within 15 days of such filing.
- G. **Projections and Reporting.** Developer reasonably projects the Project to: (i) create ten (10) jobs, (ii) to create a total of sixty-three million seven hundred thirty-nine thousand six hundred and No/100 Dollars (\$63,739,600) of "incremental real estate taxes," meaning that portion of the ad valorem real estate taxes arising from the taxes levied upon the TIF District Property, which taxes are actually collected by the City and which are attributable to the increase in the EAV of the TIF District Property over and above the base EAV of the TIF District Property at the time of the formation of the Redevelopment Project Area, all as determined by the County Clerk of the County of Cook, Illinois; and (iii) generate a thirteen and seventy-five hundredths percent (13.75%) rate of return. Developer shall use commercially reasonable efforts to report the following information in writing to the City on an annual basis, on each April 30 after the Effective Date, with regard to the Project as of the date of the report: (x) the number of jobs created to date, as reported to Developer by its tenants, as the case may be, under the same guidelines and assumptions as was used for the projections used at the time of approval of this Agreement; (y) the amounts of incremental real estate taxes generated during the reporting period and to date, using the same assumptions as was used for the projections used at the time of the approval of this Agreement; and (z) the rate of return earned to date. Developer shall timely provide additional materials and information reasonably requested by the City

regarding Developer's projections and reports made under this Section XII, including such materials and information as needed by the City to comply with its reporting obligations in Section 5(a) of the TIF Act, 65 ILCS 5/11-74.4-5(d), as amended from time to time, including, but not limited to, materials and information for the use of a third party chosen by the City to independently verify the Project's rate of return.

XIV. REPRESENTATIONS AND WARRANTIES OF THE CITY

The City represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

- A. **Existence.** The City is an Illinois home rule municipal corporation duly organized and validly existing under the laws of the State of Illinois, and has all requisite corporate power and authority to enter into this Agreement.
- B. **Authority.** The execution, delivery and 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.
- C. **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.
- D. **Adequate Resources.** The City has sufficient financial and economic resources to implement and complete the City's obligations contained in this Agreement.

XV. INSURANCE

- A. **Insurance Coverages.** The Developer, and any successor in interest to the Developer, shall obtain and continuously maintain insurance on the Property and the Project and, from time to time at the request of the City, furnish proof to the City evidence 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 and continuously maintain, provided that the Developer shall obtain the insurance described in subsection 1. below prior to the commencement of construction of any portion of the Project:
 - i. Builder's risk insurance, written on the so-called "Builder's Risk - Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and

with coverage available in non-reporting form on the so-called "all risk" form of policy.

- ii. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's/Contractor's Policy on a primary non-contributory basis naming the City and its officers, agents and employees as additional insureds, with limits against bodily injury and property damage of not less than \$5,000,000.00 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.
- iii. Workers compensation insurance, with statutory coverage if applicable to the Developer.

- B. **Continuity of Insurance.** All insurance required in this Section XIV. shall be obtained and continuously maintained through responsible insurance companies selected by the Developer or its successors that are authorized under the laws of the State to assume the risks covered by such policies. Unless otherwise provided in this Section XIV., cancellation relative to each policy shall be as provided by the policy; however, the City must be named as a cancellation notice recipient. 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 XIV. 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.

XVI. INDEMNIFICATION, HOLD HARMLESS AND RELEASE PROVISIONS

This Section XVI. shall survive the termination of this Agreement.

- A. **Release.** The Developer releases from and covenants and agrees that the City, its governing body members, officers, agents, including independent contractors, consultants, attorneys, servants and employees thereof (for purposes of this Section XVI, collectively the "City Indemnified Parties") shall not be liable for, and agrees to indemnify and hold harmless the City Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or the Property or arising pursuant to the Developer's obligations or warranties under this Agreement or actions in furtherance thereof to the extent not attributable to the gross negligence or willful misconduct of the City Indemnified Parties; provided, that this waiver shall not apply to the warranties made or obligations undertaken by the City in this Agreement.
- B. **Indemnification.** Except for gross negligence or willful misconduct of the City Indemnified Parties, Developer agrees to indemnify the City Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any 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 Developer (or if other Persons acting on their 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.

- C. **Environmental Disclaimer.** Except as otherwise set forth 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 Property, or anywhere within the TIF District of any toxic or hazardous substances of 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. §§ 9601-9657, 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 Property, or within the TIF District, as well as any activity claimed to have been undertaken on or in the vicinity of the Property, that would cause or contribute to causing (1) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §6901 *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 Property, within the meaning of, or otherwise bring the 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 Property or the TIF District, of any substances or conditions in or on the 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 Property, or whether any above or underground tanks have been located under, in or about the Property have subsequently been removed or filled. The City warrants and represents to Developer that it has not received notice, other than as already provided to the Developer by the City in the environmental reports provided to the Developer by the City, from any agency, individual or entity of any violation of any environmental law relating to any Hazardous Substances affecting the Property.
- D. **Waiver.** The Developer waives any claims against the City Indemnified Parties, and their members and boards, for indemnification, contribution, reimbursement or other payments arising under federal, State and common law relating to the environmental condition of the land comprising the Property.

- E. **No Personal Liability.** No liability, right or claim at law or inequity shall attach to or shall be incurred by the City's Mayor, Trustees, officers, officials, attorneys, agents and/or employees, and any such rights or claims of the Developer against the City's Mayor, Trustees, officers, officials, attorneys, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of the Agreement by the City.

XVII. EVENTS OF DEFAULT AND REMEDIES

- A. **Developer Events of Default.** The following shall be Events of Default with respect to this Agreement:
- i. If any material representation made by Developer in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to the 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; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default, within thirty (30) days after written notice from the City and in any event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.
 - ii. Default by Developer for a period of thirty (30) days after written notice thereof in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of Developer; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said thirty (30) days and Developer, within said thirty (30) days, initiates and diligently pursues appropriate measures to remedy the default and in any event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.
 - iii. Default by Developer for a period of thirty (30) days after written notice thereof in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall not constitute an Event of Default if such default cannot be cured within said thirty (30) days and the Developer, within said thirty (30) days initiates and diligently pursues appropriate measures to remedy the default and in any event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.
 - iv. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days.
 - v. The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or the consent by Developer to the appointment of or taking possession by a receiver,

- liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others.
- vi. Failure to have funds as timely required to meet Developer's obligations to construct the Project and obtain a Certificate of Project Completion.
 - vii. A sale, assignment, or transfer of the Project, prior to issuance of the Certificate of Project Completion and without the City's consent, which shall not be unreasonably withheld, except in accordance with this Agreement.
 - viii. Material change in the management of Developer, prior to issuance of the Certificate of Project Completion and without the City's consent, which shall not be unreasonably withheld, except in accordance with this Agreement.
 - ix. Developer abandons construction of the Project on the Property. Abandonment shall be deemed to have occurred when work stops on the Property for more than thirty (30) consecutive days for any reason other than Uncontrollable Circumstances and such work is not resumed within ninety (90) days of written demand by the City.
 - x. Prior to issuance of the Certificate of Project Completion, Developer fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the Project contemplated by this Agreement and such failure continues for more than thirty (30) days after written notice thereof from the City; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said thirty (30) days and Developer, within said thirty (30) days, initiates and diligently pursues appropriate measures to remedy the default and in any event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.
 - xi. A material representation or warranty of Developer is not true for a period of thirty (30) days after written notice from the City; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said thirty (30) days and Developer, within said thirty (30) days, initiates and diligently pursues appropriate measures to remedy the default and in any event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.

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

- i. If any material 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 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 thirty (30) days after written notice from Developer and in any

- event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.
- ii. 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 thirty (30) days after written notice from Developer, initiate and diligently pursue appropriate measures to remedy the default and in any event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.
 - iii. Default by the City in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall not constitute an Event of Default if the City, commences cure within thirty (30) days after written notice from Developer and in any event cures such default within ninety (90) days after such notice, subject to Uncontrollable Circumstances.
 - iv. A material representation or warranty of the City is not true for a period of thirty (30) days after written notice from Developer; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said thirty (30) days and the City, within said thirty (30) days, initiates and diligently pursues appropriate measures to remedy the default and in any event (subject to Uncontrollable Circumstances) cures such default within ninety (90) days after such notice.
 - v. **Class 8 Ordinance.** The City's adoption of the Class 8 Ordinance and the continued effectiveness of the Class 8 Ordinance, including the City's support and consent to the renewal of the Class 8 incentive for the Project, are material inducements to the Developer entering into and performing its obligations under this Agreement. It shall be a material covenant of the City under this Agreement that the Class 8 Ordinance shall remain in full force and effect throughout the term of this Agreement. In the event the Class 8 Ordinance is modified, repealed, or found or declared to be invalid, in whole or in part, such event shall be a City Event of Default under this Agreement and Developer shall have all rights and remedies at law and in equity.

C. **Remedies for Default.** In the case of an Event of Default hereunder:

- i. The defaulting Party shall, upon written notice from the non-defaulting Party, take prompt action to cure or remedy such Event of Default. If, in such case, any monetary Event of Default is not cured, or if in the case of a non-monetary Event of Default, except for circumstances contemplated under Section XVII.A.i., 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 the cure periods specified therefor, 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. The foregoing notwithstanding, the City's remedy for a Developer Event of Default occurring prior to issuance

of the Certificate of Project Completion shall be limited to terminating this Agreement.

- ii. In case a Party 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 Parties shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of Developer and the City shall continue as though no such proceedings had been taken.
- iii. In no event shall either Party be liable to the other for any consequential or punitive damages suffered as a result of a default under this Agreement. In no event shall the City delay or withhold payment of Tax-Exempt Obligations.

D. **Agreement to Pay Attorneys' Fees and Expenses.** In the event an Event of Default is not cured within the applicable cure periods and the Parties employ an attorney or attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement herein contained, the non-prevailing Party shall pay, on demand, the prevailing Party's reasonable fees of such attorneys and such other reasonable expenses in connection with such enforcement action. This Section XVII.D. shall survive the termination of this Agreement.

E. **No Waiver by Delay or Otherwise.** Any delay by any 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 any Party should not 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.

F. **Rights and Remedies Cumulative.** The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same Event of Default.

G. **Legal and Other Fees and Expenses.** Other than for demands, suits, costs, expenses (including reasonable attorney's fees), actions or other proceedings covered by Section XVI. above, in the event that any third party or parties institute any legal proceedings against the Developer and/or the City, which relate to the terms of this Agreement, then, in that event, the Parties shall cooperate in the defense of any such lawsuit, with each Party assuming, fully and vigorously, its own defense of such lawsuit, and all costs and expenses of its own defense, of whatever nature (including attorney's fees), and the Parties shall negotiate in good faith to amend this agreement to allow for the costs of defense

of such legal proceedings to be paid for from Incremental Property Taxes and to increase the Maximum Reimbursement Amount to allow for the payment of such costs. This Section XVI.G. shall survive the termination of this Agreement.

XVIII. EQUAL EMPLOYMENT OPPORTUNITY

- A. **No Discrimination.** Developer shall comply with all federal, state and local laws relating to equal employment opportunity. To the extent permitted by law, Developer shall use reasonable efforts to employ qualified residents of the City as to any direct hires by the Developer, if applicable.
- B. **Advertisements.** Developer shall, in all solicitations or advertisements for employees placed by or on behalf of Developer, if applicable, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- C. **Contractors.** Any contracts made by Developer with any general contractor, agent, employee, independent contractor or any other Person in connection with the construction of the Project shall contain language similar to that recited in subsections A. and B. above. The Developer shall make reasonable efforts to incorporate language similar to that recited in subsections A. and B. in any leases made by Developer in connection with the Project.

XIX. MISCELLANEOUS PROVISIONS

- A. **Cancellation.** Notwithstanding any terms in this Agreement to the contrary, in the event 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 TIF Plan, including Developer's duty to build the Project and operate 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 and such declaration shall materially affect the Project or the covenants and agreements or rights and privileges of 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 Parties within one hundred twenty (120) days after such final decision or amendment. Further, the cancellation or termination of this Agreement shall have no effect on the authorizations granted to Developer for buildings, or the remodeling of any building, 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.
- B. **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: (1) personal service, (2) electronic communications, whether by electronic mail, telex, telegram or telecopy, but only

if followed up, within one (1) business day, by another method of notice, (3) overnight courier, or (4) registered or certified first class mail, postage prepaid, return receipt requested.

If to City: Henry L. Kuspa, Mayor
City Hall
City of Oak Forest
15440 S. Central Ave.
Oak Forest, Il. 60452

With a copy to: Tim Kristin, City Administrator
City Hall
City of Oak Forest
15440 S. Central Ave.
Oak Forest, Il. 60452

and: Klein, Thorpe and Jenkins, Ltd.
20 North Wacker Drive, Suite 1660
Chicago, Illinois 60606-2903
Attention: Lance C. Malina / Gregory T. Smith
Email: lcmalina@ktjlaw.com / gtsmith@ktjlaw.com

If to Developer: LPC Oak Forest, LP
c/o Logistics Property Company, LLC
One North Wacker Drive, Suite 1925
Chicago, Illinois 60606
Attn: Aaron Martell
Email: amartell@logisticspropco.com

With a copy to: DLA Piper LLP (US)
444 West Lake Street, Suite 900
Chicago, Illinois 60606
Attn: Paul W. Shadle, Esq. and Mariah F. DiGrino, Esq.
paul.shadle@us.dlapiper.com
mariah.digrino@us.dlapiper.com

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 (1) or (2) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (3) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (4) shall be deemed received forty-eight (48) hours following deposit in the mail.

- C. **Time is of the Essence.** Time is of the essence of this Agreement. Notwithstanding the foregoing, if the date for performance of any of the terms, conditions and provisions of this Agreement shall fall on a Saturday, Sunday or legal holiday, then the date of such performance shall be extended to the next business day.
- D. **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.
- E. **Counterparts.** This Agreement may be executed in any number of counterparts, but in no event less than two (2) counterparts, each of which shall be an original and each of which shall constitute but one and the same Agreement.
- F. **Recordation of Agreement.** The Parties agree to record this Agreement with the Cook County Recorder's Office against title to the Property. The City and the Developer shall equally share the cost of the recording charges. The Developer's rights and obligations in this Agreement are covenants running with title to the Property and successor owners of the Property shall be and are bound by this Agreement to the same extent as Developer.
- G. **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.
- H. **Choice of Law / Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and any court proceedings between the Parties hereto shall be brought in Cook County, Illinois.
- I. **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.
- J. **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, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third parties to the City and the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against the City or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.
- K. **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.

- L. **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.
- M. **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 third party to create the relationship of a partnership, agency or joint venture between or among such Parties.
- N. **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, shareholder, manager, 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.
- O. **Repealer.** To the extent that any ordinance, resolution, rule, order or provision of the City's code of ordinances, 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.
- P. **Term.** This Agreement shall remain in full force and effect until the earlier to occur of (i) December 31st of the year following expiration of the TIF District, or such other later date on which Incremental Property Taxes for the 23rd year of the TIF District have been paid to the City; or (ii) the TIF Notes are repaid in full.
- Q. **Estoppel Certificates.** Each of the Parties hereto agrees to provide the other, upon not less than fifteen (15) 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 case such Party 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, and if, after an additional seven (7) days' notice there still is no compliance, then said non-complying Party 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.

- R. **Assignment.** This Agreement, and the rights and obligations hereunder, may not be assigned by Developer prior to the date the City issues Developer a Certificate of Project Completion, unless the City consents in writing to such assignment which consent shall not be unreasonably withheld or delayed, and unless the assignee consents in writing to be bound by the terms of this Agreement. Thereafter, Developer may sell or transfer the Property, and assign its right, duties and obligations hereunder, without the consent or approval of the City.
- S. **Municipal Limitations.** All City commitments hereunder are limited to the extent required by law.

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 OF OAK FOREST,
an Illinois home rule
municipal corporation

ATTEST:

By: Henry L. Kuspa
Henry L. Kuspa
Mayor

By: John F. Janozik
John F. Janozik
City Clerk

DEVELOPER
LPC OAK FOREST, LP

By: _____
Its: Authorized Representative

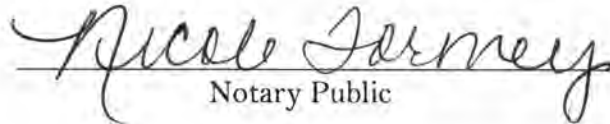
ACKNOWLEDGMENT

State of Illinois)
) SS
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that HENRY L. KUSPA and JOHN F. JANOZIK, personally known to me to be the Mayor and City Clerk of the City of Oak Forest, 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 City Council of said Illinois home rule municipal corporation, as their free and voluntary act, and as the free and voluntary act and deed of said Illinois home rule municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 13th day of December, 2022.


Notary Public



ACKNOWLEDGMENT

State of Illinois)
)SS
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be the _____, of LPC OAK FOREST, LP and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such manager, he/she signed and delivered the said pursuant to authority given by the limited liability company, as his/her free and voluntary act, and as the free and voluntary acts and deeds of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2022.

Notary Public

EXHIBITS

EXHIBIT B

Legal Description of the "TIF District" and the "Project Area"

THAT PART OF THE NORTHWEST QUARTER OF FRACTIONAL SECTION 27, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID FRACTIONAL SECTION 27; THENCE NORTH 88°05'29" EAST ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER, 970 FEET; THENCE SOUTH 00°00'00" EAST, 60.00 FEET TO A CORNER, BEING THE INTERSECTION OF THE SOUTH LINE OF 167TH STREET AND THE SOUTHWESTERLY LINE OF INTERSTATE 57 (DAN RYAN EXPRESSWAY); THENCE SOUTH 66°14'53" EAST ALONG THE SOUTHWESTERLY LINE OF INTERSTATE 57, 138.48 FEET; THENCE SOUTH 62°23'50" EAST ALONG THE SOUTHWESTERLY LINE OF INTERSTATE 57, 122.88 FEET; THENCE SOUTH 42°35'55" EAST ALONG THE SOUTHWESTERLY LINE OF INTERSTATE 57, 159.96 FEET; THENCE SOUTH 30°08'42" EAST ALONG THE SOUTHWESTERLY LINE OF INTERSTATE 57, 167.90 FEET; THENCE SOUTH 08°43'32" EAST ALONG THE SOUTHWESTERLY LINE OF INTERSTATE 57, 263.99 FEET; THENCE SOUTH 11°17'30" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 218.26 FEET; THENCE SOUTH 21°27'11" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 216.72 FEET; THENCE SOUTH 34°21'22" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 117.16 FEET; THENCE SOUTH 32°51'15" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 76.70 FEET; THENCE SOUTH 44°15'52" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 155.22 FEET; THENCE SOUTH 44°07'50" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 501.25 FEET TO THE INTERSECTION WITH THE EAST LINE OF KILPATRICK AVENUE; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF INTERSTATE 57 TO THE INTERSECTION WITH THE WEST LINE OF KILPATRICK AVENUE; THENCE SOUTH 43°46'50" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 239.53 FEET; THENCE SOUTH 44°53'02" WEST ALONG THE NORTHWESTERLY LINE OF INTERSTATE 57, 104.86 FEET TO THE INTERSECTION WITH THE EASTERLY LINE OF ILLINOIS ROUTE 50 (CICERO AVENUE); THENCE CONTINUING SOUTH 44°53'02" WEST ALONG THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY LINE OF INTERSTATE 57 TO THE CENTERLINE OF ILLINOIS ROUTE 50; THENCE NORTHERLY ALONG THE CENTERLINE OF ILLINOIS ROUTE 50 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMON BOUNDARY DESCRIPTION:

The area generally bounded by 167th Street on the North, Cicero Avenue on the West, and I-57 on the East and South, in Oak Forest, Illinois.

TAX PARCEL LIST

SUB-AREA 1 SUB-AREA 2

| | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 28-27-100-007 | 28-27-100-005 | 28-27-203-009 | 28-27-203-003 | 28-27-203-030 | 28-27-203-026 |
| 28-27-100-023 | 28-27-100-011 | 28-27-203-014 | 28-27-203-008 | 28-27-100-014 | |
| 28-27-100-024 | 28-27-100-014 | 28-27-203-017 | 28-27-203-010 | | |

28-27-100-028 28-27-100-015
28-27-100-029 28-27-100-016
28-27-100-03 28-27-100-031
28-27-100-032 28-27-100-033
28-27-203-007 28-27-203-002

28-27-203-019 28-27-203-011
28-27-203-021 28-27-203-012
28-27-203-025 28-27-203-013
28-27-203-028 28-27-203-020
28-27-203-029 28-27-203-022

EXHIBIT C

The proposed industrial development as depicted on the site plan (the Project Area)

EXHIBIT D

Most Recent Equalized Assessed Valuation (EAV)

The most recent equalized assessed valuation for the redevelopment project area is based on the tax year 2020 assessed valuation and is estimated to be approximately \$1,251,326 (the "Base EAV"). It is expected that upon adoption the County Clerk would utilize the 2020 EAV as the Base EAV.

Anticipated Equalized Assessed Valuation for the RPA.

Upon completion of the anticipated private development of the redevelopment project area over a twenty-three (23) year period, it is estimated that the EAV of the property within the redevelopment project area will be approximately \$30,000,000 to \$35,000,000 depending on actual market conditions and the scope of the projects to be implemented.

EXHIBIT E

REDEVELOPMENT PROJECT COST ESTIMATES

| Program Actions/Improvements | Estimated Redevelopment Projects Costs |
|---|---|
| Land and Property Acquisition, Property Assembly and Relocation Costs | \$ 15,000,000 |
| Site Preparation, Demolition and Environmental Cleanup | \$ 10,000,000 |

| | |
|---|----------------------|
| Public Facilities and Improvements including Utility Improvements (Including Water, Storm, Sanitary Sewer), Parking Facilities, Utility Services (including electric, gas, and telephone) and Road Improvements Essential to the Preparation of the RPA for use in accordance with the Redevelopment Plan | \$ 15,000,000 |
| Redeveloper Interest Costs Pursuant to the Act (as limited by the Act) | \$ 5,000,000 |
| Professional Service Costs (Including Planning, Legal, Engineering, TIF Consulting, Administrative, Annual Reporting, and Marketing) for the implementation of the Redevelopment Plan | \$ 3,000,000 |
| Rehabilitation | \$ 2,000,000 |
| School District New Student Reimbursement (as provided for in the TIF Act) | \$ 100,000 |
| Public Library District New Patron Reimbursement (as provided for in the TIF Act) | \$ 100,000 |
| Taxing District Capital Costs | \$ 100,000 |
| Job Training (including School Related Programs) | \$ 100,000 |
| Transfers to any contiguous redevelopment project areas | \$100,000 |
| TOTAL ESTIMATED REDEVELOPMENT PROJECT COSTS | \$ 50,500,000 |

EXHIBIT F

PLAN AND PROJECT

Redevelopment Plan and Project Objectives

Developer proposes a coordinated development, including, but not limited to, property acquisition, site preparation, environmental remediation, provision of public infrastructure and related public improvements.

The specific objectives envisioned for the Project Area are as follows:

1. Land assembly and construction of public improvements.
3. Site preparation, demolition of structures and remediation, including grading and excavation.
4. Construction of utility improvements which may include (if necessary):
 - Street and sidewalk improvements (including new street construction and widening of current streets) including, but not limited to, improvements to the right-of-way of Cicero Avenue and 167th Street, as well as the intersection of said two streets, regardless of whether said right-of-way is located within or outside of the Project Area, which are essential to the preparation of the redevelopment are for use in accordance with this TIF Plan, as provided for by 65 ILCS 5/11-74.4-4(f);
 - Utility improvements (including, but not limited to, roadway construction, construction or relocation of water, storm water, sanitary sewer, gas, telephone, electrical, and other utility services and facilities improvements);

- Signalization, traffic control, and lighting improvements;
 - Urban design components; and
 - Landscaping, restoration, and beautification;
5. Entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy and reimbursement of redevelopment project costs, all as allowed under the TIF Act.
 6. Providing for environmental remediation, if needed, site assembly, site preparation, clearance and demolition, including grading and excavation.
 7. Providing for the redevelopment of underutilized or vacant properties.
 8. Exploration and review of job training programs in coordination with any City, federal, state, and county programs.

EXHIBIT G

Form of Certification Request

To: City of Oak Forest
Attention: City Administrator

From: *[DEVELOPER]*

Subject: Agreement dated _____ by, between, and among the City of Oak Forest and LPC OAK FOREST, LP (the "Agreement")

Date: _____

This represents Certification Request No. _____ requesting the City Administrator authorize a certified expenditure approving the certification of the Eligible Costs detailed in the attached schedule. The undersigned hereby certifies that:

- i. The Developer actually incurred such Eligible Costs;
- ii. To the best of the Developer's knowledge, such Eligible Costs qualify as "redevelopment project costs" under the TIF Act;
- iii. For any Eligible Costs relating to public or private improvements, the City Engineer has determined that, based upon an inspection, these improvements have been completed in accordance with the approved Final Plans and the Agreement;
- iv. Reimbursement is permitted pursuant to the Agreement, the Redevelopment Plan, and the TIF Act; and
- v. No Developer Event of Default under the Agreement has occurred or is outstanding as of the date of this Certification Request.

Terms capitalized herein have the meanings specified in the Agreement, the terms of which are incorporated herein by reference.

[DEVELOPER]

By: _____

Its: _____

EXHIBIT H

Form of TIF Note

EXHIBIT _____

FORM OF NOTES

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF OAK FOREST

[TAXABLE] [TAX EXEMPT] INCREMENTAL PROPERTY TAX REVENUE NOTE, SERIES 20[]
(_____ REDEVELOPMENT PROJECT)

Interest
Rate: 5.50%

Final Maturity
Date: _____, 20__

Dated
Date: _____, 20__

Registered Owner:
Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Oak Forest, Cook County, Illinois, a municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay (subject to [mandatory and] optional redemption as hereinafter provided) to the Registered Owner identified above, or registered assigns as hereinafter provided, the Outstanding Principal Amount of this Note in accordance with that Redevelopment Agreement, dated _____, 2022 (the "Redevelopment Agreement"), by and between the City and _____, an Illinois limited liability company (collectively, the "Developer"), as hereinafter described and that certain Ordinance adopted by the City Council of the City (the "Corporate Authorities") on the _____ day of _____, 2022, as supplemented by a notification of sale dated _____, 20__ (together, the "Note Ordinance"), and interest on such Outstanding Principal Amount at the Interest Rate set forth above (computed on the basis of a 360-day year of twelve 30-day months) in annual installments of principal and interest on February of each year (each February 1 being an "Interest Payment Date") until paid, [in accordance with the amortization schedule attached hereto (the "Amortization Schedule")] commencing on the February 1 following the Dated Date on which funds are available and on deposit in the hereinafter defined Pledged TIF Fund [after the payment of Deferred Accrued Interest, Current Interest and Principal due on the City of Oak Forest [Taxable][Tax Exempt] Incremental Property Tax Revenue Note (_____ Redevelopment Project), Series _____], with the final installment of principal and interest coming due on the Final Maturity Date. "Final Maturity Date" means the date which is the earlier of (i) 20 years from the date of the issuance of the Notes or (ii)

December 31, _____. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Redevelopment Agreement. [Interest due on the Notes on February 1, 20__, and February 1, 20__, shall be paid from Capitalized Interest on hand in the Pledged TIF Fund.]

Interest when due ("*Current Interest*") shall be paid from the later of the Dated Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of the Note is paid or duly provided for, as provided from the [_____] subaccount of the Pledged TIF Fund held by the City pursuant to the Note Ordinance, and if funds on deposit therein and to the credit thereof are insufficient for such purpose [after the payment of Deferred Accrued Interest, Current Interest and Principal due on the City of Oak Forest [Taxable][Tax Exempt] Incremental Property Tax Revenue Note (_____ Redevelopment Project), Series _____], such failure to pay shall not in and of itself constitute an event of default, but such interest shall thereupon be recorded by the City as Deferred Accrued Interest ("*Deferred Accrued Interest*"). Deferred Accrued Interest which is owing and unpaid shall bear interest at the Interest Rate. The order of payment of interest on this Note shall be *first*, Deferred Accrued Interest, *second*, Current Interest, and *next*, [Outstanding Principal Amount in accordance with the Amortization Schedule] [mandatory redemption of the Outstanding Principal Amount]. Failure to pay when due any installment of Current Interest or any amount of Outstanding Principal Amount due to insufficiency of the Available Incremental Property Taxes, whether at a regular Interest Payment Date, at Stated Maturity, Final Maturity or otherwise, shall in no event be deemed to be an event of default hereon, unless such insufficiency is caused by a default by the City under the Redevelopment Agreement. The Registered Owner of this Note, by acceptance hereof, hereby expressly agrees and acknowledges that there may be Deferred Accrued Interest hereon, that is, that Current Interest may not have been paid, without any special notation having been made upon this Note.

[This Note is subordinate in lien to the City of Oak Forest, Illinois Tax Exempt Incremental Property Tax Note (_____ Redevelopment Project), Series _____. (the "*Tax Exempt Note*")]

The principal of this Note shall be payable by check or draft in lawful money of the United States of America upon presentation at the principal office maintained for the purpose by the Treasurer of the City (the "*Treasurer*"). Interest on this Note shall be paid to the Registered Owner hereof as shown on the Register at the close of business on the Record Date. Interest hereon shall be paid by check or draft of the City, payable upon presentation thereof in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on the Register or at such other address furnished to the Treasurer in writing or as directed by such Registered Owner, all as provided in the hereinafter defined Ordinance.

This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "*TIF Act*"), and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended and as supplemented, and, where necessary, superseded, by the home rule powers of the City under Section 6 of Article VII of the 1970 Constitution of Illinois, and the principal of and interest, and premium, if any, hereon are payable solely and only from the [_____] subaccount of the Pledged TIF Fund, all in accordance with the provisions of the Note Ordinance and the Redevelopment Agreement. This Note is being issued for the purposes of reimbursing the Registered Owner for certain Eligible Costs it has incurred in constructing the Project on behalf of the City. The cost of such construction shall be deemed to be a disbursement of the proceeds of this Note.

[This Note is subject to mandatory redemption by operation of the Pledged TIF Fund at a price of par plus accrued interest without premium, on any date, whenever an annual Accounting shall demonstrate that the aggregate amount of Available Incremental Property Taxes on deposit therein is in excess of the amount required to pay all Deferred Accrued Interest and to pay Current Interest due and payable during the Note Year commencing on the February 1 next succeeding such Accounting. The City shall make provision for the mandatory redemption of this Note to the fullest extent practicable from the Available Incremental Property Taxes, in amounts of not less than \$1,000 of Outstanding Principal Amount.]

[This Note is also subject to redemption prior to maturity, at the option of the City, in whole or in part, from any available funds, on [_____, and on any date thereafter,] [on any date], at the redemption price of par plus accrued interest to the date fixed for redemption, and as further provided in the Redevelopment Agreement].

Upon surrender hereof at the principal office maintained for the purpose by the Treasurer, accompanied by a written instrument or instruments of transfer in form satisfactory to the Treasurer and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Treasurer shall register this Note in the name of the new Registered Owner on the registration grid provided herein, and shall also enter the name and address of the new registered owner in the Note Register.

The person in whose name this Note is registered on the Note Register shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of or interest hereon shall be made only to or upon the order of the Registered Owner hereof or the owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid.

This Note, together with the interest thereon, is a limited obligation of the City, payable solely from the Available Incremental Property Taxes on deposit in the [_____] subaccount of the Pledged TIF Fund as provided in the Note Ordinance and the Redevelopment Agreement. For the prompt payment of this Note, both principal and interest, as aforesaid, at maturity, such Available Incremental Property Taxes are hereby irrevocably pledged. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THIS NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE CITY FOR PAYMENT OF PRINCIPAL HEREOF OR INTEREST HEREON. FAILURE TO PAY WHEN DUE ANY INSTALLMENT OF CURRENT INTEREST OR ANY AMOUNT OF DEFERRED ACCRUED INTEREST OR OUTSTANDING PRINCIPAL AMOUNT DUE TO INSUFFICIENCY OF THE AVAILABLE INCREMENTAL PROPERTY TAX REVENUES ON DEPOSIT IN THE [_____] SUBACCOUNT OF THE PLEDGED TIF FUND, WHETHER AT STATED MATURITY, FINAL MATURITY OR OTHERWISE, SHALL IN NO EVENT BE DEEMED TO BE AN EVENT OF DEFAULT ON THIS NOTE, UNLESS SUCH INSUFFICIENCY IS CAUSED BY A DEFAULT BY THE CITY UNDER THE REDEVELOPMENT AGREEMENT.

This Note may not be offered, sold, pledged or otherwise transferred except to a Qualified Institutional Investor. In connection with the transfer or assignment of this Note, the purchaser or assignee shall certify its qualification as a Qualified Institutional Buyer to the Treasurer prior to such sale or assignment (a "Sale Certification"). Any sale, pledge or transfer of the Notes shall not be effective until the Treasurer has received a Sale Certification in connection therewith.

The City shall be obligated to make payments under this Note even if a Developer Event of Default or a City Event of Default under the Redevelopment Agreement has occurred. Such rights shall survive any transfer of this Note.

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

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

IN WITNESS WHEREOF the City has caused this Note to be signed by the manual or duly authorized facsimile signatures of its Mayor and City Clerk and its corporate seal or a facsimile thereof to be hereunto affixed, all as of the date of delivery hereof, to wit, the ___ day of

_____, 20__.

Mayor, City of Oak Forest, Cook County,
Illinois

Attest:

City Clerk, City of Oak Forest
Cook County, Illinois
(SEAL)
Date of Authentication: _____

CERTIFICATE
Agent:
OF
COOK COUNTY, ILLINOIS

Note Registrar and Paying
TREASURER, CITY OF OAK FOREST,

AUTHENTICATION
This Note is one of the Notes described in
the within-mentioned Note Ordinance and
Redevelopment Agreement and is one of the
_____, Series 20__ (_____
Project), having a Dated Date of _____,
20__, of the City of Oak Forest, Cook County,
Illinois.

Treasurer
City of Oak Forest, Cook County, Illinois

BY: _____,
as Note Registrar and Paying Agent

Assignment

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

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint _____ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

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

EXHIBIT I

CITY OF OAK FOREST, ILLINOIS LPC - Oak Forest Development

PROJECT SUMMARY Uses of Funds

USES:

| | <u>Cost</u> | <u>Total</u> |
|--|-------------|--------------|
| Land Costs | | |
| Land Acquisition | 10,492,326 | |
| Closing Costs | 91,791 | |
| Appraisal & Other Closing Costs (Includes Title Policy) | 50,000 | |
| Brokerage Fee | 314,776 | |
| Total Land Acquisition Costs: | | 10,949,093 |
| Off Site Infrastructure Costs: | | |
| Offsite Infrastructure Allowance | 1,250,000 | |
| Total Site Improvement/Infrastructure Costs: | | 1,250,000 |
| Hard Costs: | | |
| Building / Shell | | |
| Footings/ Foundations | 583,065 | |
| Site Concrete | 2,502,455 | |
| Curb | 326,950 | |
| Est Utilities | 2,668,000 | |
| Landscaping | 345,778 | |
| Retaining Walls | 120,000 | |
| Earthwork | 2,773,638 | |
| Fee / Insurance | 279,442 | |
| Vertical | 29,022,313 | |
| Demolition Allowance | 950,000 | |
| ComEd Relocation Upgrade Allowance (was "utility extension allowance") | 2,750,000 | |
| Demising Wall | 225,000 | |
| Soil Stabilization Allowance | 500,000 | |
| Material Escalation Contingency | 1,328,928 | |
| Cal Sag Future Bldg Materials Tax Credit | (1,295,656) | |
| Sanitary Sewer Connection | 610,000 | |
| Contingency - All Hard Costs (2.50%) | 1,098,048 | |
| Tenant Improvements | 3,986,784 | |
| Total Hard Costs: | | 47,756,745 |
| Soft Costs: | | |
| Architectural/Structural | - | |
| Architectural Reimbursement | - | |
| Civil Engineering | 365,900 | |
| Civil Reimbursable | 10,000 | |
| LEED Allowance | 105,000 | |
| As-built Survey | 15,000 | |
| Material Testing | 250,000 | |
| Testing - Environmental & Wetlands | 98,750 | |
| Testing - Geotechnical/Soil | 63,400 | |
| Legal | 400,000 | |
| Traffic Study | 20,000 | |
| Roofing Inspection | 10,800 | |
| Shell Permit Fees | 730,910 | |
| Utility Coordination / Connection Fee | 125,000 | |
| Environmental Clean Up Allowance | - | |
| Wetland Mitigation Allowance | 451,000 | |
| Insurance (builder's risk and liability) | 175,000 | |
| AM Fees (Dev Period) | 467,177 | |
| Survey / Topo / Plat | - | |
| Development Reimbursable | 10,000 | |
| Corporate / REIT Costs | 15,000 | |
| Miscellaneous / Bank Fees | 10,000 | |
| Soft Cost Contingency (2.50%) | 332,004 | |
| Real Estate Taxes | 1,754,213 | |
| Development Fee (3.0%) | 3,203,341 | |
| Lending Commissions | 2,202,853 | |
| Cash Flow Deficit | 2,796,733 | |
| 3rd Party Construction Loan Legal | 125,000 | |
| Construction Consultant Inspection | 25,000 | |
| Title Draw Costs | 20,000 | |
| Construction Loan Fees (.75%) | 215,103 | |
| Interest Expense (Construction) | 546,295 | |
| Interest Expense Reserve (prior to Perm. Loan) | 2,289,777 | |
| Total Soft Costs: | | 16,833,356 |
| Total Project Costs: | - | 76,789,194 |

PROJECT SUMMARY
Sources of Funds (Leveraged)

SOURCES:

Without Financial Assistance

| | | |
|---------------------------------------|-------------------|---------------|
| Equity | 34,555,137 | 45.0% |
| Debt | <u>42,234,057</u> | <u>55.0%</u> |
| TOTAL SOURCES (W/O ASSISTANCE) | 76,789,194 | 100.0% |

With Financial Assistance

| | | |
|--|-------------------|--------------|
| Equity | 34,555,137 | 45.0% |
| Debt | <u>42,234,057</u> | <u>55.0%</u> |
| TOTAL SOURCES (WITH ASSISTANCE) | 76,789,194 | |

