

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 Forest TIF No.7

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).		N

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 Forest TIF No.7

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 889,404

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	\$ 346,180	\$ 1,464,300	34%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 8,034	\$ 4,144	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 2,716,704	64%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 66,456	2%

All Amount Deposited in Special Tax Allocation Fund \$ 354,214

Cumulative Total Revenues/Cash Receipts \$ 4,251,604 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 3,116

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 3,116

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 351,098

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 1,240,502

* 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 Forest TIF No.7

**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	3,116	
		\$ 3,116
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 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 Forest TIF No.7

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 Forest TIF No.7

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: Desche att 157th LLC

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 Forest TIF No.7

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	

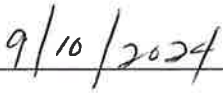
Attachment B

Re: City of Oak Forest TIF No. 7

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



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**OPINION OF LEGAL COUNSEL
City of Oak Forest**

RE: Oak Forest TIF No. 7
(Date Designated July 12, 2016)
Section 11-74,4-5(d)(4) Illinois Tax Increment
Allocation Redevelopment Act Review

FROM: Klein, Thorpe & Jenkins, Ltd.

September 10, 2024

We are 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 #7. 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 #7 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

TIF 7

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; and
- B. A description of the redevelopment activities undertaken.

The City sold 15644 Cicero, 4829 157th Street and 15659 Lamon to a developer and entered into a Redevelopment Agreement with the developer for a project with Desche and 157th LLC. The project consists of approximately 75 multi-family units, 15 rowhouses and approximately 3000 square feet of commercial space. The project is located in both TIF 3 and TIF 7.

Attachment E TIF 7

The City sold the following property to a Developer (Desche at 157th LLC)

15644 Cicero, Oak Forest Illinois

4820 157th, Oak Forest, Illinois

15659 Lamon, Oak Forest, Illinois

The City entered into a Redevelopment Agreement with the developer for a project with Desche and 157th LLC (attached). The project consists of approximately 75 multi-family units, 15 rowhouses and approximately 3000 square feet of commercial space. The project is located in both TIF 3 and TIF 7.

**REDEVELOPMENT AGREEMENT FOR THE
PROJECT LOCATED AT CICERO AVENUE AND 157TH STREET
(DESHE AT 157TH STREET LLC)**

The following terms and conditions are hereby agreed to by and between the City of Oak Forest, Cook County, Illinois ("City") and Deshe at 157th LLC ("Developer") as the Redevelopment Agreement for the project to be located at the northwest corner of Cicero Avenue and 157th Street in the City of Oak Forest. 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 (the "Act"), to finance redevelopment in accordance with the conditions and requirements of the Act.
- D. The City Council has previously approved Ordinance No. 2021-01-08210 entitled "AN ORDINANCE APPROVING A PRELIMINARY DEVELOPMENT AGREEMENT WITH DESHE AT 157TH LLC FOR THE SALE OF PROPERTY AT 15644 CICERO AVE, 4820 157TH ST, AND 15659 LAMON AVE" generally defining the project area and designating the Developer as the preferred developer of the property to be redeveloped.
- F. The City has created two Redevelopment Project Areas (the "TIF Districts") as defined under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.) commonly known as TIF #3 and TIF #6, which are contiguous TIF Districts for purposes of the applicability of 65 ILCS 5/11-74.4-4(q) to the Project.
- G. The Developer owns a portion of the Project area and proposes to acquire additional land for its proposed redevelopment from the City and from a private owner at the northwest portion of the site, said project area approximately 1.72 acres in size, located

at the northwest corner of 157th Street and Cicero Avenue in Oak Forest, Illinois and legally described in **Exhibit B** (the "Property"), and proposes to redevelop the same as a mixed use residential townhome and apartment development, along with 3,050 SF of commercial space adjacent to Cicero Avenue, as further described in **Exhibit E** (the "Project"), and as depicted on the site plan attached hereto as **Exhibit C**. (the "Site Plan").

- 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 Property 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 TIF Districts, 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 Property, 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. **"Accounting" and "Accounting Date"**: On December 15, 2022 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 fifteenth day of December and ending on December 14 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 Noteholders on February 1st of the year after such Accounting Year.
- B. **"Additional Non-TIF Property"** means the land legally described in **Exhibit B-1** attached hereto to be acquired by the Developer which is not located in the TIF Districts.
- C. **"Administrative and Project Costs"** means those reimbursable costs, allowable under the TIF Act, incurred by the City in the negotiation and preparation of this Agreement, in site preparation and/or demolition costs, its consulting and professional fees and all related procedures for review, permitting and approval of the Project by the City.
- D. **"Agreement"** means this Redevelopment Agreement for the Project at the northwest corner of 157th Street and Cicero Avenue as made and entered into by and between the City of Oak Forest, Illinois and Deshe at 157th LLC on the Effective Date.
- E. **"Available Incremental Property Taxes"**: The sum of (i) 52% of the Incremental Property Taxes that are generated by the Property parcels and (ii) up to 50% of any amounts of the School Payment Set Aside that is not required to be used for School Payments, less allowable City costs and expenses pursuant to this Agreement or the TIF Act.
- F. **"Certificate of Completion"** means that written certification by the City following Substantial Completion of the Project, or components thereof upon completion of all site improvements and construction of 100% of the apartment building (as evidenced by completion of the exterior structure, the retail component being constructed to 'vanilla box' stage, and all residential floors of the building being completed and ready for occupancy) and 50% of the townhome units (without completion of any landscaping or paving as may be delayed due to weather conditions) as evidenced by the issuance of a temporary Certificate of Occupancy.
- G. **"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).

- H. **“City Property”** means the land now owned by the City as legally described in **Exhibit B-2** attached hereto to be acquired by the Developer.
- I. **“Corporate Authorities”** means the Mayor and City Council of the City of Oak Forest, Illinois.
- J. **“Day”** means a calendar day.
- K. **“Developer”** means the designated developer, Deshe at 157th LLC, as identified and approved by the City Council.
- L. **“Developer Property”** means that property owned/to be acquired by Developer, other than the Additional Non-TIF Property and the City Property, as described in **Exhibit B-3** attached hereto.
- M. **“Effective Date”** means the day on which this Agreement is executed by the City, with said date appearing on the signature page hereof.
- N. **“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 D** hereto.
- O. **“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.
- P. **“Incremental Property Taxes”** means that portion of the *ad valorem* real estate taxes arising from the taxes levied upon the Project Property (exclusive of the Additional Non-TIF 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 Project Property (exclusive of the Additional Non-TIF 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).

- Q. **"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.
- R. **"Issuance Date"** means the date that the TIF Notes are issued.
- S. **"Maximum Reimbursement Amount"** means the lesser of (a) an amount no greater than three million two hundred thousand dollars (\$3,200,000.00), or (b) the total TIF eligible expenses as defined at "Total TIF Notes Aggregate Principal Limitation" below and set forth in Section VII, C, i herein below.
- T. **"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.
- U. **"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.
- V. **"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.
- W. **"Project"** means that plan identified and described for the Project Property, depicted on the site plan attached hereto as **Exhibit C**, and described in **Exhibit E**, and all phases thereof, including the following principal elements:
- 15 residential townhome units;
 - 75 market rate rental apartment units constructed in one building;
 - 4,325 sq. ft. of commercial/retail space; and
 - The construction of all the necessary site preparation, roadway construction, landscaping along adjacent roadways, and other horizontal improvements necessary to facilitate the plan and as more fully provided for below.
- X. **"Project Budget"** means the budget for the costs of the Project as provided in **Exhibit D** hereto.
- Y. **"Project Property"** means the City Property, the Developer Property and the Additional Non-TIF Property.
- Z. **"Property"** means the City Property and the Developer Property legally described in **Exhibits B-2** and **B-3** upon which a portion of the Project will be located and developed.
- AA. **"Qualified Institutional Buyer"** means an entity defined by Rule 144A of the 1933 Securities Act.
- BB. **"School Payment Set Aside"** means the amount of Incremental Property Taxes that is required to be set aside annually to provide payments to any school districts pursuant to 65 ILCS 5/11-74.4-3(q)(7.5), as supplemented and amended.

- CC. **"School Payments"** means the annual amount of School Payment Set Aside that is required to be paid to the School Districts pursuant to 65 ILCS 5/11-74.4-3(q)(7.5), as supplemented and amended.
- DD. **"Site Plan"** means that site rendering attached hereto as **Exhibit C** depicting the layout of the parking, buildings and related improvements for the Project.
- EE. **"State"** means the State of Illinois.
- FF. **"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; and
 - ii. If applicable, the Developer has received a conditional or final certificate of occupancy for such component pursuant to applicable provisions of the City Code.
- GG. **"TIF Act"** means the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*).
- HH. **"Term"** means that period set forth at Section XVIII, P of this Agreement.
- II. **"TIF Districts"** means those 2 tax increment financing districts each previously designated as tax increment financing districts designated Oak Forest TIF District #3 (as depicted on the map attached hereto as **Exhibit A**) and Oak Forest TIF District #7 (as depicted on the map attached hereto as **Exhibit A-1**) pursuant to a Tax Increment Redevelopment Plan for each of the 2 districts (the "TIF Plans") pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (the "TIF Act") within which the Project will be located. City of Oak Forest TIF #3 was created on June 11, 2002 and City of Oak Forest TIF #7 was created on December 17, 2013.
- JJ. **"TIF Eligible 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 set forth in **Exhibit D**, as limited in, and as provided in, this Agreement.
- KK. **"TIF Notes"** means the promissory notes issued pursuant to Section VII herein and substantially in the forms attached hereto as Exhibit H.
- LL. **"TIF Notes Aggregate Principal Limitation"** means the lesser of (i) \$3,200,000 or (ii) the total TIF Eligible Costs.
- MM. **"TIF Ordinances"** means those Ordinances establishing the TIF Plans and Districts over the Property.
- NN. **"TIF Plans"** means those Tax Increment Redevelopment Plans established for the TIF Districts pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (the "TIF Act").

OO. **“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, war or naval blockade;
 - c. epidemic, 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;
 - e. strikes or labor disputes, or work stoppages not initiated by Developer or 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”);
 - 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; or
 - k. terrorist acts.

Uncontrollable Circumstance shall not include: economic hardship; scarcity or cost increases of materials; or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to any applicable 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 Etamar Deshe or his authorized agent 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 XVIII.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 Project 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 will purchase the City Property consisting of the following parcels:

Parcel Nos.

- 28-16-407-025
- 28-16-407-026
- 28-16-407-028
- 28-16-407-027

Said sale of the City Property to the Developer by the City shall be pursuant to a standard purchase and sale agreement between the City and the Developer, with the purchase price being \$250,000 and being sold in an "as is/where is" condition, with no warranties of any kind.

The terms and conditions of such purchase and sale are further detailed in **Exhibit J** attached hereto and made a part hereof.

In addition, the Developer will purchase the Additional Non-TIF Property and the Additional TIF Property.

- ii. **DEMOLITION OF STRUCTURES.** There remain buildings on the Project Property that will be demolished. The City and Developer currently have tentative plans for the demolition of these structures and agree to cooperate to determine the timing and responsibility for the timely demolition of these buildings prior to commencement of any construction related to the Project.

- iii. **EXAMINATION OF THE PROJECT PROPERTY.** The City expressly acknowledges that Developer shall have 45 days from the Effective Date of this Agreement to complete any independent investigations of the Project Property and review all matters regarding the condition of the Project Property, which it deems necessary. Developer expressly acknowledges that it has not relied upon any representation or warranty made by either the City or any officer, employee, agent or representative of the City in connection with the Project Property, including specifically, without limitation, any warranty or representation as to the condition of the personal Project Property, if any, the Property, planning status, topography, grading, climate, air, flood, water rights, water, utilities, present and future zoning, governmental entitlements and restrictions, soil, subsoil, paint or contamination of soil or water, access to public roads or the presence or absence of any hazardous material. Developer is to advise the City of any issues raised in its examination of the Project Property. If no issues are raised within this 45-day period, it shall be presumed that Developer has accepted the condition of the Project Property and waived any objections to any matters related to the condition of the Property. For good cause shown regarding the need for more specialized investigation of the Property condition, the City will consider granting an extension of this 45-day time period for an additional 30 days. The City acquired the City Property from prior owners for PINs 28-16-407-025 and 28-16-407-026 in 2013, and for PINs 28-16-407-022 and 28-16-407-028 in 2014. The City cannot confirm any environmental testing ever completed on the City Property and does not have in its possession any environmental tests on the City Property undertaken prior to acquiring the City Property or since acquiring. To the best of the City's actual knowledge, there are no significant environmental conditions on the Project Property which would prohibit it from being used for the proposed uses stated herein. The Developer is granted the right to enter upon the City Property, to inspect and investigate the condition of the City Property, subject to prior notice to the City and evidence of adequate insurance coverage. City grants to Developer and its officers, directors, employees, shareholders, members, partners, consultants, contractors and agents a license to enter the City Property, after the date by which both parties have executed this Agreement, until the termination of this Agreement, for the limited purpose of conducting any inspection or investigations, including, including but not limited to environmental inspection, conducting any survey activities and/or

inspecting the City Property in accordance with the provisions of this section. At all times related to these property examination activities, Developer shall assume full responsibility for any of its officers, directors, employees, shareholders, members, partners, consultants, contractors and agent performing said activities hereunder. Any entry, inspection and related activities by Developer is at its own risk. Before any such entry, Developer will provide the City with a certificate of commercial general liability insurance with at least a \$1 million single combined limit covering such entry and naming City as an additional insured. As an alternative to providing a certificate of insurance, Developer may provide a personal financial statement and certification on the City's form, which must be approved by the City (in City's sole discretion using City's underwriting standards) before any entry will be allowed. Developer will give City reasonable advance notice before entry to the City Property, and City may have its representative present during any entry. Developer will restore any damage to the City Property caused by entry, activities and inspections by the Developer. Further, Developer will indemnify, defend (using counsel selected by City and reasonably acceptable to Developer) and hold City and its successors and assigns harmless against and from all liabilities, demands, claims, actions or causes of action, assessments, losses, fines, penalties, costs, damages and expenses, including reasonable attorneys' and expert witness fees, sustained or incurred by City or its successors or assigns as a result of or arising out of or by virtue of: any entry, investigations, examinations, inspections and tests on or to the City Property, and any mechanics' liens arising out of those entry, investigations, examinations, inspections and tests.

iv. **Confidentiality.** Developer acknowledges that the records and information generated from the City Property inspection contained therein are proprietary and confidential in nature and have been and will be delivered to Developer solely to assist Developer in determining whether to undertake the development of the City Property and site. Developer agrees to not disclose any records, the reports, or their contents, or any information disclosed, discovered or determined in connection with any environmental or Property inspection hereunder contemplated by this Agreement (collectively, the "Confidential Information") to any party except the following to the extent they agree to abide by the terms of this section:

1. Developer's officials and employees;
2. Developer's attorneys, accountants, or other business consultants assisting Developer in the transaction contemplated by this Agreement;
3. Third parties as required under applicable laws; and
4. Developer's potential tenants, assignees, investors and lenders. Developer will take all necessary actions to ensure that any parties to whom such Confidential Information is furnished not make it available or disclose the contents thereof to any person. If Developer does not proceed with the development of the City Property for any reason, all copies of the Confidential Information will be delivered promptly to City, without retaining copies thereof. Developer's obligations under this section survive termination of this Agreement.

v. The redevelopment plan and Project objectives for the Project Property are set forth in **Exhibit E**.

- vi. Developer agrees to the following initial timelines for the Project for development of the Project Property.
 - a. Developer has submitted site geometry and proposed building plans for the Project to the City.,
 - b. Developer has submitted detailed elevations for the Project, for review and approval by the Mayor and City Council.
 - c. Developer will provide reliable proof of construction financing for the proposed Project construction and infrastructure and the phasing and timelines for the Project within ninety (90) days of the Effective Date.

VI. DEVELOPMENT OF THE PROJECT PROPERTY

A. Approvals, Permits, Construction, and Completion.

The Developer shall, subject to Uncontrollable Circumstances:

- i. Within forty-five (45) calendar days after the Effective Date, subject to the required approval processes and execution of the applications by the City, apply for all necessary permits and approvals from all governmental agencies having jurisdiction over the building phase(s) of the Project.
- ii. On or before October 31, 2022, subject to unforeseen circumstances, obtain all necessary permits and approvals from all governmental agencies having jurisdiction over the Project.
- iii. On or before the dates in **Exhibit F** attached hereto and made a part hereof, commence construction of the components of the Project noted therein.
- iv. On or before the dates in **Exhibit F**, complete construction of the components of the Project noted therein.
- v. On or before July 30, 2024, obtain a Certificate of Project Completion (as defined in Section XI.A. below) for the Project.

B. Incentive Amount.

- i. The City shall reimburse Developer, in relation to the TIF Eligible 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 Costs of the Project are set forth in **Exhibit D** attached hereto and made a part hereof.
- ii. The total principal of the TIF Notes issued shall not exceed the Maximum Reimbursement Amount and the payment of principal and interest 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 Project Costs and Developer providing the City with the information and materials required by Sections VI.C.1(vi), (vii), (viii) and (ix) below, the City shall issue the TIF Notes.
- iv. Prior to the issuance of the Notes set out below, City may, pay to the Developer Available Incremental Property Taxes, based on the provisions for certification of TIF Eligible Expenses. If the City agrees to disburse Available Increment prior to the issuance of the Notes, the amount of the Notes shall be reduced by the amount of Available Incremental Property Taxes disbursed by the City.

C. **Conditions and Procedure for Issuance of the TIF Notes.**

TIF Note Issuance

- i. The City's obligation to reimburse the Developer in relation to certain TIF Eligible Costs of the Project pursuant to the issuance of the TIF Notes, 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.

- vii. The City shall reimburse the Developer for the TIF Eligible Costs set forth in, and in the amounts included in, **EXHIBIT D**, relative to the Project whether incurred by the Developer prior to or after the Effective Date pursuant to the issuance of the TIF Notes. Said TIF Incentive shall be paid 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 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 and/or the TIF Notes, 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 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 Obligation/Note 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.
 - 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 further payments due hereunder or under the TIF Notes.
 - f. The City's obligation to make the payments shall cease upon the payment of all principal and interest due under the TIF Notes or the expiration of the Term of this Agreement, whichever occurs first.
 - g. Subject to Uncontrollable Circumstances, if at any time the Developer abandons the Project or the Project itself ceases to operate during the Term of this Agreement, the payment of principal and interest on the TIF Notes shall cease, and shall not be reinstated thereafter.
- 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 provide the Developer with the TIF Incentive Rebate.
 - iv. A delineation of the TIF Eligible Redevelopment Costs for the Developer Project is set forth in **Exhibit D** and the City shall not reimburse the Developer for any costs of the Project not listed on said **Exhibit D**.

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 those TIF Notes ("***TIF Note Authorizing Ordinance***") to be issued hereunder, as may be necessary for such financing. 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. – City Commitment.** 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 TIF Notes will be issued in one or more series as set forth herein. 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 \$3,200,000 (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 D** 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 D** 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 certified, approved expenditures, and (ii) the amount of Eligible Costs that are reimbursed for any particular category of Eligible Cost listed on **Exhibit D** may be equal to, more, or less than the cost range identified on **Exhibit D** so long as the total amount reimbursed pursuant to all TIF Notes (but excluding annual interest on the TIF Notes) does not exceed the Maximum Reimbursement Amount.
- D. **TIF Notes.** Subject to the provisions and conditions in this Section, the City will issue TIF Notes as described in this Section. The City shall not be required to issue any TIF Notes as tax-exempt obligations pursuant to Section 103 of the Internal Revenue Code (the “*Tax-Exempt Obligations*”) unless the requirements under the Internal Revenue Code for the exclusion of the interest on the 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 such TIF Notes 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 Notes described below can be issued as and when contemplated by the provisions of this Agreement. The Developer acknowledges and agrees that the City's inability to issue any TIF Notes as Tax-Exempt Obligations shall not be a City Event of Default. The City will issue TIF Notes for the Project as follows:

- i. The City, provided the conditions below have been satisfied, will issue TIF Notes (as such term is hereinafter defined) pursuant to the TIF Note Authorizing Ordinance and the following provisions:
 - a. **Tax-Exempt TIF Note.** The City will issue a single TIF Note to be identified as the "Senior Lien Incremental Property Tax Note (Redevelopment Project) as a Tax-Exempt Obligation with respect to the Project (the "***Tax-Exempt TIF Note***") to Developer. The Tax-Exempt TIF Note shall be issued as a single note. The Developer agrees that the Tax-Exempt TIF Note and the Taxable TIF Note (as hereinafter defined) (collectively, the "***TIF Notes***") must be issued on the same date (the "***Issuance Date***"). The City agrees to engage Bond Counsel with respect to the issuance of the Tax-Exempt TIF Note no later than five days after it receives a written request from Developer to issue the Tax-Exempt TIF Note, and to proceed with due diligence to issue the Tax-Exempt TIF Note thereafter. The form of the Tax-Exempt TIF Note shall be set forth in the **Exhibit H** attached hereto. The Tax-Exempt TIF Note shall have an initial principal amount which, in the aggregate, totals no more than Maximum Reimbursement Amount (including the initial principal amount of any Taxable TIF Note). Interest on the Tax-Exempt TIF Note will accrue from and after the Issuance Date at the rate of five and a half percent (5.5%) per annum (the "***Tax-Exempt TIF Note Interest Rate***") and compound annually. The City will begin to make payments on the Tax-Exempt TIF Note on February 1 of the year following the Issuance Date. The Tax-Exempt TIF Note will be payable solely from and have a first lien on the Available Incremental Property Taxes. The City will not be entitled to prepay a Tax-Exempt TIF Note for a period of five years from the Issuance Date without the prior written consent of the holder of such Tax-Exempt TIF Note. Concurrently with the issuance of each Tax-Exempt TIF Note, the City will issue an amortization schedule for such Note and establish annual payment dates for such Note pursuant to such schedule.
 - b. **Taxable TIF Note.** The City will issue a single taxable TIF Note, to be identified as the "Taxable Junior Lien Incremental Property Tax Note (Redevelopment Project)" (the "***Taxable TIF Note***"), which will not be a Tax-Exempt Obligation. The City agrees to engage Bond Counsel with respect to the issuance of the Taxable TIF Note no later than five days after it receives a written request from Developer to issue the Taxable TIF Note, and to proceed with due diligence to issue the Taxable TIF Note thereafter. Each series of the Taxable TIF Note may be issued as one or more notes as determined by Developer. The principal amount of Taxable TIF Note will be determined by Developer subject to the following requirements: (i) the principal amount of the Tax-Exempt TIF Note shall be established prior to the determination of the principal amounts of the Taxable TIF Note, (ii) the aggregate initial principal amount of the Taxable TIF Note and the Tax-Exempt TIF Note will be equal to or less than the amount of Eligible Costs the Developer Parties have incurred as of the Issuance Date in constructing the Project, as confirmed by the City's issuance of one or more approved, certified expenditures, (iii) the aggregate initial principal amount of the Taxable TIF Note and the Tax-Exempt TIF Note does

not exceed Maximum Reimbursement Amount (the "**TIF Notes Aggregate Principal Limitation**"). The Developer agrees that the Taxable TIF Note must be issued on the Issuance Date.

More specifically, the City will issue the Taxable TIF Note, as follows:

- (i) **Taxable TIF Note.** The City will issue Taxable TIF Note with an aggregate initial principal amount as determined by Developer as described above, which aggregate initial principal amount shall not exceed \$600,000. Interest on Taxable TIF Note will accrue from and after the Issuance Date at the rate of five and half percent (5.5%) per annum (the "**Taxable TIF Note Interest Rate**") and compound annually. The City will begin to make payments on Taxable TIF Note on February 1 of the year following the Taxable TIF Note Issuance Date, and it will continue to make such payments on each subsequent anniversary of such date. There will be no amortization schedule issued for this Note and no limit on the City's right to prepay this Note. Payments on the Taxable TIF Note will be made solely from the Available Incremental Property Taxes. The Taxable TIF Note will have a second lien on the Available Incremental Property Taxes, subordinate in lien to the Tax-Exempt TIF Note. All remaining Available Incremental Property Taxes after payment of the Tax-Exempt TIF Notes due on February 1 of each year will be applied to pay the principal of and interest due on the Taxable TIF Note, in accordance with the provisions of this Section below, until such Taxable TIF Note has been paid in full. In short, the Taxable TIF Note will be a "cash flow" Note. The form of Taxable TIF Note shall be set forth in **Exhibit H** hereto.
- ii. **Terms of TIF Notes.** Each TIF Note 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 such TIF Notes;
 - b. Mature not more than 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 from the Available Incremental Property Taxes, subject to the limitations set forth in, this Agreement;
 - d. Provide that the City will have no obligation whatsoever to make any payments 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 first to accrued but unpaid interest, second to current interest, and third to principal and that, with respect to the Taxable TIF Note, each payment will be applied first to the Tax-Exempt TIF Note until all interest and principal then due in accordance with the established amortization schedules is paid, and then such payment will be applied to the Taxable TIF Note;
 - f. For the TIF Notes issued as Tax-Exempt Obligations and 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 such TIF Note issued as Tax-Exempt Obligations 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. Each TIF Note issuance will occur only upon the satisfaction of each of the following conditions:

- i. With respect to the issuance of the TIF Notes, (a) issuance of Certificates of Completion for the Project; (b) identification by Developer of the principal amount of each of the TIF Notes, which amounts shall not exceed the amounts identified above, and in any event the total principal amount of such TIF Notes shall not exceed the Maximum Reimbursement Amount; and (c) no Developer Event of Default is then outstanding with respect to the Project or this Agreement;
- ii. The payment of all fees related to the issuance of any TIF Notes, including Bond Counsel fees, feasibility consultant fees and City Attorney fees;
- iii. The issuance of an opinion of Bond Counsel that such TIF Note is a valid and binding obligation of the City; and
- iv. With respect to the issuance of the Tax-Exempt TIF Note, the issuance of an opinion of Bond Counsel that the interest paid or received on such TIF Note is not includible in the gross income of the registered owners thereof under the Internal Revenue Code or federal income tax purposes.

F. Pledge and Use of Pledged TIF Funds.

- i. **Pledge of TIF Funds.** The City pledges, for repayment of Eligible Costs, all Available Incremental Property Taxes (the "**Pledged TIF Funds**"). 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 and such TIF Notes.
- ii. **Deposit of Pledged TIF Funds in Pledged TIF Fund.** The City shall deposit the Pledged TIF Funds 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 this Agreement and the TIF Notes. Payments from the Pledged TIF Fund shall be made, as follows: (a) first, to reimburse the City for Administrative and Project Costs; (b) second, up to \$15,000 annually (subject to an inflationary increase of three percent (3%) per year) for costs it incurs in administering the TIF Districts in compliance with the TIF Act, including costs of audits, legal review, and staff time for preparation of annual reports ("**Administrative Allocation**"); and (c) third, to the payment of sums due under the TIF Notes. For the purpose of paying the sums due under the TIF Notes, there will be created in the Pledged TIF Fund held by the City is a separate account for the Available Incremental Property Taxes. The principal of and interest on the TIF Notes will be paid solely and only from amounts on deposit in the Pledged TIF Fund.
- iii. **Excess Incremental Tax Revenues.** If there are funds contained in the Pledged TIF Fund in excess of the Pledged TIF Funds, or 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 TIF Fund is a special fund, the amounts in the fund will be disbursed in accordance with this Agreement, the approved TIF Ordinances, and the TIF Notes without further action by the Corporate Authorities.

- G. **Non-Recourse Obligation.** The Developer acknowledges 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. 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, as applicable, the Available Incremental Property Taxes;
 - ii. The Available Incremental Property Taxes may be insufficient to provide for the payment of all principal and interest due on the TIF Notes;
 - iii. If the Available Incremental Property Taxes are insufficient to pay all principal and interest due under the TIF Notes, there shall have no recourse against the City, other than enforcing the City's obligations to use the Pledged TIF Funds to pay such amounts, as required by this Agreement;
 - iv. 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 Note in violation of the terms of this Agreement or such TIF Note); and
 - v. No recourse may be had for any payment due pursuant to this Agreement or a TIF Note 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 reasonable 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 Costs in strict compliance with the Act.
- B. **Professional Costs and Fees.** The Developer shall be responsible for all costs and fees incurred by the City in the negotiation and preparation of this Agreement, in site preparation and/or demolition costs, for its consulting and professional fees and all related procedures for review, permitting and approval of the Project by the City, including Bond Counsel fees.
- 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 material community disruption. During construction, the Developer shall also keep all public streets used by the Developer reasonably 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 forty-eight (48) 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.
- E. **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.
- F. **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 an Illinois Limited Liability Company, 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.
- C. **Disclosure.** Concurrently with execution of this Agreement, Developer shall disclose to the City the names, addresses and ownership interests of all Persons that have an ownership interest in the Developer, together with such supporting documentation that may be reasonably requested by the City. Developer further agrees to notify the City throughout the Term of this Agreement of the names, addresses and ownership interests of any changes of owners of the Developer.
- D. **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.

- E. Prior to closing on the acquisition of the property from the City, Developer shall provide the City with evidence of its financial condition, a copy of the owner's title policy for the land underlying the Project, UCC, tax and judgment searches.

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 has issued the final certificate of occupancy for all of the proposed buildings on the Property, and has 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 completion and satisfaction of all construction terms, covenants and conditions contained in this Agreement ("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, attached hereto as **Exhibit D**, the Developer's estimate the total cost of constructing the Project, including all land acquisition costs and all hard costs and soft costs, at \$24,099,603. The Developer acknowledges that the Project Budget remains subject to confirmation by the City and its consultants. 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 \$\$24,099,603 ("Budget Savings"), the City shall have the right, provided they exercise such right prior to the issuance of the TIF Notes, to reduce the total incentive for the Project by a dollar amount that is proportionately based on the percentage reduction in the Project Cost as determined on or around the date of issuance of a Certificate of Completion for the Project, versus the estimated expenditures for the Project as set forth in the Project Budget. For example purposes only, if the proposed total incentive for the Project is \$3,200,000, and the Project Budget for the Project is \$24,099,603 but the actual Project Cost, determined on or around the date of issuance of a Certificate of Completion for the Project, is \$\$23,099,603 then the percentage reduction in actual Project Costs versus estimated Project Costs is $\$500,000/\$24,099,603 = 2.1\%$. The Project incentive, in this example, would then be reduced by 2.1% to \$67,200 (i.e., $.021 \times \$3,200,000$). 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 deducted from the Taxable TIF Note.

Any dispute arising out of, in connection with, or in relation to this Section 11.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.
- D. **Projections and Reporting.** Developer reasonably projects the Project to: (i) create ten (10) jobs, (ii) to create six million eight hundred ninety six thousand and No/100 Dollars (\$6,896,000) 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 seventeen percent (17%) rate of return. Developer shall 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, 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.

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 an Illinois Limited Liability Company, 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 mixed use developments and parking garages 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 agree 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 said taxes shall not become delinquent. 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. **Developer Status.** Until the City issues a Certificate of Completion, Developer may not, without the Village's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned:
- a. Merge, liquidate or consolidate its development entities in a manner that would adversely effect its ability to finance the Project, other than adding or replacing joint venture partners or other parties providing equity financing;
 - b. Sell, lease or transfer the Project (except to individual residential tenants of the townhomes or apartment building) or all or substantially all of its ownership interest in the Property other than to an entity wholly-owned or controlled by or related to, or wholly-owning or controlling, of the Developer and other than transfers to residential Developers in the normal course of business.
 - c. Enter into any transaction outside the ordinary course of business that would materially and adversely impact Developer's ability to finance the Project;
 - d. Assume or guarantee the obligations of any other person or entity that would materially and adversely affect Developer's ability to finance the Project; or
 - e. Enter into a transaction that would cause a material and detrimental change to Developer's financial condition.
 - f. Transfer or assign this Agreement or any rights, duties or obligations to an unrelated party, without the City's express consent, until the Certificate of Completion is issued.

XVI. 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 XV.,

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 or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 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, except in accordance with this Agreement.
 - viii. Material change in the management of Developer, except in accordance with this Agreement.
 - ix. Developer abandons 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. The City shall have the right to have the City Property to be conveyed to Developer under this Agreement reconveyed to the City by Developer should Developer abandon or cease to continue construction of the Project unless construction is ceased due to an act of God or a governmental shutdown of business. Should the principal of the Developer die or become incapacitated, the City shall not deem the Project to be abandoned so long as the Developer replaces the principal with a qualified substitute principal within sixty (60) days of the original principal's death or incapacitation. In the event the Property is reconveyed to the City, the City shall pay the Developer an amount equal to the Purchase Price and shall pay all reasonable closing costs associated with the reconveyance. Notwithstanding the foregoing, if the Developer has constructed a portion of the Project so that any building is located both on the Developer parcel and the City Property, then the City shall not be entitled to reconveyance. In such event, the City may repurchase the Property at fair market value given the current state of the Property at the time of repurchase. The City shall pay all closing costs associated with said repurchase. Relative to such termination, the City hereby retains a right to require that the Property be reconveyed to the City (for those amounts set forth above) if this final agreement is terminated for Developer's failure to begin or complete construction of the Project within the required timelines herein, except for an act of God or a governmental shutdown of business as set forth in the preceding paragraph. Commencing and completing the Project shall mean until such time the Developer completes at least one of the proposed two buildings as part of the Project.
 - xi. 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.

B. 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 XVI.A.1., 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.

- 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.

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 XVI.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 XV. 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.

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, IL 60606-2903
Attn: City of Oak Forest

If to Developer: 4816 W. 157th Street, LLC.
350 N. LaSalle Street, Suite 900
Chicago, IL. 60654

With a copy to: Bernard Citron
Thompson Coburn LLP
55 E. Monroe 37th Floor
Chicago, IL. 60602

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 financial commitments herein are fulfilled or the TIF Districts have expired.
- 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

By: Henry L. Kuspa
Henry L. Kuspa
Mayor

ATTEST:

By: John L. Janozik
John L. Janozik
City Clerk

DEVELOPER
Deshe at 157TH LLC.

By: _____
Its: Authorized Representative

EXHIBIT A-1
TIF map – Oak Forest TIF #6

TIF District #7



EXHIBIT B
Legal Description of the “Property”

[Included in the following EXHIBITS B-1 and B-2]

The CITY and the DEVELOPER are owners of the following properties.

The CITY owns the following 4 tax parcels at this street location:

- PIN: 28-16-407-025 [vacant property]
- PIN: 28-16-407-026 [vacant property]
- PIN: 28-16-407-028 [currently developed with multi-story building]
- PIN: 28-16-407-022 [vacant property]

(hereinafter the “PROPERTY”).

The DEVELOPER owns the following tax parcel at this location:
PIN: 28-16-407-027 [currently developed with multi-story residential apartment building]

The overall land area of the SITE is approximately 1.72 acres.

COMMON BOUNDARY DESCRIPTION:

The area generally bounded by 157th Street on the south, Cicero Avenue on the east, and Lamon Avenue on the north, in Oak Forest, Illinois.

COMMON STREET ADDRESS:

15644 S. Cicero, Oak Forest, 60452

EXHIBIT B-1

Additional Non-TIF Property

Legal description of the property to be acquired by the Developer which is not located in the TIF Districts.

Legal Description of 15645 Lamon Avenue

Legal Description:

LOT 15 IN BLOCK 33 IN ARTHUR T MCINTOSH AND COMPANY'S CICERO AVENUE SUBDIVISION OF THE WEST HALF OF SECTION 15, AND THE EAST HALF OF SECTION 16, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Property Address: 15645 Lamon Avenue, Oak Forest, Illinois 60452

PIN: 28-16-407-010-0000

EXHIBIT B-2

City Property

Legal description of the City property for the Project that is to be acquired by the Developer.

Legal Description of 15644 Cicero Avenue, 4820 157th Street, and 15659 Lamon Avenue

Legal Description:

PARCEL 1:

LOT 10 IN BLOCK 33 IN ARTHUR T. MCINTOSH AND COMPANY'S CICERO AVENUE SUBDIVISION OF THE WEST HALF OF SECTION 15, AND THE EAST HALF OF

SECTION 16, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE EAST 140 FEET OF LOT 11 AND THE EAST 140 FEET OF LOT 12 IN BLOCK 33 IN ARTHUR T MCINTOSH AND COMPANY'S CICERO AVENUE SUBDIVISION OF THE WEST HALF OF SECTION 15, AND THE EAST HALF OF SECTION 16, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property Address: 15644 Cicero Avenue, Oak Forest, Illinois 60452

PINs: 28-16-407-022-0000 and 28-16-407-028-0000

Legal Description:

THE EAST 150 FEET OF LOTS 13 AND 14 IN BLOCK 33 IN ARTHUR T MCINTOSH AND COMPANY'S CICERO AVENUE SUBDIVISION OF THE WEST HALF OF SECTION 15, AND THE EAST HALF OF SECTION 16, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Property Address: 4820 W. 157th Street, Oak Forest, Illinois 60452

PIN: 28-16-407-026-0000

Legal Description:

THE WEST 150 FEET OF LOTS 13 AND 14 IN BLOCK 33 IN ARTHUR T MCINTOSH AND COMPANY'S CICERO AVENUE SUBDIVISION OF THE WEST HALF OF SECTION 15, AND THE EAST HALF OF SECTION 16, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Property Address: 15659 Lamon Avenue

EXHIBIT B-3

City Owned Property

Legal description of the property now owned by or to be acquired by Developer (other than Additional Non-TIF Property and City Property) as part of the Project Property for development.

Exhibit B-3

Developer Owned Property

Legal Description of 4816 W. 157th Street

Legal Description:

&
TIF Eligible Reimbursement Costs

Land Acquisition Item	Costs	TIF Eligible	Non-TIF	2022	2023	TIF Sec. 11-74.4-3
Land Acquisition - Additional Parcel	\$1,700,000	\$1,700,000		\$1,700,000		(q)(2)
Land Acquisition - City Parcel	\$250,000	\$250,000		\$250,000		(q)(2)
Total Land Acquisition	\$1,950,000	\$1,950,000		\$1,950,000		
Site Preparation Item	Costs	TIF Eligible	Non-TIF	2022	2023	TIF Sec. 11-74.4-3
Site Demolition	\$268,498	\$245,578	\$22,920	\$268,498		(q)(2)
Site Preparation	\$100,038	\$100,038		\$100,038		(q)(2)
Mass Grading	\$28,965	\$27,325	\$1,640	\$28,965		(q)(2)
Subgrade Pavement	\$103,150	\$85,615	\$17,535	\$103,150		(q)(2)
Excavation for the Main Building	\$138,600	\$138,600		\$138,600		(q)(2)
Excavation for the Townhomes	\$63,520	\$63,520		\$63,520		(q)(2)
Excess Material Haul Off	\$190,032	\$190,032		\$190,032		(q)(2)
On-Site Dry Utilities	\$101,817	\$101,817		\$101,817		(q)(4)
On-Site Parking Pavement	\$154,170	\$87,494	\$66,676	\$154,170		(q)(2)
Off-Site Road Restoration	\$140,795	\$140,795		\$140,795		(q)(4)
Off-Site Traffic & Concrete Curb	\$296,176	\$273,376	\$22,800	\$296,176		(q)(4)
Detention Improvements - Pavers	\$204,165	\$204,165		\$204,165		(q)(2)
Landscaping & Fencing	\$116,475	\$113,475	\$3,000	\$116,475		(q)(2) or (q)(4)
Mobilization and Set Up	\$10,200	\$10,200 [If related to eligible]		\$10,200		[If related to eligible]
Sanitary Sewer	\$72,130	\$72,130		\$72,130		(q)(2) or (q)(4)
Watermain	\$27,460	\$27,460		\$27,460		(q)(2) or (q)(4)
Storm Sewer	\$97,877	\$70,712	\$27,165	\$97,877		(q)(2) or (q)(4)
Site Preparation Hard Cost Contingency	\$62,319	\$57,551 [If related to eligible]	\$4,768	\$62,319		[If related to eligible]
PRORATED (\$500K PROJECT TOTAL)						
Total Site Preparation	\$2,176,387	\$2,009,883	\$166,504	\$2,176,387		

Vertical Construction	Costs	TIF Eligible	Non-TIF	2022	2023	TIF Sec. 11-74.4-3
Concrete	\$1,476,466		\$1,476,466	\$1,476,466	\$648,574	Not eligible
Masonry	\$620,762		\$620,762	\$620,762	\$1,807,261	Not eligible
Metals	\$394,025		\$394,025	\$394,025	\$226,760	Not eligible
Woods, Plastics	\$3,360,547		\$3,360,547	\$3,360,547	\$342,750	Not eligible
Thermal and Moisture Protection	\$ 1,022,489		\$ 1,022,489	\$1,022,489	\$458,670	Not eligible
Openings	\$648,574		\$648,574		\$144,400	Not eligible
Finishes	\$1,807,261		\$1,807,261		\$356,108	Not eligible
Specialties	\$226,760		\$226,760		\$1,208,875	Not eligible
Equipment	\$342,750		\$342,750		\$935,250	Not eligible
Furnishings	\$458,670		\$458,670		\$1,692,200	Not eligible
Conveying Equipment	\$144,400		\$144,400		\$97,500	Not eligible
Fire Supression	\$356,108		\$356,108		\$55,000	Not eligible
Plumbing	\$1,208,875		\$1,208,875		\$235,040	Not eligible
HVAC	\$935,250		\$935,250			Not eligible
Electrical	\$1,692,200		\$1,692,200			Not eligible
Communications	\$97,500		\$97,500			Not eligible
Security	\$55,000		\$55,000			Not eligible
Vertical Construction Hard Cost Contingency	\$437,681		\$437,681	\$202,641		Not eligible
<i>Prorated (500K Project Total)</i>						
Total Hard Construction Cost of Building	\$15,285,318		\$15,285,318	\$7,076,930	\$8,208,388	
Soft Costs						
Soft Costs	Costs	TIF Eligible	Non-TIF	2022	2023	TIF Sec. 11-74.4-3
Environmental & Geotechnical Studies (0.30%)	\$45,855.95	\$45,855.95		\$45,856		
General Conditions	\$1,276,789		\$1,276,789	\$638,394	\$175,191	
General Requirements	\$350,382		\$350,382	\$175,191	\$481,462	
General Contractor Fee	\$962,925		\$962,925	\$481,462	\$84,809	
Insurance/Bonds (Site+Vertical)	\$169,617	\$169,617		\$84,809		(q)(1)
Professional Fees (1%)	\$152,853	\$152,853		\$152,853	\$38,185	(q)(1)
Developer Legal & Accounting (1%)	\$152,853		\$152,853	\$114,669	\$45,856	

Real Estate Taxes During Construction (0.60%)	\$91,712		\$91,712	\$45,856	\$76,427	
General & Administrative Costs (1%)	\$152,853	\$152,853		\$76,427	\$35,000	(q)(16)
Residential Marketing/Start Up Budget	\$35,000		\$35,000		\$458,560	
Development Fee (3%)	\$458,560		\$458,560			
Engineering	\$140,000	\$140,000		\$140,000		(q)(1)
Architectural	\$150,000	\$150,000		\$150,000		(q)(1)
Permit and Impact Fees	\$220,000		\$220,000	\$220,000		
Interest	\$195,000		\$195,000	\$195,000		
Bank Closing Costs	\$23,500		\$23,500	\$23,500		
LC Fee	\$10,000		\$10,000	\$10,000		
Soft Cost Contingency	\$100,000	\$100,000 [Eligible if related to eligible]		\$100,000		[Eligible if related to eligible]
Total Soft Costs	\$4,687,899	911,179	\$3,776,721	\$2,654,017	\$1,395,490	
Total Projected Costs	\$24,099,604	\$4,871,062	\$19,228,543	\$12,598,807	\$9,603,878	

EXHIBIT E

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 are new residential development 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); and
- Landscaping, restoration, and beautification;

5. Entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) 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 with the development 15 new residential townhome units and 75 market rate rental apartment units constructed in one building; and

8. Exploration and review of job training programs in coordination with any City, federal, state, and county programs.

EXHIBIT F

Construction Schedule and Phasing

EXHIBIT G

Form of Certification Request

To: City of Oak Forest
Attention: City Administrator

From: *[Deshe at 157th LLC.]*

Subject: Agreement dated _____ by, between, and among the City of Oak Forest and DESHE AT 157th LLC (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.

[Deshe at 157th LLC.]

By: _____

Its: _____

**EXHIBIT H
Form of TIF Note**

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%
Registered Owner:
Principal Amount:

Final Maturity
Date: _____, 20__

Dated
Date: _____, 20__

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 certain

Ordinance adopted by the City Council of the City (the "*Corporate Authorities*") on the _____ day of _____, 2022, as supplemented by 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 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 Pledged TIF Fund held by the City pursuant to the Redevelopment Agreement, 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 of 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 Pledged TIF Fund [after the payment of any principal of and

interest, and premium, if any, due on the Tax Exempt Note], all in accordance with the provisions of the 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 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 Pledged TIF Fund as provided in the 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 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 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 President 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 24th day of MAY, 2022

Greg J. Kusan
Mayor, City of Oak Forest, Cook County,
Illinois

Attest:

[Signature]
City Clerk, City of Oak Forest
Cook County, Illinois
(SEAL)
Date of Authentication: MAY 24, 2022

CERTIFICATE

OF

AUTHENTICATION

This Note is one of the Notes described in the within-mentioned Ordinance and Redevelopment Agreement and is one of the _____, Series 20__ (_____
Project), having a Dated Date of may 24,
2022 of the City of Oak Forest, Cook County,
Illinois.

City of Oak Forest, Illinois

Treasurer, Note Registrar and Paying
Agent: [Signature]
Oak Forest, 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.

[AMORTIZATION SCHEDULE]

EXHIBIT J
Purchase and Sale Agreement

As part of this final development Agreement, the parties propose the following terms of sale for the Property from the City to the Developer:

PURCHASE PRICE

Amount of Purchase Price. The purchase price for the Property ("Purchase Price") is Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00). The Purchase Price, less any applicable deductions for credits, deposits, and prorations, shall be paid in cash, wired funds or cashier's check at closing. Any closing of the sale contemplated by this Agreement is hereinafter called the "Closing."

PROPERTY CONVEYANCE

Multiple Parcels. The Property is comprised of separate transferrable legal parcels of record with proprietary tax identification numbers, legally described in Exhibit A attached hereto (the "City Parcels"). The City will convey its interests in the Property by special warranty deed.

CONTINGENCIES

Contingent Agreement. This Agreement and Developer's obligations hereunder shall be contingent upon Developer providing reliable proof, satisfactory to City and as accepted in writing by City, prior to the closing on the City Parcels in this matter, of Developer's commitment to acquire title and ownership to those private properties which make up the project area, separate and apart from Developer's acquisition of the City Parcels.

Developer shall have the 45 day property inspection period as provided in the Agreement between the City and the Developer (Section V, A, ii Examination of Property), if Developer does not objections to any condition of the Property, this transaction shall move forward to closing, subject to the terms and conditions hereof. .

EVIDENCE OF TITLE

Title Commitment. Developer agrees to obtain from the Title Company a commitment (the "Title Commitment") to issue an American Land Title Association Owner's Extended Coverage Title Insurance Policy (ALTA Form B, Rev. 2006) (the "Title Policy"), certified to at least the Effective Date of this Agreement, in the full amount of the Purchase Price. To be acceptable to Developer, the Title Commitment shall show in City good and marketable title to the City parcels described in **Exhibit A** hereto, and shall commit to insure said title free and clear of the standard printed exceptions contained in the Title Commitment and Title Policy and free and clear of all liens, charges, encumbrances and

clouds of title, whatsoever, except the following (collectively, the "Permitted Exceptions"): Those created by Developer or any title and survey matters accepted by Developer in writing; zoning ordinances, legal highways and public rights-of-way which do not interfere with Developer's proposed Project including, without limitation, the development, construction, use or operation thereof; real estate taxes which are a lien on the Property but which are not yet due and payable; and/or public utility easements accepted by Developer in writing but only to the extent they do will not prevent, interfere with, delay or materially increase the cost of Developer's proposed Project including, without limitation, the development, construction, use or operation thereof.

Title Policy at Closing. At Closing as a condition of Developer's obligations hereunder, Developer shall be issued a Title Policy covering the Property in an amount equal to the Purchase Price, containing no exceptions other than the Permitted Exceptions, providing affirmative insurance insuring that Developer (and the Property) has the benefit of all easement and appurtenant rights benefitting the Property, and including the endorsements designated by Developer prior to closing. City agrees to take all actions and execute all documents reasonably required by the Title Company to enable the Title Company to issue the Title Policy and required endorsements. The final Developer approved legal description of the Property contained on the Survey (as hereinafter defined) shall be deemed to be inserted as the legal description of the Property on Exhibit A hereto for all purposes of this Agreement. City shall furnish an ALTA statement and gap indemnity acceptable to Developer and Title Company, among other things reasonably required by Developer or the Title Company.

Survey. Developer may, at its sole cost and expense, obtain a current ALTA survey of the City Parcels (the "Survey"), prepared by a surveyor registered in the State of Illinois. The Survey shall comport with the description of the City Parcels set forth on **Exhibit A**, shall include a legal description of the Property and shall be certified by the surveyor to Developer and the Title Company. Subject to the approval of the Title Company and Developer, the legal description included in the Survey shall be used in the Title Commitment and Title Policy and in all documents of transfer contemplated hereby. Developer has the right to terminate this Agreement if there are objections to title and survey conditions which the City cannot or will not cure prior to closing if such objections prevent the Project's construction.

DEED AND OTHER CLOSING DOCUMENTS

Special Warranty Deed. City shall, at the Closing, convey fee simple title to the City Parcels to Developer by a duly and validly executed, recordable special warranty deed (the "Deed"), free and clear of all liens, claims, easements, covenants, conditions, restrictions and encumbrances for City's relevant period of ownership, except for the Permitted Exceptions.

City Responsibilities:

In addition to and without limiting any other Closing requirements or deliveries specified elsewhere in this Agreement, or as otherwise reasonably required by the Developer or the Title Company, at or before the Closing, City shall be responsible for the following items:

- The Deed;
- An affidavit pursuant to Section 1445(b)(2) of the Code, and on which Developer is entitled to rely, that City is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code;
- An ALTA statement, gap indemnity and other documents reasonably requested by the Title Company, which will be in the form customarily used by the Title Company in Cook County, to allow Title Company to issue the Title Policy;
- Evidence reasonably satisfactory to Developer and the Title Company respecting the authority of City to perform its obligations under this Agreement including, without limitation, the execution of all documents required to be delivered hereunder.

Provide the required Transfer Declarations

Developer Responsibilities:

- The Purchase Price;
- Evidence reasonably satisfactory to City and the Title Company respecting the due organization of Developer and the due authorization and execution by Developer of this Agreement and the documents required to be delivered hereunder.

City and Developer shall each execute and deposit a closing statement (which shall reflect, among other things, the prorations and allocations of costs described below), such transfer tax declarations and such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the acquisition of the Property in accordance with the terms hereof. City and Developer hereby designate Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Internal Revenue Service Code and the regulations promulgated thereunder and agree to execute such documentation as is reasonably necessary to effectuate such designation.

Developer and City agree that such other documents as may be legally necessary or appropriate to carry out the terms of this Agreement shall be executed and delivered by the appropriate Party at Closing.

POSSESSION AND INSPECTION

Possession at Closing. At Closing, City shall deliver sole and exclusive possession of the City Parcels to Developer: (A) subject only to the Permitted Exceptions (which will not include any Removable Liens); and (B) with the Property (1) "as-is", as it currently exists, with such structures and buildings as now exist on the City Parcels, vacant, unoccupied and free of any right of possession or claim to right of possession by any party other than Developer, (2) in the same condition existing as of the date of this Agreement.

Inspection. The Parties acknowledge that Developer has had the full opportunity to inspect the Property and agrees to take the Property "As-Is" and "Where-Is" without objection.

CLOSING

Closing Date. The closing will occur on or before forty-five (45) days after any contingencies set forth or incorporated herein have expired or have been satisfied, at which time the City shall convey the City Parcels to Developer following satisfaction of all terms of sale. Closing date may be accelerated or extended by agreement of the Parties and shall be extended by such time, if any, as is necessary to cure any title issues, as set forth hereinabove. At the option of the Parties, the Closing shall be completed with the use of electronic mail and overnight courier services through the Title Company and without the need of either party actually attending the Closing in person.

City's Expenses. City shall, at the Closing (unless previously paid), pay by credit against the Purchase Price the following:

- The cost of preparing the Deed;
- The cost of (A) all water, sewer, utility or other municipal charges (if any) due through the Closing Date, and (B) all amounts due under any service contracts in effect with respect to the City Parcels prior to Closing;
- The cost to satisfy and remove all Removable Liens including, without limitation, all recording fees for discharge or release of any Removable Liens or other documents necessary to deliver good and marketable title to Developer hereunder; and
- One-half (½) of such fee as may be charged by Escrow Agent for conducting the Closing (if needed and applicable).

Any required Transfer Taxes

Developer's Expenses. Developer shall, at the Closing (unless previously paid), pay the following:

- The cost of the Survey;
- The recording fees required for recording the Deed;
- The cost of any title insurance coverage issued in the Title Policy; and
- One-half (½) of such fee as may be charged by Escrow Agent for conducting the Closing (if needed and applicable).

Brokers. City and Developer each hereby warrants and represents to the other that it has not engaged or dealt with any broker or agent in regard to this Agreement. Developer shall pay a commission due to any Broker pursuant to a separate agreement.

WARRANTIES AND REPRESENTATIONS OF CITY

Warranties and Representations. In addition to any other representation or warranty contained in this Agreement, City hereby represents, warrants, covenants, and agrees as follows:

- (a) Title Matters. City has good and marketable fee simple title to the City Parcels as provided by and through its special warranty deed.
- (b) Violations of Zoning and Other Laws. City has received no notice, written or otherwise, from any governmental agency alleging any violations of any statute, ordinance, regulation or code.
- (c) Pending and Threatened Litigation. There are no pending or, to the best knowledge and belief of City, threatened matters of litigation administrative action or examination, claim or demand whatsoever relating to the City Parcels.
- (d) Access to Real Estate Utilities. No fact or condition exists which would result in the termination or impairment of access to the City Parcels from adjoining public or private streets or ways or which could result in discontinuation of presently available or otherwise necessary sewer, water, electric, gas, telephone or other utilities or services,
- (e) Assessments. There are no public improvements in the nature of off-site improvements, or otherwise, which have been ordered to be made and/or which have not heretofore been assessed and, to the best knowledge and belief of City, there are no special or general assessments pending against or effecting the City Parcels.
- (f) Environmental Conditions.
 - (i) City's Documentation. To the best of City's knowledge, any soil reports, and all other documents delivered to Developer in connection with this Agreement are and at the time of Closing will be true, correct and complete copies of such documents.
 - (ii) Developer is aware of all property conditions and waives any further investigation of the Property prior to closing and agrees to accept City Parcels "As-is" and "Where-is".
- (h) Hazardous Materials. Other than the information already disclosed to Developer regarding the City Parcels, including an asbestos report, City represents as follows:

- (i) Compliance. From the date hereof to Closing, City agrees (i) to operate, maintain and manage the Property (including the groundwater thereunder) in the ordinary course of business; (ii) that the Property (including the groundwater thereunder) will comply in all respects, and will remain in compliance, with all applicable federal, state, regional, county and local laws, statutes, rules, regulations or ordinances concerning public health, safety or the environment, and all Environmental Laws (as defined below); and (iii) to maintain existing insurance on the Property.
- (ii) City Parcels Conditions. City has no knowledge of: (i) the presence of any Hazardous Materials (as defined below) on, under or in the City Parcels (including the groundwater thereunder); (ii) any spills, releases, discharges, or disposal of Hazardous Materials that have occurred or are presently occurring on or onto the City Parcels (including the groundwater thereunder) which have not been fully remediated according to the standards employed by the Illinois Environmental Protection Agency; (iii) any spills or disposal of Hazardous Materials that have occurred or are occurring off the City Parcels (including the groundwater thereunder) as a result of any construction on, or operation and use of the City Parcels (including the groundwater thereunder) which have not been fully remediated according to the standards employed by the Illinois Environmental Protection Agency; (iv) the presence of any equipment containing polychlorinated biphenyl ("PCB"); or (v) the presence of any asbestos in use or on the City Parcels;
- (iii) Hazardous Materials. To the best knowledge and belief of City, the City Parcels have never been used and will not be used before the date of Closing for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any hazardous or toxic chemical material substance or waste. The City Parcels (including the groundwater thereunder) do not contain underground storage tanks or Hazardous Materials, and the City has received no notice any Federal, State, or local environmental laws or unlawful conditions on the Property. "Hazardous Materials" means perilous to or that could adversely affect the life and/or health of persons, including but not limited to hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 *et seq.*, and Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*, and petroleum and petroleum products.
- (iv) The City Parcels are being sold and conveyed to Developer "AS-IS/WHERE IS, WITH ALL FAULTS AND LIMITATIONS", in such condition as the same is on the date of this Agreement, without any representations or warranties of any kind, express or implied, either oral or written, made by City or any agent or representative of City with respect to the physical, environmental or structural condition of the City Parcels or as otherwise expressly set forth in this Agreement. Except as is otherwise expressly set forth in this Agreement, neither City nor any agent of the City has made or hereby makes any warranty or representation whatsoever, and City and its agents hereby disclaim any implied warranties regarding fitness for a particular purpose, condition of improvements, quality or merchantability of the Property or any portion thereof. Upon Closing, Developer agrees to assume all responsibility, damages, liability and obligation for the existing physical, environmental and structural condition of the Property without limiting or

modifying the terms of this Agreement related to changes in the condition of the City Parcels following the date of this Agreement caused by City's negligence or wilful misconduct.

- (v) **No Notice of Violations.** City has received no notice of and to the best of City's knowledge and belief the City Parcels (including the groundwater thereunder) does not violate any law, regulation or agreement applicable to the City Parcels (including the groundwater thereunder) or its use. With respect to the City Parcels (including the groundwater thereunder), if City shall (i) receive notice that any violation of any federal, state or local Environmental, health or safety law or regulation may have been committed or is about to be committed with respect to the City Parcels (including the groundwater thereunder), (ii) receive notice that any administrative or judicial complaint or order has been filed or is about to be filed alleging violations of any federal, state or local Environmental law or regulation or requiring City to take any action in connection with the release of any Hazardous Materials into the environment, (iii) receive any notice from a federal, state or local governmental agency or private party alleging that the City may be liable or responsible for costs associated with a response to or cleanup of a release of any Hazardous Materials into the environment or any damages caused thereby, (iv) receive any notice that the City is subject to federal, state or local investigation evaluating whether any remedial action is needed to respond to the release of any hazardous or toxic waste, substance or constituent, or other Hazardous Materials into the environment, or (v) receive any notice that the City Parcels or assets of City are subject to a lien in favor of any governmental entity for any liability under the federal, state or local Environmental Laws or regulations or damages arising from or costs incurred by such governmental entity in response to a release of a hazardous or toxic waste, substance or constituent, or other Hazardous Materials into the environment, then the City shall promptly provide the Developer with a copy of such notice, and in no event later than fifteen (15) days from City's receipt thereof in which event Developer shall have the right to terminate this Agreement.
- (vi) **No Proceedings Pending.** There are no proceedings pending or, to the best knowledge and belief of City, threatened against or affecting the City in any court or before any governmental authority or arbitration board or tribunal, which if adversely determined, would materially and adversely affect the City Parcels. The City is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal, which default would materially and adversely affect the City Parcels.
- (i) **No Litigation.** There is no litigation pending or, after due and diligent inquiry, to the best of City's knowledge threatened, against City or any basis therefor that arises out of the ownership of the City Parcels or that might detrimentally affect the value of the City Parcels or the ability of City to perform its obligations under this Agreement, City shall notify Developer promptly of any such litigation of which City becomes aware.
- (j) **No Liens.** At the time of Closing there will be no outstanding written or oral contracts made by City for any improvements to the City Parcels which have not been fully paid for and City shall cause to be discharged all mechanics' and materialmen's liens arising from any labor or materials furnished to the City Parcels prior to the time of Closing.

- (k) No Tenancies. There are no leases or occupancy agreements affecting the City Parcels that will not be or cannot be terminated on or before Closing.

NOTICES

Notice Procedure. Any notices required hereunder shall be in writing, shall be deemed effective upon transmittal, may be transmitted by the parties' respective legal counsel, and shall be transmitted by (a) personal service, (b) reputable overnight delivery service, (c) email transmission, or (d) certified mail, postage prepaid, return receipt requested, and shall be addressed to the parties as follows:

If intended for City, to:
City of Oak Forest, Illinois
15440 S. Central Ave.
Oak Forest, IL 60452
Attn: Tim Kristin
City Administrator
Email: tim.kristin@OAK-FOREST.ORG

With a Copy to:

Klein, Thorpe and Jenkins, Ltd.
20 North Wacker Drive, Suite 1660
Chicago, IL 60606-2903
Attn: City of Oak Forest

If intended for Developer, to:
Deshe at 157th LLC.
350 N. LaSalle Street, Suite 900
Chicago, IL. 60654

With a Copy to:

Bernard Citron
Thompson Coburn LLP
55 E. Monroe 37th Floor
Chicago, IL. 60602

GENERAL PROVISIONS

Governing Law. This Agreement is being executed and delivered in the State of Illinois and shall be construed and enforced in accordance with the laws of the State of Illinois. For all litigation, disputes and controversies which may arise out of or in connection with this Agreement, the undersigned hereby waive the right to trial by jury and consent to the jurisdiction of the courts in the State of Illinois.

Entire Agreement. This Agreement constitutes the entire contract between the parties hereto, and may not be modified except by an instrument in writing signed by the parties hereto, and supersedes all previous agreements, written or oral, if any, of the parties. The Exhibit referred to in this Agreement is attached hereto and incorporated herein by reference.

Time of Essence. Time is of the essence of this Agreement in all respects. Any time period providing for the performance of the parties' obligations herein which would otherwise end on a Saturday, Sunday or national holiday shall be extended to the next succeeding business day.

Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns.

Invalidity. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

Waiver. No waiver of any of the provisions of this Agreement shall be deemed, nor shall the same constitute a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing waiver. No waiver shall be binding, unless executed, in writing, by the party making the waiver.

Headings. The section headings contained in this Agreement are for convenience only and shall not be considered for any purpose in construing this Agreement. As used in this Agreement, the masculine, feminine and neuter genders, and the singular and plural numbers shall be each deemed to include the other whenever the context so requires.

Counterparts. This Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same document.

Default. Neither Party shall declare the other Party in default of this Agreement unless the non-defaulting Party has given the defaulting Party written notice of the default, and the non-defaulting Party has not cured the default within ten (10) days after receipt of written notice of same.

Conditions Precedent. The obligations of the Parties to close the transaction contemplated herein are subject to the express conditions precedent set forth in this Agreement, each of which is for the sole benefit of the Party so designated and may be waived at any time but only by written notice thereof from the benefitted Party to the other Party.

Amendment. This Agreement may not be amended, waived or modified in any respect unless the same shall be in writing and signed by both Parties. A waiver by any Party of a breach hereunder shall not be deemed a waiver of any other or subsequent breach.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[Signature Page Follows]

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the day and year first written above.

CITY:

City of Oak Forest, Illinois,
an Illinois home rule municipal corporation

By: Henry L. Kuspa
Name: Henry L. Kuspa
Title: Mayor

DEVELOPER:

Deshe at 157th LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The CITY owns the following 4 tax parcels at this street location:

PIN: 28-16-407-025 [vacant property]

PIN: 28-16-407-026 [vacant property]

PIN: 28-16-407-028 [currently developed with multi-story building]

PIN: 28-16-407-022 [vacant property]

(hereinafter the "PROPERTY").

The DEVELOPER owns the following tax parcel at this location:

PIN: 28-16-407-027 [currently developed with multi-story residential apartment building]

The overall land area of the SITE is approximately 1.72 acres.

COMMON BOUNDARY DESCRIPTION:

The area generally bounded by 157th Street on the south, Cicero Avenue on the east, and Lamon Avenue on the north, in Oak Forest, Illinois.

COMMON STREET ADDRESS:

15644 S. Cicero, Oak Forest, 60452



CITY OF OAK FOREST, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

**REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142**

For the Year Ended April 30, 2023



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CITY OF OAK FOREST, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT ACCOUNTANT’S REPORT	1
INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTARY INFORMATION	2
SUPPLEMENTAL DATA	
Combining Balance Sheet	3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	4

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the City Council
City of Oak Forest, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City of Oak Forest, Illinois as of and for the year ended April 30, 2023, which collectively comprise the basic financial statements of the City of Oak Forest, Illinois, and have issued our report thereon dated November 30, 2023, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental data as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
November 30, 2023

SUPPLEMENTAL DATA

CITY OF OAK FOREST, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

COMBINING BALANCE SHEET

April 30, 2023

	1986 TIF	TIF III Capital Projects	TIF IV Capital Projects	TIF V Capital Projects	TIF VI Capital Projects	TIF VII Capital Projects	Total
ASSETS							
Cash and cash equivalents	\$ 161,741	\$ -	\$ 648,719	\$ -	\$ 202,725	\$ 1,240,568	\$ 2,253,753
TOTAL ASSETS	\$ 161,741	\$ -	\$ 648,719	\$ -	\$ 202,725	\$ 1,240,568	\$ 2,253,753
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 381	\$ 14,012	\$ 653,305	\$ 5,457	\$ 68	\$ 66	\$ 673,289
Line of credit	-	-	117,453	-	60,858	-	178,311
Due to other funds	-	65,730	-	317,706	-	-	383,436
Advances from other funds	-	1,500,000	-	-	-	-	1,500,000
Total liabilities	381	1,579,742	770,758	323,163	60,926	66	2,735,036
FUND BALANCE							
Restricted for economic development	161,360	-	-	-	141,799	1,240,502	1,543,661
Unassigned (deficit)	-	(1,579,742)	(122,039)	(323,163)	-	-	(2,024,944)
Total fund balances	161,360	(1,579,742)	(122,039)	(323,163)	141,799	1,240,502	(481,283)
TOTAL LIABILITIES AND FUND BALANCES	\$ 161,741	\$ -	\$ 648,719	\$ -	\$ 202,725	\$ 1,240,568	\$ 2,253,753

(See independent auditor's report.)

CITY OF OAK FOREST, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2023

	1986 TIF	TIF III Capital Projects	TIF IV Capital Projects	TIF V Capital Projects	TIF VI Capital Projects	TIF VII Capital Projects	Total
REVENUES							
Taxes	\$ 408,949	\$ 555,818	\$ -	\$ 1,322	\$ 197,852	\$ 346,180	\$ 1,510,121
Investment income	805	(1,958)	5,512	(8,041)	(21)	8,034	4,331
Miscellaneous	-	-	14,801	-	-	-	14,801
Total revenues	409,754	553,860	20,313	(6,719)	197,831	354,214	1,529,253
EXPENDITURES							
General government							
Administration	123,020	145,068	2,648	199,155	2,151	3,116	475,158
Debt service							
Principal	400,000	275,000	-	-	-	-	675,000
Interest and fiscal charges	21,495	192,075	22,358	-	16,325	-	252,253
Total expenditures	544,515	612,143	25,006	199,155	18,476	3,116	1,402,411
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(134,761)	(58,283)	(4,693)	(205,874)	179,355	351,098	126,842
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	250,000	-	250,000
Transfers (out)	-	(250,000)	-	-	-	-	(250,000)
Proceeds from sale of capital assets	-	249,750	271,814	772,294	-	-	1,293,858
Total other financing sources (uses)	-	(250)	271,814	772,294	250,000	-	1,293,858
NET CHANGE IN FUND BALANCES	(134,761)	(58,533)	267,121	566,420	429,355	351,098	1,420,700
FUND BALANCES (DEFICIT) , MAY 1	296,121	(1,521,209)	(389,160)	(889,583)	(287,556)	889,404	(1,901,983)
FUND BALANCES (DEFICIT), APRIL 30	\$ 161,360	\$ (1,579,742)	\$ (122,039)	\$ (323,163)	\$ 141,799	\$ 1,240,502	\$ (481,283)

(See independent auditor's report.)



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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor
Members of the City Council
City of Oak Forest, Illinois

We have examined management of the City of Oak Forest's (the City) assertion that the City complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2023. The City's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specific requirements.

In our opinion, management's assertion that the City of Oak Forest complied with the aforementioned requirements, included in the Report on Compliance with Public Act 85-1142 for the year ended April 30, 2023, is fairly stated, in all material respects.

This report is intended solely for the information and use of the City Council, management, the Joint Review Board, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
November 30, 2023



227 West Monroe
Suite 4200
Chicago, Illinois 60606
Main 312.980.1122
Fax 312.980.1132

RE: Economic Incentive and Tax Increment Allocation Financing Development Agreement between the City of Oak Forest and Desche at 157th Street LLC, Illinois and, dated May 24, 2022

To Whom It May Concern:

Ryan LLC (“Ryan”) has been engaged by the City of Oak Forest, Illinois (the “Village”) to verify stated rates of return as required by 65 ILCS 5/11-74.4-5(d)(10) (the “TIF Act”). This letter confirms that Ryan has provided the City a verification of the stated rates of return provided by Desche at 157th Street LLC pursuant to the Economic Incentive and Tax Increment Allocation Financing Development Agreement referred to above.

Sincerely,

Ryan LLC

By: 
Name: Zoran Milutinovic
Title: Manager