**FY 2010**
**ANNUAL TAX INCREMENT FINANCE REPORT**

**Name of Municipality**: Dekalb  
**Unit Code**: 019/015/30  
**County**: DEKALB  
**Reporting Fiscal Year**: 2010  
**Fiscal Year End**: 6/30/2010

### TIF Administrator Contact Information

**First Name**: Rudy Espinu, Assistant City Manager  
**Address**: 200 S 4th St  
**City**: Dekalb, Illinois  
**Telephone**: (815) 748-2393  
**E-Mail**:  
**Zip**: 60115

I attest to the best of my knowledge, this report of the redevelopment project areas in:  
**Dekalb City**  
is complete and accurate at the end of this reporting fiscal year under the Tax Increment Allocation  
Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]  
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administrator: 

*Signature*

**Date**: 12/7/10

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### Section 1  
(65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

<table>
<thead>
<tr>
<th>Name of Redevelopment Project Area</th>
<th>Date Designated</th>
<th>Date Terminated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Area</td>
<td>12/22/1986</td>
<td></td>
</tr>
<tr>
<td>TIF 2</td>
<td>3/27/1995</td>
<td>09-79</td>
</tr>
</tbody>
</table>

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"*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq."

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100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601-3252  
Tel: (312) 304-3800  Fax: (312) 814-2986
2010 Central Area TIF
**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]**

<table>
<thead>
<tr>
<th>Name of Redevelopment Project Area: Central Area TIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Use of Redevelopment Project Area*: Combo/mixed</td>
</tr>
<tr>
<td>If &quot;Combination/Mixed&quot; List Component Types: residential/commercial</td>
</tr>
</tbody>
</table>

**Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):**

- Tax Increment Allocation Redevelopment Act ___X___
- Industrial Jobs Recovery Law ___

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<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the amendment labeled Attachment A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Please enclose the CEO Certification labeled Attachment B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Please enclose the Legal Counsel Opinion labeled Attachment C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the Activities Statement labeled Attachment D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the Agreement(s) labeled Attachment E</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the Additional Information labeled Attachment F</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the Joint Review Board Report labeled Attachment H</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the Official Statement labeled Attachment I</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose the Analysis labeled Attachment J</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulatively, have deposits equal or greater than $100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulatively, have deposits of incremental 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)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.
Provide an analysis of the special tax allocation fund.

<table>
<thead>
<tr>
<th>Reporting Year</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance at Beginning of Reporting Period</td>
<td>$ 7,554,750.00</td>
</tr>
</tbody>
</table>

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

<table>
<thead>
<tr>
<th>Description</th>
<th>Reporting Year</th>
<th>Cumulative</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Increment</td>
<td>$ 6,883,479</td>
<td>$ 61,476,557</td>
<td>50%</td>
</tr>
<tr>
<td>State Sales Tax Increment</td>
<td>$ 760,785</td>
<td>$ 12,669,505</td>
<td>10%</td>
</tr>
<tr>
<td>Local Sales Tax Increment</td>
<td>$ 716,802</td>
<td>$ 11,391,777</td>
<td>9%</td>
</tr>
<tr>
<td>State Utility Tax Increment</td>
<td></td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Local Utility Tax Increment</td>
<td></td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$ 61,611</td>
<td>$ 1,673,887</td>
<td>1%</td>
</tr>
<tr>
<td>Land/Building Sale Proceeds</td>
<td></td>
<td>$ 152,138</td>
<td>0%</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$ 15,519,617</td>
<td>$ 34,334,964</td>
<td>28%</td>
</tr>
<tr>
<td>Transfers from Municipal Sources</td>
<td></td>
<td>$ 344,368</td>
<td>0%</td>
</tr>
<tr>
<td>Private Sources</td>
<td>$ 890</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>Other (identify source Refunds/Reimbursements; if multiple other sources, attach schedule)</td>
<td>$ 1,992</td>
<td>$ 891,510</td>
<td>1%</td>
</tr>
</tbody>
</table>

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

| Total Revenues/Cash Receipts        | $ 122,935,596 | 100%       |

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

<table>
<thead>
<tr>
<th>Total Expenditures/Disbursements</th>
<th>$ 19,930,695</th>
</tr>
</thead>
</table>

Distribution of Surplus

| Distribution of Surplus | $ - |

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

| NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS | $ 4,013,591 |

FUND BALANCE, END OF REPORTING PERIOD

| FUND BALANCE, END OF REPORTING PERIOD | $ 11,568,341 |

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3
SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

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

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

<table>
<thead>
<tr>
<th>Reporting Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)</td>
<td>975</td>
</tr>
<tr>
<td>8305 Freight &amp; Postage</td>
<td>975</td>
</tr>
<tr>
<td>8331 Architectural &amp; Engineering Services</td>
<td>19,677</td>
</tr>
<tr>
<td>8332 Land Acquisition Services</td>
<td>1,080</td>
</tr>
<tr>
<td>8342 Financial and Management Services</td>
<td>26,743</td>
</tr>
<tr>
<td>8343 Developmental Services</td>
<td>7,866</td>
</tr>
<tr>
<td>8366 Legal Expenses &amp; Notices</td>
<td>790</td>
</tr>
<tr>
<td>8373 Marketing, Ads, Public Info</td>
<td>572</td>
</tr>
<tr>
<td>8375 Dues &amp; Subscriptions</td>
<td>750</td>
</tr>
<tr>
<td>8376 Training, Educ, &amp; Professional Development</td>
<td>-</td>
</tr>
<tr>
<td>8399 Contractual Services</td>
<td>52,897</td>
</tr>
<tr>
<td>9001 Transfer to the General Fund</td>
<td>852,484</td>
</tr>
<tr>
<td>9225 Transfer to Debt Service Fund</td>
<td>8,172,302</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 9,136,135</strong></td>
</tr>
</tbody>
</table>

2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 3,867</td>
</tr>
</tbody>
</table>

3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 3,867</td>
</tr>
</tbody>
</table>

4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 11,580</td>
</tr>
</tbody>
</table>

5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)

<table>
<thead>
<tr>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>$ 343,613</td>
</tr>
</tbody>
</table>

6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10 TIF Name : Central Area TIF</td>
</tr>
</tbody>
</table>
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

8. Financing costs. Subsection (q)(6) and (o)(8)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

9. Approved capital costs. Subsection (q)(7) and (o)(9)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8624 Private Property Rehab</td>
<td>176,488</td>
</tr>
<tr>
<td>8639 Other Capital Improvements</td>
<td>10,259,013</td>
</tr>
<tr>
<td></td>
<td>$ 10,435,501</td>
</tr>
</tbody>
</table>

10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

11. Relocation costs. Subsection (q)(8) and (o)(10)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>14.</td>
<td>Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)</td>
</tr>
<tr>
<td>15.</td>
<td>Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY</td>
</tr>
<tr>
<td>16.</td>
<td>Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY</td>
</tr>
<tr>
<td><strong>TOTAL ITEMIZED EXPENDITURES</strong></td>
<td></td>
</tr>
</tbody>
</table>
There were no vendors, including other municipal funds, paid in excess of $10,000 during the current reporting period.

<table>
<thead>
<tr>
<th>Name</th>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miller Engineering</td>
<td>Contractor</td>
<td>$16,994.00</td>
</tr>
<tr>
<td>Hitchcock Design</td>
<td>Consultant</td>
<td>$259,755.41</td>
</tr>
<tr>
<td>SUPERIOR ENVIRONMENTAL CORP.</td>
<td>Consultant</td>
<td>$19,340.61</td>
</tr>
<tr>
<td>RENEW DEKALB, INC.</td>
<td>Administrator</td>
<td>$45,365.55</td>
</tr>
<tr>
<td>City of DeKalb</td>
<td>Taxing body</td>
<td>$245,000.00</td>
</tr>
<tr>
<td>Strada Construction Company</td>
<td>Contractor</td>
<td>$37,133.50</td>
</tr>
<tr>
<td>Timber Cree Properties</td>
<td>AIP Recipient</td>
<td>$11,511.00</td>
</tr>
<tr>
<td>First Rockford Group</td>
<td>Economic Development Project</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Alliance Contractors</td>
<td>Contractor</td>
<td>$256,594.90</td>
</tr>
<tr>
<td>Baxter &amp; Woodman, Inc.</td>
<td>Consultant</td>
<td>$13,009.72</td>
</tr>
<tr>
<td>Commonwealth Edison</td>
<td>Utility</td>
<td>$35,000.00</td>
</tr>
<tr>
<td>Curran Contracting Company</td>
<td>Contractor</td>
<td>$280,169.93</td>
</tr>
<tr>
<td>DeKalb County Government</td>
<td>Taxing body - GIS equipment</td>
<td>$32,000.00</td>
</tr>
<tr>
<td>DeKalb County Treasurer</td>
<td>Taxing body</td>
<td>$975.00</td>
</tr>
<tr>
<td>DeKalb Community School District #428</td>
<td>Taxing body</td>
<td>$3,449,017.00</td>
</tr>
<tr>
<td>DeKalb Park District</td>
<td>Taxing body</td>
<td>$265,139.77</td>
</tr>
<tr>
<td>DeKalb Public Library</td>
<td>Taxing body</td>
<td>$48,697.70</td>
</tr>
<tr>
<td>DeKalb Sanitary District</td>
<td>Taxing body</td>
<td>$61,953.65</td>
</tr>
<tr>
<td>Elliott &amp; Wood, Inc.</td>
<td>Taxing body</td>
<td>$1,252,800.52</td>
</tr>
<tr>
<td>Kishwaukee Community College</td>
<td>Taxing body</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>Northern Trust Company</td>
<td>Consultant</td>
<td>$19,987.21</td>
</tr>
<tr>
<td>Theisen Roofing &amp; Siding Company</td>
<td>Contractor</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Visu-Sewer Clean &amp; Seal</td>
<td>Contractor</td>
<td>$15,352.90</td>
</tr>
</tbody>
</table>

$6,680,798.37
### SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

### FUND BALANCE, END OF REPORTING PERIOD

<table>
<thead>
<tr>
<th>Description of Debt Obligations</th>
<th>Amount of Original Issuance</th>
<th>Amount Designated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003A G.O. Bond</td>
<td>$2,665,000</td>
<td>$158,062</td>
</tr>
<tr>
<td>2003 Tax Increment Revenue</td>
<td>$4,350,000</td>
<td>$668,717</td>
</tr>
<tr>
<td>2002A G.O. Bonds</td>
<td>$2,050,000</td>
<td>$450,600</td>
</tr>
<tr>
<td>2010A G.O. Bond</td>
<td>$10,800,000</td>
<td>$11,136,325.50</td>
</tr>
</tbody>
</table>

Total Amount Designated for Obligations

<table>
<thead>
<tr>
<th>Description of Project Costs to be Paid</th>
<th>Amount Designated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual Services</td>
<td>$300,000</td>
</tr>
<tr>
<td>Permanent Improvements</td>
<td>$10,612,519</td>
</tr>
<tr>
<td>Transfers</td>
<td>$2,945,289</td>
</tr>
</tbody>
</table>

Total Amount Designated for Project Costs

<table>
<thead>
<tr>
<th>TOTAL AMOUNT DESIGNATED</th>
<th>SURPLUS*/(DEFICIT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26,271,513</td>
<td>$(14,703,172)</td>
</tr>
</tbody>
</table>

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing
SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

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

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

Property Acquired by the Municipality Within the Redevelopment Project Area

<table>
<thead>
<tr>
<th>Property (1):</th>
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<tbody>
<tr>
<td>Street address:</td>
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<tr>
<td>Approximate size or description of property:</td>
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<tr>
<td>Purchase price:</td>
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<td>Seller of property:</td>
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<th>Property (2):</th>
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<td>Approximate size or description of property:</td>
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<td>Purchase price:</td>
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<td>Seller of property:</td>
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<th>Property (3):</th>
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<td>Street address:</td>
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<td>Approximate size or description of property:</td>
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<td>Purchase price:</td>
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<td>Seller of property:</td>
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<th>Property (4):</th>
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<td>Street address:</td>
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<td>Approximate size or description of property:</td>
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<td>Purchase price:</td>
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<td>Seller of property:</td>
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</table>
Please include a brief description of each project.

___ No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Private Investment Undertaken (See Instructions)</th>
<th>Public Investment Undertaken</th>
<th>Ratio of Private/Public Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1: Lot 4/FVB Plaza Improvements</td>
<td></td>
<td>$1,904,378</td>
<td>$1,904,378</td>
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<tr>
<td>Project 2: 2nd &amp; 3rd Street Reconstruction</td>
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<td>$1,837,986</td>
<td>$1,837,968</td>
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<td>Project 3: Lincoln Hwy./Locust St. Reconstruction</td>
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<td>$5,422,125</td>
<td>$5,422,125</td>
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<td>Project 4:</td>
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<th>Project 16:</th>
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FY10

TIF Name : Central Area TIF
Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6
Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

<table>
<thead>
<tr>
<th>Year redevelopment project area was designated</th>
<th>Base EAV</th>
<th>Reporting Fiscal Year EAV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
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</tbody>
</table>

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

_____ The overlapping taxing districts did not receive a surplus.

SECTION 7
Provide information about job creation and retention

<table>
<thead>
<tr>
<th>Overlapping Taxing District</th>
<th>Surplus Distributed from redevelopment project area to overlapping districts</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

SECTION 8
Provide a general description of the redevelopment project area using only major boundaries:

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

FY10 TIF Name: Central Area TIF
December 10, 2010

Office of the Comptroller
Local Government Division
100 West Randolph
Suite 15-500
Chicago, Illinois 60601

Dear Local Government Division:

The City of DeKalb was in compliance with the Tax Increment Allocation Redevelopment Act for its Central Area Tax Increment Financing District for Fiscal Year 2010.

Sincerely,

Kris Povlsen
Mayor
December 10, 2010

Office of the Comptroller
Local Government Division
100 West Randolph
Suite 15-500
Chicago, Illinois 60601

Dear Local Government Division:

The City of DeKalb was in compliance with the Tax Increment Allocation Redevelopment Act for its Central Area Tax Increment Financing District for Fiscal Year 2010.

Sincerely,

Norma Guess
City Attorney
2010 Central Area TIF Activities Statement

The 2007 approved Hitchcock Design Group redevelopment plan included upgraded streetscape elements on E Lincoln Highway, N. 2nd, N.3rd, and Locust Street as well as an updated pedestrian plaza and parking area of the ongoing construction at municipal Lot 4.

July 1, 2009-Jun 30, 2010

2nd & 3rd Street Improvements:
Improvements include watermain replacement on N. 3rd Street between Palmer Court and Locust Street, new curbs and bump out spaces for planting tree placement, decorative street lights, street surface milling and overlay, and areas of brick paver or concrete sidewalk.

East Lincoln Highway Improvements:
Improvements to Lincoln Highway from 1st to 4th Street were started in May, 2010. Improvements includes sidewalk replacement between curb and storefronts, brick at bump-outs and brick bands along curbs, new street lighting, trees and planters, updated signs and street furniture (waste cans, ash urns, benches) and fiber optic ducts. Traffic signal posts have been painted black. The pedestrian pass-through was completed as a sloped walkway between Lincoln and Palmer Court, adding brick surface, walk railings, lights, and benches at landings.
FY2010
EGYPTIAN THEATRE
TIF AGREEMENT

AGREEMENT made this 13th day of July, 2009, by and between the City of DeKalb, Illinois, an Illinois Municipal Corporation, (hereinafter referred to as "City") and the Preservation of the Egyptian Theatre (hereinafter referred to as "P.E.T.").

RECITALS

WHEREAS, the City is implementing a Tax Increment Redevelopment Plan (hereinafter referred to as the "Plan") pursuant to the Illinois Tax Increment Allocation Redevelopment Act (hereinafter referred to as the "Act"); and,

WHEREAS, the City wishes to assist other agencies with projects that will enhance the overall redevelopment of the project area and the community; and,

WHEREAS, P.E.T. is a local not for profit agency and needs assistance with improvements at its facility located within the Redevelopment Project Area covered by the Plan; and,

WHEREAS, said building improvements are eligible redevelopment project costs under the Act; and,

WHEREAS, to assist P.E.T. with these redevelopment projects thereby promoting the goals and objectives of the tax increment finance program of the City, the City desires to grant to the P.E.T. funding in the amount of One Hundred Eighty Two Thousand Five Hundred and No/100 Dollars ($182,500.00) for Fiscal Year 2010 to pay for projects as they are identified herein.

NOW THEREFORE, the parties agree as follows:

A. Term of Agreement: This agreement shall be in effect for a period of one (1) year from the date herein entered upon.

B. Amount of Funding: The City shall provide P.E.T. funding in the amount of One Hundred Eighty Two Thousand Five Hundred and No/100 Dollars ($182,500.00).

C. Eligible Uses of Funds: All monies allocated by the City to P.E.T. through its Tax Increment Finance program shall be used solely and exclusively for the following described projects:
   1. Replacement of the Auditorium roof and gutters
   2. Replacement of building fire alarm system.

EDSPC059-09
3. Lobby plasterwork and painting repairs.
4. Stage rigging repairs & inspections.
5. Boiler and HVAC system repairs.

D. PAYMENT OF BILLS: All requests for payment of bills associated with the work so noted in Point C. of this Agreement shall first be submitted to the Special Projects Coordinator for the City of DeKalb, who shall be responsible for the timely review and approval of all requests for payment, and shall be charged with the oversight provisions contained within this Agreement.

E. OTHER TERMS AND CONDITIONS:

1. P.E.T. hereby certifies that no portion of the monies to be received from the City through this Agreement shall be used for payment of any debt owed by P.E.T. at the time of execution of this document nor for any other purpose other than the purposes which are specifically provided for payment by the City as described in Point C of this Agreement.

2. P.E.T. hereby certifies it shall comply with all provisions for the public bidding of projects whose cost shall exceed twenty thousand dollars ($20,000) and shall obtain a minimum of two (2) cost quotes for all projects under that amount, unless specifically permitted otherwise by the City of DeKalb.

3. P.E.T. certifies that all contractors employed to complete the improvements described herein shall pay their employees the appropriate prevailing wage rate then in effect.

F. SUBMISSION OF ANNUAL BUDGET, AUDITOR'S REPORT & MEETING MINUTES: P.E.T. shall submit a copy of their most recent annual budget, Auditor's Report, and copies of any board meeting minutes of any meeting where the receipt or use of City funding is discussed or acted upon, within thirty days of the approval of such documents.

P.E.T. hereby certifies it shall comply with the Open Meetings Act when the receipt or use of City funding is discussed or acted upon.

G. FAILURE TO PERFORM: This Agreement may be declared null and void by either P.E.T. or the City should either the City or P.E.T. fail to meet any of the terms and conditions noted herein, within thirty (30) days of written notification of same by one to the other, and during which time the other has not complied with this Agreement's provisions and conditions.

H. EQUAL OPPORTUNITY: P.E.T. shall not discriminate in its employment, operating or business practices on the basis of race, creed, color, sex, military service status, age, national origin, matriculation, or disability.

I. DRUG FREE WORKPLACE: P.E.T. shall operate under the terms and conditions of the City's adopted Drug Free Workplace policy during the term of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date so shown at the beginning.
EXHIBIT "I"

CITY OF DEKALB / RE: NEW DEKALB, INC.
PHASE V ARCHITECTURAL IMPROVEMENT PROGRAM

FY10 ARCHITECTURAL IMPROVEMENT FUNDING AGREEMENT

THIS AGREEMENT entered into this 14th day of June, 2010 between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as "the CITY"), and the following designated owner ("OWNER"), to wit:

Name of Owner: Patrick J. McLean & Barbara L. McLean
Address of Property to be improved: 201/203 Locust Street, DeKalb, IL 60115

WITNESSETH:

WHEREAS, the City has established an Architectural Improvement Program ("Program") for application within a portion of the City of DeKalb Central Business District ("District"); and,

WHEREAS, said Program is administered by ReNew DeKalb, Inc., with funding decisions made by the CITY with the advice of the Architectural Improvement Review Committee; and,

WHEREAS, said Program is funded from TIF funds for the purpose of controlling and preventing blight and deterioration within the District, and to encourage the further redevelopment of properties in the District in accordance with the general guidelines set forth in the Program; and,

WHEREAS, the subject property of the OWNER is located within the defined Program area; and,

WHEREAS, pursuant to the Program the CITY has agreed to financially participate, subject to its sole discretion, the Program Guidelines, and the terms and conditions set forth in this Agreement; and,

WHEREAS, the OWNER desires to participate in the Program, subject to the Program Guidelines and the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreement obtained herein, the CITY and the OWNER do hereby agree as follows:

A. That the CITY shall share in the proposed improvements costs to the subject property of the OWNER, in an amount not to exceed $3,676.30 and the City shall reimburse the OWNER for said amount upon submittal of proof of an equivalent amount paid for work on the subject property; and final waivers of lien, if applicable. The funding paid, provided, waived and/or forgiven by the City to the Owner shall be considered a Forgivable Loan, subject to the following terms:

B. That OWNER agrees to install, or cause to be installed, all improvements set forth within the accompanying application materials, descriptions and drawings, and agrees that all improvements shall be completed within one (1) calendar year from the date of the project's approval by the City Council, and in such a manner as to comply with all conditions of approval of this Agreement, and in accordance with the Program Guidelines and all pertinent regulations, ordinances, or codes of the City of DeKalb or other authority having jurisdiction over subject property;
3. Lobby plasterwork and painting repairs.
4. Stage rigging repairs & inspections.
5. Boiler and HVAC system repairs.

D. **PAYMENT OF BILLS:** All requests for payment of bills associated with the work so noted in Point C. of this Agreement shall first be submitted to the Special Projects Coordinator for the City of DeKalb, who shall be responsible for the timely review and approval of all requests for payment, and shall be charged with the oversight provisions contained within this Agreement.

E. **OTHER TERMS AND CONDITIONS:**

1. P.E.T. hereby certifies that no portion of the monies to be received from the City through this Agreement shall be used for payment of any debt owed by P.E.T. at the time of execution of this document nor for any other purpose other than the purposes which are specifically provided for payment by the City as described in Point C of this Agreement.

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3. P.E.T. certifies that all contractors employed to complete the improvements described herein shall pay their employees the appropriate prevailing wage rate then in effect.

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P.E.T. shall submit a copy of their most recent annual budget, Auditor’s Report, and copies of any board meeting minutes of any meeting where the receipt or use of City funding is discussed or acted upon, within thirty days of the approval of such documents.

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H. **EQUAL OPPORTUNITY:** P.E.T. shall not discriminate in its employment, operating or business practices on the basis of race, creed, color, sex, military service status, age, national origin, matriculation, or disability.

I. **DRUG FREE WORKPLACE:** P.E.T. shall operate under the terms and conditions of the City's adopted Drug Free Workplace policy during the term of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date so shown at the beginning.
City of Dekalb

Kris Povlsen
Mayor

Mary Brown
President, Preservation of the Egyptian Theatre

Steve Kapitan
City Clerk
EXHIBIT "I"

CITY OF DEKALB / RE:NEW DEKALB, INC.
PHASE V ARCHITECTURAL IMPROVEMENT PROGRAM

FY10 ARCHITECTURAL IMPROVEMENT FUNDING AGREEMENT

THIS AGREEMENT entered into this 14th day of June, 2010 between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as "the CITY"), and the following designated owner ("OWNER"), to wit:

Name of Owner: Patrick J. McLean & Barbara L. McLean
Address of Property to be improved: 201/203 Locust Street, DeKalb, IL 60115

WITNESSETH:

WHEREAS, the City has established an Architectural Improvement Program ("Program") for application within a portion of the City of DeKalb Central Business District ("District"); and,

WHEREAS, said Program is administered by ReNew DeKalb, Inc., with funding decisions made by the CITY with the advice of the Architectural Improvement Review Committee; and,

WHEREAS, said Program is funded from TIF funds for the purpose of controlling and preventing blight and deterioration within the District, and to encourage the further redevelopment of properties in the District in accordance with the general guidelines set forth in the Program; and,

WHEREAS, the subject property of the OWNER is located within the defined Program area; and,

WHEREAS, pursuant to the Program the CITY has agreed to financially participate, subject to its sole discretion, the Program Guidelines, and the terms and conditions set forth in this Agreement; and,

WHEREAS, the OWNER desires to participate in the Program, subject to the Program Guidelines and the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreement obtained herein, the CITY and the OWNER do hereby agree as follows:

A. That the CITY shall share in the proposed improvements costs to the subject property of the OWNER, in an amount not to exceed $3,676.30 and the City shall reimburse the OWNER for said amount upon submittal of proof of an equivalent amount paid for work on the subject property; and final waivers of lien, if applicable. The funding paid, provided, waived and/or forgiven by the City to the Owner shall be considered a Forgivable Loan, subject to the following terms:

B. That OWNER agrees to install, or cause to be installed, all improvements set forth within the accompanying application materials, descriptions and drawings, and agrees that all improvements shall be completed within one (1) calendar year from the date of the project's approval by the City Council, and in such a manner as to comply with all conditions of approval of this Agreement, and in accordance with the Program Guidelines and all pertinent regulations, ordinances, or codes of the City of DeKalb or other authority having jurisdiction over subject property;
C. That, upon submittal of appropriate receipts paid, any necessary final lien waivers, certified payroll records of contractors, and verification that the improvements have been completed as proposed, the CITY shall reimburse the actual costs of the improvements, in amounts not exceeding the value stated in Paragraph A, above, and the CITY shall have up to twenty working days to disburse such amounts upon receipt of all necessary documentation, subject to standard CITY policies and procedures;

D. That all payments or disbursements made by the CITY shall be considered reimbursements for work completed and paid for by the property OWNER, subject to the other terms and conditions set forth herein, and within the Program Guidelines and standard CITY policies;

E. That any outstanding code violations of the property to which the improvements were made must be repaired prior to the City releasing funds for reimbursement. Notwithstanding any other provisions of this Agreement, the City shall make no payments to any person, firm, or corporation who is a debtor to the City of DeKalb, as defined in Chapter 54, Section 54.15, Purchasing and Letting of Contracts, Subsection g.

F. OWNER agrees to maintain all improvements for a period of five years from the date of reimbursement by the CITY, except for minor changes such as repainting or other maintenance items, or the changing of sign panels and such due to changes in tenants, or the continuation of further improvements to the building, provided said improvements do not conflict with or interfere with the improvements funded by this Program;

G. OWNER agrees that any minor changes or further improvements, as outlined above, shall only be made after approval by the Director of Community Development, or designee thereof, who may refer the proposed changes to the City Council of the CITY for final approval. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the appearance of the subject property as specified in the plans, design drawings and specifications approved pursuant to this Agreement;

H. That in the case of conflicting codes, ordinances, rules, regulations or guidelines, the City Council of the CITY shall make a ruling, and that ruling shall be final;

I. Nothing herein is intended to limit, restrict or prohibit the OWNER from undertaking any other work in or about the subject property, which is unrelated to the architectural improvements provided for in this Agreement;

J. The Owner agrees that it shall maintain its business operations and/or ownership rights of the property for a period of five (5) years from the date of reimbursement for work completed as provided herein. This Agreement shall be binding upon and inure to the benefit of the CITY and the OWNER, and their heirs, for a period of five (5) years from the date of reimbursement for work completed as provided for herein. Further, a mortgage shall be recorded at the OWNER'S expense with the DeKalb County Recorder of Deeds;

K. If the OWNER fails to complete or cause the completion of the work subject to the terms of this Agreement or fails to comply with any other terms of this Agreement, then upon written notice being given by the City Manager to the OWNER, served in person or by certified mail to the address on this Agreement above, this Agreement shall be terminated and the financial obligation on the part of the CITY shall cease and become null and void;

L. If the OWNER removes or fails to maintain all improvements for which reimbursement by CITY is provided under the terms of this Agreement, then upon written notice being given by the City Manager to the OWNER, served in person or by certified mail to the address on this Agreement above, the OWNER agrees
to reimburse the CITY for the full amount of funding provided by the CITY under the terms of this Agreement within thirty (30) days of receipt of aforementioned written notice, with the amount of reimbursement owed to the City reduced by one-fifth (1/5) of the full amount funded by the CITY under this Agreement for every one calendar year the improvements resulting from this Agreement and the aforementioned Program are maintained in accordance with the terms of this Agreement.

M. Upon default of this Agreement by either party, other than default upon the installation of improvements as described in Paragraphs J and K, above, the OWNER and/or the CITY shall have any and all remedies available at law.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date first appearing above.

CITY OF DEKALB, ILLINOIS
A Municipal Corporation

[Signature]
Kris Povlsen
Mayor

PROPERTY OWNER
201/203 Locust Street, DeKalb, Illinois

[Signature]
Patrick J. McLean
Owner

ATTEST:

[Signature]
Steven Kapitan
City Clerk

[Signature]
Barbara L. McLean
Secretary
FY10 TIF Residential Rehab Projects:

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City of DeKalb
Owner-Occupied Housing Rehabilitation Program
Declaration of Understanding

I/We, the undersigned owner ("Owner"), Ginny Scott, have applied for a grant from the City of DeKalb, Illinois ("City"), for assistance through the Private Property Rehabilitation Program for property commonly known as 311 S. 8th Street. The property is legally described as:

Lot 9 in Block 47 in Jones' Addition to the Original Village (now City) of DeKalb, all situated in the County of DeKalb and State of Illinois.

PIN: 08-2-377-008

I/We understand the guidelines for this program and have been informed of the following conditions, which apply:

The City shall:

1. Inspect the property to determine eligible repairs.
2. Provide a list of repairs needed to meet minimum code standards.
3. Consult with the Owner regarding all bids.
4. Require that all applicable permits be obtained. However, fees for said permits shall be waived.
5. Pay contractor directly for work, after it has been inspected and approved by City staff.

The Owner shall:

1. Abide by all program requirements and policies.
2. Supply all documentation required for verification of income, insurance, property ownership and any other information, which shall be required.
3. Allow inspection of the property by City staff before, during and after any work has begun.
4. Receive verification in writing from City staff prior to causing changes in any eligible work.
5. Receive no grant assistance for work, which was performed prior to signing this or any other agreement with the City.
6. Sign a promissory note and mortgage for the actual amount of all work completed through the program. (Actual amount not to exceed $5,000)
7. Not be eligible for further assistance through the Owner-Occupied Rehabilitation Program for a period of five years after the completion of the current project.

The Owner further acknowledges that City staff has provided written program guidelines, and discussed and explained the following information:

1. Lead-based paint and EPA regulations
2. Recapture Agreement
3. Total grant amount allowed
4. Mortgage and Promissory Note
5. Recording requirements
6. Title/lien search
7. State Historic Preservation requirements
8. Inspection procedures
9. Bidding process
10. Pay-out process
11. Close-out process
12. Time-lines for project

Owner further understands that upon completion of rehab work to their home, failure to sign the Mortgage and Promissory Note will result in the grant being converted to a loan and a lien immediately being placed on their property for all project expenses.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the 11th day of September, 2009.

OWNER(S):

Ginny Scott

STATE OF ILLINOIS )
COUNTY OF DEKALB )

I, Jamie Smirz, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the above named persons, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth.

Given under my hand and notary seal, given this 11th day of September, 2009.

Jamie L. Smirz
Notary Public

"OFFICIAL SEAL"
JAMIE L. SMIRZ
Notary Public, State of Illinois
My Commission Expires 1/26/11
RECAPTURE AGREEMENT
(Exhibit A)

THIS RECAPTURE AGREEMENT (the “Agreement”), dated as of the / / day of September, 2009, is by and between Ginny Scott, whose address is 311 S. 8th Street, DeKalb, Illinois, 60115 (the “Owner”), and the City of DeKalb, a unit of local government, having its principal office at 200 South Fourth Street, DeKalb, Illinois, 60115 (the “City”).

WITNESSETH

WHEREAS, the Owner is the holder of legal title to certain real estate on which a single family residence (the “Residence”) is located, commonly known as 311 S. 8th Street, DeKalb, Illinois (the “Property”). The real estate is legally described in Exhibit B and C attached hereto and by this reference made a part hereof; and

WHEREAS, the Sponsor has agreed to make a forgivable loan to the Owner, as evidenced by that certain note (the “Loan”) to be used with such other monies as the Owner may provide, if any, to rehabilitate the Property; and

WHEREAS, as an inducement to the City to make the Loan, the Owner has agreed to enter into this Agreement in accordance with the terms, conditions and covenants set forth below.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Incorporation. The foregoing recitals are made a part of this Agreement as fully and with the same force and effect as repeated herein at length.

2. Restrictions. As a condition of the provision of the Loan, the Owner agrees to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Property of less than a transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in their sole discretion, occurs within the applicable “Recapture Period” for the Loan. The Recapture Period shall be for five (5) years of the date of completion and the amount of the repayment shall be the amount of the Loan reduced by one-sixtieth (1/60th) for each full month after completion of rehabilitation.

3. Violation of Agreement by Owner. Upon the Owner’s failure to make any payment due under this Agreement, the City shall give a written notice thereof to the Owner by registered or certified mail addressed to the address stated in this Agreement, or such other address as may subsequently, upon appropriate written notice thereof to the City, be designated by the Owner. If payment is not made within such further time as the City in its sole discretion permits, but not less than thirty (30) days, the City may declare a default under this Agreement effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:
a. Declare the unforgiven portion of the Loan immediately due and payable; and/or
b. Exercise such other rights or remedies as may be available to the City hereunder, at law or in equity.

The City's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of the City's other remedies.

4. Amendment. This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

5. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

6. Gender. The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

7. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of the Agreement.

8. WAIVER OF JURY TRIAL. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CONTROVERSY BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE LOAN OR THIS AGREEMENT.

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

OWNER(s):

[Signature]

Ginny Scott

State of Illinois   )
    SS
County of DeKalb   )

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of Illinois, do hereby certify that the person(s) listed above, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, acknowledge that he/she/their signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this ___ day of ______, 2009.

[Signature]

Notary Public

Planning/2009/CDBG09/Jamie/Recapture Agreement
REHABILITATION PROGRAM AGREEMENT

THIS PRIVATE PROPERTY REHABILITATION AGREEMENT (the "Agreement"), made this 11th day of September, 2009 by and between Ginny Scott, (the "Owner"), who reside(s) at 311 S. 8th Street (the "Property"), and City of DeKalb, a unit of local government (the "City"), having its principal offices at 200 South Fourth Street, DeKalb, Illinois.

WITNESSETH

WHEREAS, the City has applied for and received funds from the United States Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the City wishes to provide forgivable loans (individually, a "Loan") to eligible property owners for the rehabilitation of eligible single-family residences (individually, a "Residence") under the City’s Private Property Rehabilitation Program (the "Rehabilitation Program"). Such program shall include activities eligible under the Community Development Block Grant (CDBG) Program; and

WHEREAS, the Owner is the owner of record of the Residence and has applied to the City for a Loan for the rehabilitation of the Residence (the "Project"); and

WHEREAS, it is a condition of the making of the Loan that the Owner enter into and be bound by this Agreement.

In consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are made part of this Agreement.

2. **GENERAL CONDITIONS.** This Agreement and the Loan shall be subject to the terms and conditions as set forth in the CDBG regulations and the local program guidelines.

3. **OWNER REPRESENTATIONS AND WARRANTIES.** The Owner represents and warrants to the City as follows:

   a. The Owner’s Household has a gross annual income, as adjusted for family size, that is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the Residence is located, as determined by the United States Department of Housing and Urban Development.

   b. The Owner holds fee simple title to, or has a 99-year leasehold interest in, or has ownership or membership in a cooperative corporation owning, or has entered a contract for deed covering, the Residence.

   c. The Residence is the principal residence of the Owner.
d. Loan proceeds shall be used to pay only Eligible Costs (as that term is defined in the program guidelines) of the Project.

4. TERMS AND CONDITIONS OF THE LOAN. The Loan shall be subject to the following terms and conditions:

a. Amount, Interest, Term and Security. The Loan shall be in an amount not to exceed Five Thousand Dollars ($5,000.00), shall bear no interest, shall be for a term of five (5) years and shall be governed by the Recapture Agreement, as provided hereof.

b. Use. The proceeds of the Loan shall be used to rehabilitate the Residence, as more fully described herein.

c. Recapture Agreement. The owner shall enter into a recapture agreement with the City in the form attached hereto as Exhibit A, pursuant to which the Owner agrees, among other things, to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Residence, other than a transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in their sole discretion, occurs within the applicable Recapture Period for the Loan. The Recapture Period shall be for five (5) years from the date of the completion of the project, and the amount of the repayment shall be in the amount of the loan reduced by one-sixtieth (1/60th) for each full month of occupancy of the Residence by the Owner from the date of the Recapture Agreement.

d. Loan Documents. Upon City approval of the Project, the Owner shall deliver to the City the following documents and such other documents as the City may require, in its sole discretion, all executed in the manner indicated therein, and in form and substance acceptable to the City (collectively, including this Agreement and Loan Documents):

   i. The Declaration of Understanding between the Owner and City attached hereto as Exhibit B;
   ii. The Mortgage and Promissory Note in the amount of the Loan in favor of the City in the form attached hereto as Exhibit C, (the “Note”);
   iii. The Recapture Agreement between the Owner and City be recorded in the county in which the Residence is located, attached hereto as Exhibit A;
   iv. Any and all other documents and showings requested by the City.

e. Payment. Upon completion of the rehabilitation of the Residence and funds are needed for payment of Eligible Costs, the contractor shall submit to the City a request for payment. No more than ten (10) business days after the City receives the request for payment, the City shall inspect the Residence and approve or reject the contractor’s request for payment. If the City approves the request, the disbursement shall be made directly to the contractor and any subcontractor who worked on the Project. The City shall not make a disbursement until the work is satisfactorily completed, inspection has been completed and it has received lien waivers for all work from all such contractors and subcontractors. If the work does not pass inspection and the City rejects the contractor’s request for payment, it shall give its reasons for such rejection in writing to the Owner and contractor.

5. REHABILITATION PROGRAM REQUIREMENTS.

a. Government Approvals. The Owner shall obtain all Federal, State and local government approvals required by law for the Project.

b. Project Standards. The Owner shall cause the Project to comply with all local codes, ordinances, zoning ordinances, rehabilitation standards and the housing quality standards set forth in the Rules.
c. **Scope of Work.** The City and Owner agree that the only rehabilitation to be done in connection with the Project, subject to written change orders ("Change Orders"), listed in the "Scope of Work".

The Scope of Work shall be done by the Owner and City prior to work being done. All Change Orders must be in writing and approved by the City and the Owner before deletions, modifications or additions can be made to the Scope of Work. The City shall authorize only those Change Orders necessary for the correction of building code violations identified during the course of the Project or for changes necessary to complete the Project in a workmanlike manner. **THE OWNER UNDERSTANDS AND AGREES THAT IF IT REQUESTS A CONTRACTOR TO PERFORM WORK NOT LISTED IN THE SCOPE OF WORK OR ON ANY APPROVED CHANGE ORDERS, THE OWNER IS SOLELY RESPONSIBLE FOR THE PAYMENT FOR SUCH ADDITIONAL WORK.**

d. **Inspection.** The City shall have the right to inspect the Residence during the course of the Project.

e. **Construction Contracts.** The City shall not be responsible for (i) construction means, methods, techniques, or sequences of construction, (ii) procedures for safety precautions in connection with the Project, (iii) the contractor’s work, or (iv) the contractor’s failure to carry out the Project in accordance with their Construction Contract. The City shall be the interpreter of the requirements of the Construction Contract and shall make decisions on all claims and disputes in connection with the Project between the Owner and the contractor, which shall be final and binding on all parties thereto. The Owner shall not terminate a Construction Contract without prior written approval of the City.

f. **Insurance.** If the Owner receives insurance proceeds for any damage or destruction to the Residence occurring during the course of the Project, the Owner shall apply such proceeds to the repair of such damage or destruction, if practicable.

g. **Cooperation.** The Owner understands and agrees that the Owner shall cooperate at all times with the City and the Owner’s contractor(s) and will do all acts necessary to facilitate the Project.

6. **CONFLICTS.** The Owner shall incorporate into all Construction Contracts Language prohibiting any member, officer, employee, representative or agent of the City, or member of the immediate family of such individuals, from having an interest in this Agreement, any Construction Contract or any other contract or subcontract, or the proceeds of any such Construction Contract or other contract or subcontract, entered into in connection with this Agreement.

7. **RECORDS.** At the request of the City, the Owner shall furnish such reports, records and information in connection with the Project required by the City, and shall give specific answers to questions from the City from time to time relative to the Owner’s income, assets, liabilities, or contracts, all relating to the Project, and the maintenance, occupancy, and physical condition of the Residence.

8. **INDEMNIFICATION.**

   a. The Owner shall indemnify the City and the City’s officers, agents, employees or servants against, and hold them harmless from, liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, attorneys’ fees, settlement or judgments, whether by direct suit or from third parties, arising out of the Owner’s performance under this Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the Sponsor, the Authority of the Sponsor’s, or the Authority’s respective officers, agents, employees or servants.
b. If a claim or suit is brought against the City or the City’s officers, agents, employees or servants, for which the Owner is responsible pursuant to subparagraph (a) of this Paragraph 8, the Owner shall defend, at the Owner’s cost and expense, any suit or claim, and shall pay any resulting claims, judgments, damages, losses, costs, expenses or settlements against the City or the City’s officers, agents, employees or servants.

9. **VIOLATION OF AGREEMENT.** Upon violation of any of the provisions of this Agreement by the Owner, the City shall give written notice thereof to the Owner, as provided in Paragraph 11 hereof. If such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is given, or within such further time as the City in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice; it shall not be considered a violation), the City may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:

a. Terminate this Agreement;
b. Exercise any rights it may have under the Loan Documents; and
c. Exercise such other rights or remedies as may be available to the City, at law or in equity.

The City’s remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver or any breach of this Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

10. **AMENDMENT.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

11. **NOTICES.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing, at the addresses set forth above, by any of the following means: (a) personal service; (b) electronic communication, with confirmation of receipt; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection (a) or (b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective upon deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (d) shall be served and effective by three (3) business days after proper deposit with the United States Postal Service.

12. **SUCCESSORS.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Owner may not assign this Agreement, its rights to the Loan proceeds or any of its obligations hereunder without the prior written approval of the City.

13. **SURVIVAL OF OBLIGATION.** The Owner’s obligations, as set forth in this Agreement, shall survive the disbursement of the Loan, and the Owner shall continue to cooperate with the Sponsor and furnish any documents, exhibits or showings required.
Attachments:

EXHIBIT A - Recapture Agreement

EXHIBIT B - Declaration of Understanding

EXHIBIT C - Mortgage and Promissory Note
City of DeKalb
Owner-Occupied Housing Rehabilitation Program
Declaration of Understanding

I/We, the undersigned owner ("Owner"), _Debora Green_, have applied for a grant from the City of DeKalb, Illinois ("City"), for assistance through the Private Property Rehabilitation Program for property commonly known as _509 Haish_. The property is legally described as:

Lot 2 and the North 12 feet of Lot 3 in Block 2 of Taylor's Addition to the City of DeKalb, as per the plat thereof recorded in the Recorder's Office of DeKalb County, Illinois, is Book "B" of Plats, page 104, situated in DeKalb County, Illinois

PIN: 08-22-435-009

I/We understand the guidelines for this program and have been informed of the following conditions, which apply:

The City shall:

1. Inspect the property to determine eligible repairs.
2. Provide a list of repairs needed to meet minimum code standards.
3. Consult with the Owner regarding all bids.
4. Require that all applicable permits be obtained. However, fees for said permits shall be waived.
5. Pay contractor directly for work, after it has been inspected and approved by City staff.

The Owner shall:

1. Abide by all program requirements and policies.
2. Supply all documentation required for verification of income, insurance, property ownership and any other information, which shall be required.
3. Allow inspection of the property by City staff before, during and after any work has begun.
4. Receive verification in writing from City staff prior to causing changes in any eligible work.
5. Receive no grant assistance for work, which was performed prior to signing this or any other agreement with the City.
6. Sign a promissory note and mortgage for the actual amount of all work completed through the program. (Actual amount not to exceed $5,000)
7. Not be eligible for further assistance through the Owner-Occupied Rehabilitation Program for a period of five years after the completion of the current project.

The Owner further acknowledges that City staff has provided written program guidelines, and discussed and explained the following information:

1. Lead-based paint and EPA regulations
2. Recapture Agreement
3. Total grant amount allowed
4. Mortgage and Promissory Note
5. Recording requirements
6. Title/lien search
7. State Historic Preservation requirements
8. Inspection procedures
9. Bidding process
10. Pay-out process
11. Close-out process
12. Time-lines for project

Owner further understands that upon completion of rehab work to their home, failure to sign the Mortgage and Promissory Note will result in the grant being converted to a loan and a lien immediately being placed on their property for all project expenses.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the ___ day of ___ , 2007.

OWNER(S):

[Signature]
Debra Green

STATE OF ILLINOIS )
 ) SS
COUNTY OF DEKALB )

I, Jamie Smirz, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the above named persons, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth.

Given under my hand and notary seal, given this ___ day of ___ , 2007.

[Signature]
Notary Public

"OFFICIAL SEAL"
JAMIE L. SMIRZ
Notary Public, State of Illinois
My Commission Expires 1/26/11
RECAPTURE AGREEMENT
(EXHIBIT A)

THIS RECAPTURE AGREEMENT (the "Agreement"), dated as of the _1__ day of _August___, 2007, is by and between _Debora Green_, whose address is _509 Haish Blvd_, DeKalb, Illinois, 60115 (the "Owner"), and the City of DeKalb, a unit of local government, having its principal office at 200 South Fourth Street, DeKalb, Illinois, 60115 (the "City").

WITNESSETH

WHEREAS, the Owner is the holder of legal title to certain real estate on which a single family residence (the "Residence") is located, commonly known as _509 Haish Blvd_, DeKalb, Illinois (the "Property"). The real estate is legally described in Exhibit B and C attached hereto and by this reference made a part hereof; and

WHEREAS, the Sponsor has agreed to make a forgivable loan to the Owner, as evidenced by that certain note (the "Loan") to be used with such other monies as the Owner may provide, if any, to rehabilitate the Property; and

WHEREAS, as an inducement to the City to make the Loan, the Owner has agreed to enter into this Agreement in accordance with the terms, conditions and covenants set forth below.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. **Incorporation.** The foregoing recitals are made a part of this Agreement as fully and with the same force and effect as repeated herein at length.

2. **Restrictions.** As a condition of the provision of the Loan, the Owner agrees to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Property other than a transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in its sole discretion, occurs within the applicable "Recapture Period" for the Loan. The Recapture Period shall be for five (5) years of the date of completion and the amount of the repayment shall be the amount of the Loan reduced by one-sixtieth (1/60th) for each full month after completion of rehabilitation.

3. **Violation of Agreement by Owner.** Upon the Owner’s failure to make any payment due under this Agreement, the City shall give a written notice thereof to the Owner by registered or certified mail addressed to the address stated in this Agreement, or such other address as may subsequently, upon appropriate written notice thereof to the City, be designated by the Owner. If payment is not made within such further time as the City in its sole discretion permits, but not less than thirty (30) days, the City may declare a default under this Agreement effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:
a. Declare the unforgiven portion of the Loan immediately due and payable: and/or
b. Exercise such other rights or remedies as may be available to the City hereunder, at law
or in equity.

The City’s remedies are cumulative and the exercise of one shall not be deemed an
election of remedies, nor foreclose the exercise of the City’s other remedies.

4. Amendment. This Agreement shall not be altered or amended except in a writing signed by
the parties hereto.

5. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not
affect the validity of the remaining portions thereof.

6. Gender. The use of the plural in this Agreement shall include the singular; the
singular shall include the plural; and the use of any gender shall be deemed to
include all genders.

7. Captions. The captions used in this Agreement are inserted only as a matter of
convenience and for reference and in no way define, limit or describe the scope of
the intent of the Agreement.

8. WAIVER OF JURY TRIAL. THE PARTIES WAIVE TRIAL BY JURY IN ANY
ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE
PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER
 ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE LOAN OR THIS
AGREEMENT.

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

OWNER(s);

Debora Green

State of Illinois       )
  SS
County of DeKalb       )

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of
Illinois, do hereby certify that the person(s) listed above, personally known to me to be the
same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared
before me this day in person, acknowledge that he/she/their signed, sealed and delivered the
said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-
forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this 1 day of August, 2007.

Jamie Smirz
Notary Public

Planning/2007/CDBG07/Jamie/Recapture Agreement
REHABILITATION PROGRAM AGREEMENT

THIS PRIVATE PROPERTY REHABILITATION AGREEMENT (the "Agreement"), made this __ day of __________, 2007 by and between __________ (the "Owner"), who reside(s) at __________ (the "Property"), and City of DeKalb, a unit of local government (the "City"), having its principal offices at 200 South Fourth Street, DeKalb, Illinois.

W I T N E S S E T H

WHEREAS, the City has applied for and received funds from the United States Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the City wishes to provide forgivable loans (individually, a "Loan") to eligible property owners for the rehabilitation of eligible single-family residences (individually, a "Residence") under the City’s Private Property Rehabilitation Program (the "Rehabilitation Program"). Such program shall include activities eligible under the Community Development Block Grant (CDBG) Program; and

WHEREAS, the Owner is the owner of record of the Residence and has applied to the City for a Loan for the rehabilitation of the Residence (the "Project"); and

WHEREAS, it is a condition of the making of the Loan that the Owner enter into and be bound by this Agreement.

In consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are made part of this Agreement.

2. **GENERAL CONDITIONS.** This Agreement and the Loan shall be subject to the terms and conditions as set forth in the CDBG regulations and the local program guidelines.

3. **OWNER REPRESENTATIONS AND WARRANTIES.** The Owner represents and warrants to the City as follows:

   a. The Owner’s Household has a gross annual income, as adjusted for family size, that is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the Residence is located, as determined by the United States Department of Housing and Urban Development.

   b. The Owner holds fee simple title to, or has a 99-year leasehold interest in, or has ownership or membership in a cooperative corporation owning, or has entered a contract for deed covering, the Residence.

   c. The Residence is the principal residence of the Owner.
d. Loan proceeds shall be used to pay only Eligible Costs (as that term is defined in the program guidelines) of the Project.

4. TERMS AND CONDITIONS OF THE LOAN. The Loan shall be subject to the following terms and conditions:

a. Amount, Interest, Term and Security. The Loan shall be in an amount not to exceed Five Thousand Dollars ($5,000.00), shall bear no interest, shall be for a term of five (5) years and shall be governed by the Recapture Agreement, as provided hereof.

b. Use. The proceeds of the Loan shall be used to rehabilitate the Residence, as more fully described herein.

c. Recapture Agreement. The owner shall enter into a recapture agreement with the City in the form attached hereto as Exhibit A, pursuant to which the Owner agrees, among other things, to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Residence, other than a transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in their sole discretion, occurs within the applicable Recapture Period for the Loan. The Recapture Period shall be for five (5) years from the date of the completion of the project, and the amount of the repayment shall be in the amount of the loan reduced by one-sixtieth (1/60th) for each full month of occupancy of the Residence by the Owner from the date of the Recapture Agreement.

d. Loan Documents. Upon City approval of the Project, the Owner shall deliver to the City the following documents and such other documents as the City may require, in its sole discretion, all executed in the manner indicated therein, and in form and substance acceptable to the City (collectively, including this Agreement and Loan Documents):

i. The Declaration of Understanding between the Owner and City attached hereto as Exhibit B;

ii. The Mortgage and Promissory Note in the amount of the Loan in favor of the City in the form attached hereto as Exhibit C, (the "Note");

iii. The Recapture Agreement between the Owner and City be recorded in the county in which the Residence is located, attached hereto as Exhibit A;

iv. Any and all other documents and showings requested by the City.

e. Payment. Upon completion of the rehabilitation of the Residence and funds are needed for payment of Eligible Costs, the contractor shall submit to the City a request for payment. No more than ten (10) business days after the City receives the request for payment, the City shall inspect the Residence and approve or reject the contractor's request for payment. If the City approves the request, the disbursement shall be made directly to the contractor and any subcontractor who worked on the Project. The City shall not make a disbursement until the work is satisfactorily completed, inspection has been completed and it has received lien waivers for all work from all such contractors and subcontractors. If the work does not pass inspection and the City rejects the contractor's request for payment; it shall give its reasons for such rejection in writing to the Owner and contractor.

5. REHABILITATION PROGRAM REQUIREMENTS.

a. Government Approvals. The Owner shall obtain all Federal, State and local government approvals required by law for the Project.

b. Project Standards. The Owner shall cause the Project to comply with all local codes, ordinances, zoning ordinances, rehabilitation standards and the housing quality standards set forth in the Rules.
c. **Scope of Work.** The City and Owner agree that the only rehabilitation to be done in connection with the Project, subject to written change orders ("Change Orders"), listed in the "Scope of Work".

The Scope of Work shall be done by the Owner and City prior to work being done. All Change Orders must be in writing and approved by the City and the Owner before deletions, modifications or additions can be made to the Scope of Work. The City shall authorize only those Change Orders necessary for the correction of building code violations identified during the course of the Project or for changes necessary to complete the Project in a workmanlike manner. **THE OWNER UNDERSTANDS AND AGREES THAT IF IT REQUESTS A CONTRACTOR TO PERFORM WORK NOT LISTED IN THE SCOPE OF WORK OR ON ANY APPROVED CHANGE ORDERS, THE OWNER IS SOLELY RESPONSIBLE FOR THE PAYMENT FOR SUCH ADDITIONAL WORK.**

d. **Inspection.** The City shall have the right to inspect the Residence during the course of the Project.

e. **Construction Contracts.** The City shall not be responsible for (i) construction means, methods, techniques, or sequences of construction, (ii) procedures for safety precautions in connection with the Project, (iii) the contractor’s work, or (iv) the contractor’s failure to carry out the Project in accordance with their Construction Contract. The City shall be the interpreter of the requirements of the Construction Contract and shall make decisions on all claims and disputes in connection with the Project between the Owner and the contractor, which shall be final and binding on all parties thereto. The Owner shall not terminate a Construction Contract without prior written approval of the City.

f. **Insurance.** If the Owner receives insurance proceeds for any damage or destruction to the Residence occurring during the course of the Project, the Owner shall apply such proceeds to the repair of such damage or destruction, if practicable.

g. **Cooperation.** The Owner understands and agrees that the Owner shall cooperate at all times with the City and the Owner’s contractor(s) and will do all acts necessary to facilitate the Project.

6. **CONFLICTS.** The Owner shall incorporate into all Construction Contracts Language prohibiting any member, officer, employee, representative or agent of the City, or member of the immediate family of such individuals, from having an interest in this Agreement, any Construction Contract or any other contract or subcontract, or the proceeds of any such Construction Contract or other contract or subcontract, entered into in connection with this Agreement.

7. **RECORDS.** At the request of the City, the Owner shall furnish such reports, records and information in connection with the Project required by the City, and shall give specific answers to questions from the City from time to time relative to the Owner’s income, assets, liabilities, or contracts, all relating to the Project, and the maintenance, occupancy, and physical condition of the Residence.

8. **INDEMNIFICATION.**

   a. The Owner shall indemnify the City and the City’s officers, agents, employees or servants against, and hold them harmless from, liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, attorneys’ fees, settlement or judgments, whether by direct suit or from third parties, arising out of the Owner’s performance under this Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the Sponsor, the Authority of the Sponsor’s, or the Authority’s respective officers, agents, employees or servants.
b. If a claim or suit is brought against the City or the City’s officers, agents, employees or servants, for which the Owner is responsible pursuant to subparagraph (a) of this Paragraph 8, the Owner shall defend, at the Owner’s cost and expense, any suit or claim, and shall pay any resulting claims, judgments, damages, losses, costs, expenses or settlements against the City or the City’s officers, agents, employees or servants.

9. **VIOLATION OF AGREEMENT.** Upon violation of any of the provisions of this Agreement by the Owner, the City shall give written notice thereof to the Owner, as provided in Paragraph 11 hereof. If such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is given, or within such further time as the City in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, it shall not be considered a violation), the City may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:

a. Terminate this Agreement;
b. Exercise any rights it may have under the Loan Documents; and
c. Exercise such other rights or remedies as may be available to the City, at law or in equity.

The City’s remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver or any breach of this Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

10. **AMENDMENT.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

11. **NOTICES.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing, at the addresses set forth above, by any of the following means: (a) personal service; (b) electronic communication, with confirmation of receipt; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection (a) or (b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective upon deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (d) shall be served and effective by three (3) business days after proper deposit with the United States Postal Service.

12. **SUCCESSORS.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Owner may not assign this Agreement, its rights to the Loan proceeds or any of its obligations hereunder without the prior written approval of the City.

13. **SURVIVAL OF OBLIGATION.** The Owner’s obligations, as set forth in this Agreement, shall survive the disbursement of the Loan, and the Owner shall continue to cooperate with the Sponsor and furnish any documents, exhibits or showings required.
14. **CONSTRUCTION AGREEMENT:**

a. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement, or the application thereof to circumstances other than those as to which it is held invalid unenforceable, shall not be affected thereby and each term, covenant, condition, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

b. **Gender.** The use of the plural in this Agreement shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

c. **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of any provision of the Agreement.

d. **Construction.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.

15. **COUNTERPARTS.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.

16. **WAIVER OF JURY TRIAL.** THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE REHABILITATION PROGRAM OR THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

**OWNER(s):**

[Signature]

Debora Green

STATE OF ILLINOIS )

) SS

COUNTY OF DEKALB )

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of Illinois, do hereby certify that the person(s) listed above, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/their signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal this 1 day of August, 2007.

[Signature]

Notary Public.
City of DeKalb
Owner-Occupied Housing Rehabilitation Program
Declaration of Understanding

1/We, the undersigned owner ("Owner"). Mark Giudice, have applied for a grant from the City of DeKalb, Illinois ("City"), for assistance through the Private Property Rehabilitation Program for property commonly known as 914 Prospect Street. The property is legally described as:

The West 40 feet of Lot 2 in Block 53 of Plank's Resubdivision of Russell Huntley's Addition to the Original Village (now City) of DeKalb, according to the plat thereof recorded in Book "C" of Plats, page 12, recorded May 26, 1898, in DeKalb County, Illinois.

PIN: 08-2-382-003

1/We understand the guidelines for this program and have been informed of the following conditions, which apply:

The City shall:

1. Inspect the property to determine eligible repairs.
2. Provide a list of repairs needed to meet minimum code standards.
3. Consult with the Owner regarding all bids.
4. Require that all applicable permits be obtained. However, fees for said permits shall be waived.
5. Pay contractor directly for work, after it has been inspected and approved by City staff.

The Owner shall:

1. Abide by all program requirements and policies.
2. Supply all documentation required for verification of income, insurance, property ownership and any other information, which shall be required.
3. Allow inspection of the property by City staff before, during and after any work has begun.
4. Receive verification in writing from City staff prior to causing changes in any eligible work.
5. Receive no grant assistance for work, which was performed prior to signing this or any other agreement with the City.
6. Sign a promissory note and mortgage for the actual amount of all work completed through the program. (Actual amount not to exceed $5,000)
7. Not be eligible for further assistance through the Owner-Occupied Rehabilitation Program for a period of five years after the completion of the current project.

The Owner further acknowledges that City staff has provided written program guidelines, and discussed and explained the following information:

1. Lead-based paint and EPA regulations
2. Recapture Agreement
3. Total grant amount allowed
4. Mortgage and Promissory Note
5. Recording requirements
6. Title/lien search
7. State Historic Preservation requirements
8. Inspection procedures
9. Bidding process
10. Pay-out process
11. Close-out process
12. Time-lines for project

Owner further understands that upon completion of rehab work to their home, failure to sign the Mortgage and Promissory Note will result in the grant being converted to a loan and a lien immediately being placed on their property for all project expenses.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the 17th day of August, 2009.

OWNER(S):

Mark Giudice

STATE OF ILLINOIS  )
 ) SS
COUNTY OF DEKALB  )

I, Jamie Smirz, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the above named persons, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth.

Given under my hand and notary seal, given this 17th day of August, 2009.

Jamie Smirz
Notary Public

"OFFICIAL SEAL"
JAMIE L. SMIRZ
Notary Public, State of Illinois
My Commission Expires 1/26/11
RECAPTURE AGREEMENT
(EXHIBIT A)

THIS RECAPTURE AGREEMENT (the “Agreement”), dated as of the 17th day of
March, 2009, is by and between Mark Guidice, whose address is 914 Prospect Street,
DeKalb, Illinois, 60115 (the “Owner”), and the City of DeKalb, a unit of local government, having its
principal office at 200 South Fourth Street, DeKalb, Illinois, 60115 (the “City”).

WITNESSETH

WHEREAS, the Owner is the holder of legal title to certain real estate on which a single family
residence (the “Residence”) is located, commonly known as 914 Prospect Street, DeKalb, Illinois (the
“Property”). The real estate is legally described in Exhibit B and C attached hereto and by this reference
made a part hereof; and

WHEREAS, the Sponsor has agreed to make a forgivable loan to the Owner, as evidenced by that
certain note (the “Loan”) to be used with such other monies as the Owner may provide, if any, to rehabilitate
the Property; and

WHEREAS, as an inducement to the City to make the Loan, the Owner has agreed to enter into this
Agreement in accordance with the terms, conditions and covenants set forth below.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. **Incorporation.** The foregoing recitals are made a part of this Agreement as fully and with the
same force and effect as repeated herein at length.

2. **Restrictions.** As a condition of the provision of the Loan, the Owner agrees to repay
to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the
Property of than a transfer by will or by operation of law upon the death of a joint
tenant Owner or such other transfer as may be approved by the City, in their sole
discretion, occurs within the applicable “Recapture Period” for the Loan. The
Recapture Period shall be for five (5) years of the date of completion and the amount
of the repayment shall be the amount of the Loan reduced by one-sixtieth (1/60th) for
each full month after completion of rehabilitation.

3. **Violation of Agreement by Owner.** Upon the Owner’s failure to make any payment due
under this Agreement, the City shall give a written notice thereof to the Owner by
registered or certified mail addressed to the address stated in this Agreement, or such
other address as may subsequently, upon appropriate written notice thereof to the
City, be designated by the Owner. If payment is not made within such further time
as the City in its sole discretion permits, but not less than thirty (30) days, the City
may declare a default under this Agreement effective on the date of such declaration
of default and notice thereof to the Owner, and upon such default the City may:
a. Declare the unforgiven portion of the Loan immediately due and payable; and/or
b. Exercise such other rights or remedies as may be available to the City hereunder, at law
   or in equity.

The City’s remedies are cumulative and the exercise of one shall not be deemed an
election of remedies, nor foreclose the exercise of the City’s other remedies.

4. Amendment. This Agreement shall not be altered or amended except in a writing signed by
   the parties hereto.
5. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not
   affect the validity of the remaining portions thereof.
6. Gender. The use of the plural in this Agreement shall include the singular; the
   singular shall include the plural; and the use of any gender shall be deemed to
   include all genders.
7. Captions. The captions used in this Agreement are inserted only as a matter of
   convenience and for reference and in no way define, limit or describe the scope of
   the intent of the Agreement.
8. WAIVER OF JURY TRIAL. THE PARTIES WAIVE TRIAL BY JURY IN ANY
   ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE
   PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER
   ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE LOAN OR THIS
   AGREEMENT.

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

OWNER(s):

Mark Giudice

State of Illinois )
   ) SS
County of DeKalb )

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of
Illinois, do hereby certify that the person(s) listed above, personally known to me to be the
same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared
before me this day in person, acknowledge that he/she/their signed, sealed and delivered the
said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-
forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this 17 day of August, 2009.

Notary Public

"OFFICIAL SEAL"
JAMIE L. SMIRZ
Notary Public, State of Illinois
My Commission Expires 1/26/11
REHABILITATION PROGRAM AGREEMENT

THIS PRIVATE PROPERTY REHABILITATION AGREEMENT (the “Agreement”), made this \[\text{November 01, 2009}\] by and between Mark Giudice (the “Owner”), who reside(s) at 914 Prospect Street (the “Property”), and City of DeKalb, a unit of local government (the “City”), having its principal offices at 200 South Fourth Street, DeKalb, Illinois.

WITNESSETH

WHEREAS, the City has applied for and received funds from the United States Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the City wishes to provide forgivable loans (individually, a “Loan”) to eligible property owners for the rehabilitation of eligible single-family residences (individually, a “Residence”) under the City’s Private Property Rehabilitation Program (the “Rehabilitation Program”). Such program shall include activities eligible under the Community Development Block Grant (CDBG) Program; and

WHEREAS, the Owner is the owner of record of the Residence and has applied to the City for a Loan for the rehabilitation of the Residence (the “Project”); and

WHEREAS, it is a condition of the making of the Loan that the Owner enter into and be bound by this Agreement.

In consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are made part of this Agreement.

2. **GENERAL CONDITIONS.** This Agreement and the Loan shall be subject to the terms and conditions as set forth in the CDBG regulations and the local program guidelines.

3. **OWNER REPRESENTATIONS AND WARRANTIES.** The Owner represents and warrants to the City as follows:
   
a. The Owner’s Household has a gross annual income, as adjusted for family size, that is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the Residence is located, as determined by the United States Department of Housing and Urban Development.

b. The Owner holds fee simple title to, or has a 99-year leasehold interest in, or has ownership or membership in a cooperative corporation owning, or has entered a contract for deed covering, the Residence.

c. The Residence is the principal residence of the Owner.
d. Loan proceeds shall be used to pay only Eligible Costs (as that term is defined in the program guidelines) of the Project.

4. TERMS AND CONDITIONS OF THE LOAN. The Loan shall be subject to the following terms and conditions:

a. Amount, Interest, Term and Security. The Loan shall be in an amount not to exceed Five Thousand Dollars ($5,000.00), shall bear no interest, shall be for a term of five (5) years and shall be governed by the Recapture Agreement, as provided hereof.

b. Use. The proceeds of the Loan shall be used to rehabilitate the Residence, as more fully described herein.

c. Recapture Agreement. The owner shall enter into a recapture agreement with the City in the form attached hereto as Exhibit A, pursuant to which the Owner agrees, among other things, to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Residence, other than a transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in its sole discretion, occurs within the applicable Recapture Period for the Loan. The Recapture Period shall be for five (5) years from the date of the completion of the project, and the amount of the repayment shall be in the amount of the loan reduced by one-sixtieth (1/60th) for each full month of occupancy of the Residence by the Owner from the date of the Recapture Agreement.

d. Loan Documents. Upon City approval of the Project, the Owner shall deliver to the City the following documents and such other documents as the City may require, in its sole discretion, all executed in the manner indicated therein, and in form and substance acceptable to the City (collectively, including this Agreement and Loan Documents):

i. The Declaration of Understanding between the Owner and City attached hereto as Exhibit B;

ii. The Mortgage and Promissory Note in the amount of the Loan in favor of the City in the form attached hereto as Exhibit C, (the “Note”);

iii. The Recapture Agreement between the Owner and City be recorded in the county in which the Residence is located, attached hereto as Exhibit A;

iv. Any and all other documents and showings requested by the City.

e. Payment. Upon completion of the rehabilitation of the Residence and funds are needed for payment of Eligible Costs, the contractor shall submit to the City a request for payment. No more than ten (10) business days after the City receives the request for payment, the City shall inspect the Residence and approve or reject the contractor's request for payment. If the City approves the request, the disbursement shall be made directly to the contractor and any subcontractor who worked on the Project. The City shall not make a disbursement until the work is satisfactorily completed, inspection has been completed and it has received lien waivers for all work from all such contractors and subcontractors. If the work does not pass inspection and the City rejects the contractor’s request for payment; it shall give its reasons for such rejection in writing to the Owner and contractor.

5. REHABILITATION PROGRAM REQUIREMENTS.

a. Government Approvals. The Owner shall obtain all Federal, State and local government approvals require by law for the Project.

b. Project Standards. The Owner shall cause the Project to comply with all local codes, ordinances, zoning ordinances, rehabilitation standards and the housing quality standards set forth in the Rules.
c. **Scope of Work.** The City and Owner agree that the only rehabilitation to be done in connection with the Project, subject to written change orders ("Change Orders"), listed in the “Scope of Work”.

The Scope of Work shall be done by the Owner and City prior to work being done. All Change Orders must be in writing and approved by the City and the Owner before deletions, modifications or additions can be made to the Scope of Work. The City shall authorize only those Change Orders necessary for the correction of building code violations identified during the course of the Project or for changes necessary to complete the Project in a workmanlike manner. **THE OWNER UNDERSTANDS AND AGREES THAT IF IT REQUESTS A CONTRACTOR TO PERFORM WORK NOT LISTED IN THE SCOPE OF WORK OR ON ANY APPROVED CHANGE ORDERS, THE OWNER IS SOLELY RESPONSIBLE FOR THE PAYMENT FOR SUCH ADDITIONAL WORK.**

d. **Inspection.** The City shall have the right to inspect the Residence during the course of the Project.

e. **Construction Contracts.** The City shall not be responsible for (i) construction means, methods, techniques, or sequences of construction, (ii) procedures for safety precautions in connection with the Project, (iii) the contractor’s work, or (iv) the contractor’s failure to carry out the Project in accordance with their Construction Contract. The City shall be the interpreter of the requirements of the Construction Contract and shall make decisions on all claims and disputes in connection with the Project between the Owner and the contractor, which shall be final and binding on all parties thereto. The Owner shall not terminate a Construction Contract without prior written approval of the City.

f. **Insurance.** If the Owner receives insurance proceeds for any damage or destruction to the Residence occurring during the course of the Project, the Owner shall apply such proceeds to the repair of such damage or destruction, if practicable.

g. **Cooperation.** The Owner understands and agrees that the Owner shall cooperate at all times with the City and the Owner’s contractor(s) and will do all acts necessary to facilitate the Project.

6. **CONFLICTS.** The Owner shall incorporate into all Construction Contracts Language prohibiting any member, officer, employee, representative or agent of the City, or member of the immediate family of such individuals, from having an interest in this Agreement, any Construction Contract or any other contract or subcontract, or the proceeds of any such Construction Contract or other contract or subcontract, entered into in connection with this Agreement.

7. **RECORDS.** At the request of the City, the Owner shall furnish such reports, records and information in connection with the Project required by the City, and shall give specific answers to questions from the City from time to time relative to the Owner’s income, assets, liabilities, or contracts, all relating to the Project, and the maintenance, occupancy, and physical condition of the Residence.

8. **INDEMNIFICATION.**

a. The Owner shall indemnify the City and the City’s officers, agents, employees or servants against, and hold them harmless from, liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, attorneys’ fees, settlement or judgments, whether by direct suit or from third parties, arising out of the Owner’s performance under this Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the Sponsor, the Authority of the Sponsor’s, or the Authority’s respective officers, agents, employees or servants.
b. If a claim or suit is brought against the City or the City's officers, agents, employees and servants, for which the Owner is responsible pursuant to subparagraph (a) of this Paragraph 8, the Owner shall defend, at the Owner's cost and expense, any suit or claim, and shall pay any resulting claims, judgments, damages, losses, costs, expenses or settlements against the City or the City's officers, agents, employees or servants.

9. **VIOLATION OF AGREEMENT.** Upon violation of any of the provisions of this Agreement by the Owner, the City shall give written notice thereof to the Owner, as provided in Paragraph 11 hereof. If such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is given, or within such further time as the City in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, it shall not be considered a violation), the City may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:

a. Terminate this Agreement;

b. Exercise any rights it may have under the Loan Documents; and

c. Exercise such other rights or remedies as may be available to the City, at law or in equity.

The City’s remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver or any breach of this Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

10. **AMENDMENT.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

11. **NOTICES.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party heretunder shall be given in writing, at the addresses set forth above, by any of the following means: (a) personal service; (b) electronic communication, with confirmation of receipt; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection (a) or (b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective upon deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (d) shall be served and effective by three (3) business days after proper deposit with the United States Postal Service.

12. **SUCCESSORS.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Owner may not assign this Agreement, its rights to the Loan proceeds or any of its obligations hereunder without the prior written approval of the City.

13. **SURVIVAL OF OBLIGATION.** The Owner’s obligations, as set forth in this Agreement, shall survive the disbursement of the Loan, and the Owner shall continue to cooperate with the Sponsor and furnish any documents, exhibits or showings required.
14. **CONSTRUCTION AGREEMENT:**

a. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement, or the application thereof to circumstances other than those as to which it is held invalid unenforceable, shall not be affected thereby and each term, covenant, condition, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

b. **Gender.** The use of the plural in this Agreement shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

c. **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of any provision of the Agreement.

d. **Construction.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.

15. **COUNTERPARTS.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.

16. **WAIVER OF JURY TRIAL.** THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE REHABILITATION PROGRAM OR THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

**OWNER(s):**

Mark Giudice

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STATE OF ILLINOIS  
COUNTY OF DEKALB

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of Illinois, do hereby certify that the person(s) listed above, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/their signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this 17 day of August, 2009.

Notary Public.

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"OFFICIAL SEAL"  
JAMIE L. SMIRZ  
Notary Public, State of Illinois  
My Commission Expires 1/26/11

Planning/2009/CDBG09/Jamie/Rehabilitation Program Agreement
Attachments:

EXHIBIT A - Recapture Agreement

EXHIBIT B - Declaration of Understanding

EXHIBIT C - Mortgage and Promissory Note
City of DeKalb
Owner-Occupied Housing Rehabilitation Program
Declaration of Understanding

I/We, the undersigned owner ("Owner"), Greg Aves and Dawn Aves, have applied for a grant from the City of DeKalb, Illinois ("City"), for assistance through the Private Property Rehabilitation Program for property commonly known as 92 E. Grove Street. The property is legally described as:

Lot 7 in Block 1 in H.D. Hunt's Addition to the City of DeKalb, Situated in DeKalb County, Illinois.

PIN: 08-2-409-011

I/We understand the guidelines for this program and have been informed of the following conditions, which apply:

The City shall:

1. Inspect the property to determine eligible repairs.
2. Provide a list of repairs needed to meet minimum code standards.
3. Consult with the Owner regarding all bids.
4. Require that all applicable permits be obtained. However, fees for said permits shall be waived.
5. Pay contractor directly for work, after it has been inspected and approved by City staff.

The Owner shall:

1. Abide by all program requirements and policies.
2. Supply all documentation required for verification of income, insurance, property ownership and any other information, which shall be required.
3. Allow inspection of the property by City staff before, during and after any work has begun.
4. Receive verification in writing from City staff prior to causing changes in any eligible work.
5. Receive no grant assistance for work, which was performed prior to signing this or any other agreement with the City.
6. Sign a promissory note and mortgage for the actual amount of all work completed through the program. (Actual amount not to exceed $5,000)
7. Not be eligible for further assistance through the Owner-Occupied Rehabilitation Program for a period of five years after the completion of the current project.

The Owner further acknowledges that City staff has provided written program guidelines, and discussed and explained the following information:
1. Lead-based paint and EPA regulations
2. Recapture Agreement
3. Total grant amount allowed
4. Mortgage and Promissory Note
5. Recording requirements
6. Title/lien search
7. State Historic Preservation requirements
8. Inspection procedures
9. Bidding process
10. Pay-out process
11. Close-out process
12. Time-lines for project

Owner further understands that upon completion of rehab work to their home, failure to sign the Mortgage and Promissory Note will result in the grant being converted to a loan and a lien immediately being placed on their property for all project expenses.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the 23 day of September, 2005.

OWNER(S):

[Signature]
Greg Aves

[Signature]
Dawn Aves

STATE OF ILLINOIS  )
   ) SS
COUNTY OF DEKALB  )

I, Jamie Smirz, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the above named persons, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth.

Given under my hand and notary seal, given this 23 day of September, 2005.

[Signature]
Notary Public

"OFFICIAL SEAL"
JAMIE L. SMIRZ
Notary Public, State of Illinois
My Commission Expires 1/26/11
RECAPTURE AGREEMENT
(EXHIBIT A)

THIS RECAPTURE AGREEMENT (the "Agreement"), dated as of the ___ day of ___, 2009, is by and between Greg Aves and Dawn Aves, whose address is 921 East Grove Street, DeKalb, Illinois, 60115 (the "Owner"), and the City of DeKalb, a unit of local government, having its principal office at 200 South Fourth Street, DeKalb, Illinois, 60115 (the "City").

WITNESSETH

WHEREAS, the Owner is the holder of legal title to certain real estate on which a single family residence (the "Residence") is located, commonly known as 921 East Grove Street, DeKalb, Illinois (the "Property"). The real estate is legally described in Exhibit B and C attached hereto and by this reference made a part hereof; and

WHEREAS, the Sponsor has agreed to make a forgivable loan to the Owner, as evidenced by that certain note (the "Loan") to be used with such other monies as the Owner may provide, if any, to rehabilitate the Property; and

WHEREAS, as an inducement to the City to make the Loan, the Owner has agreed to enter into this Agreement in accordance with the terms, conditions and covenants set forth below.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Incorporation. The foregoing recitals are made a part of this Agreement as fully and with the same force and effect as repeated herein at length.

2. Restrictions. As a condition of the provision of the Loan, the Owner agrees to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Property of less than a transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in their sole discretion, occurs within the applicable "Recapture Period" for the Loan. The Recapture Period shall be for five (5) years of the date of completion and the amount of the repayment shall be the amount of the Loan reduced by one-sixtieth (1/60th) for each full month after completion of rehabilitation.

3. Violation of Agreement by Owner. Upon the Owner's failure to make any payment due under this Agreement, the City shall give a written notice thereof to the Owner by registered or certified mail addressed to the address stated in this Agreement, or such other address as may subsequently, upon appropriate written notice thereof to the City, be designated by the Owner. If payment is not made within such further time as the City in its sole discretion permits, but not less than thirty (30) days, the City may declare a default under this Agreement effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:
a. Declare the unforgiven portion of the Loan immediately due and payable; and/or
b. Exercise such other rights or remedies as may be available to the City hereunder, at law or in equity.

The City's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of the City's other remedies.

4. Amendment. This Agreement shall not be altered or amended except in a writing signed by the parties hereto.
5. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.
6. Gender. The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.
7. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of the Agreement.
8. WAIVER OF JURY TRIAL. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE LOAN OR THIS AGREEMENT.

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

OWNER(s);

Greg Aves

Dawn Aves

State of Illinois  
}  SS
County of DeKalb  

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of Illinois, do hereby certify that the person(s) listed above, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, acknowledge that he/she/their signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this 23 day of September, 2009.

Jamie L. Smirz
Notary Public

Planning/2009/CDBG09/Jamie/Recapture Agreement
REHABILITATION PROGRAM AGREEMENT

THIS PRIVATE PROPERTY REHABILITATION AGREEMENT (the “Agreement”), made this 24th day of February, 2009 by and between Greg Aves and Dawn Aves, (the “Owner”), who reside(s) at 921 E. Grove Street (the “Property”), and City of DeKalb, a unit of local government (the “City”), having its principal offices at 200 South Fourth Street, DeKalb, Illinois.

WITNESSETH

WHEREAS, the City has applied for and received funds from the United States Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the City wishes to provide forgivable loans (individually, a “Loan”) to eligible property owners for the rehabilitation of eligible single-family residences (individually, a “Residence”) under the City’s Private Property Rehabilitation Program (the “Rehabilitation Program”). Such program shall include activities eligible under the Community Development Block Grant (CDBG) Program; and

WHEREAS, the Owner is the owner of record of the Residence and has applied to the City for a Loan for the rehabilitation of the Residence (the “Project”); and

WHEREAS, it is a condition of the making of the Loan that the Owner enter into and be bound by this Agreement.

In consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are made part of this Agreement.

2. **GENERAL CONDITIONS.** This Agreement and the Loan shall be subject to the terms and conditions as set forth in the CDBG regulations and the local program guidelines.

3. **OWNER REPRESENTATIONS AND WARRANTIES.** The Owner represents and warrants to the City as follows:
   a. The Owner’s Household has a gross annual income, as adjusted for family size, that is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the Residence is located, as determined by the United States Department of Housing and Urban Development.
   b. The Owner holds fee simple title to, or has a 99-year leasehold interest in, or has ownership or membership in a cooperative corporation owning, or has entered a contract for deed covering, the Residence.
   c. The Residence is the principal residence of the Owner.
c. **Scope of Work.** The City and Owner agree that the only rehabilitation to be done in connection with the Project, subject to written change orders ("Change Orders"), listed in the "Scope of Work".

The Scope of Work shall be done by the Owner and City prior to work being done. All Change Orders must be in writing and approved by the City and the Owner before deletions, modifications or additions can be made to the Scope of Work. The City shall authorize only those Change Orders necessary for the correction of building code violations identified during the course of the Project or for changes necessary to complete the Project in a workmanlike manner. **THE OWNER UNDERSTANDS AND AGREES THAT IF IT REQUESTS A CONTRACTOR TO PERFORM WORK NOT LISTED IN THE SCOPE OF WORK OR ON ANY APPROVED CHANGE ORDERS, THE OWNER IS SOLELY RESPONSIBLE FOR THE PAYMENT FOR SUCH ADDITIONAL WORK.**

d. **Inspection.** The City shall have the right to inspect the Residence during the course of the Project.

e. **Construction Contracts.** The City shall not be responsible for (i) construction means, methods, techniques, or sequences of construction, (ii) procedures for safety precautions in connection with the Project, (iii) the contractor's work, or (iv) the contractor's failure to carry out the Project in accordance with their Construction Contract. The City shall be the interpreter of the requirements of the Construction Contract and shall make decisions on all claims and disputes in connection with the Project between the Owner and the contractor, which shall be final and binding on all parties thereto. The Owner shall not terminate a Construction Contract without prior written approval of the City.

f. **Insurance.** If the Owner receives insurance proceeds for any damage or destruction to the Residence occurring during the course of the Project, the Owner shall apply such proceeds to the repair of such damage or destruction, if practicable.

g. **Cooperation.** The Owner understands and agrees that the Owner shall cooperate at all times with the City and the Owner's contractor(s) and will do all acts necessary to facilitate the Project.

6. **CONFLICTS.** The Owner shall incorporate into all Construction Contracts Language prohibiting any member, officer, employee, representative or agent of the City, or member of the immediate family of such individuals, from having an interest in this Agreement, any Construction Contract or any other contract or subcontract, or the proceeds of any such Construction Contract or other contract or subcontract, entered into in connection with this Agreement.

7. **RECORDS.** At the request of the City, the Owner shall furnish such reports, records and information in connection with the Project required by the City, and shall give specific answers to questions from the City from time to time relative to the Owner's income, assets, liabilities, or contracts, all relating to the Project, and the maintenance, occupancy, and physical condition of the Residence.

8. **INDEMNIFICATION.**

a. The Owner shall indemnify the City and the City's officers, agents, employees or servants against, and hold them harmless from, liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, attorneys' fees, settlement or judgments, whether by direct suit or from third parties, arising out of the Owner's performance under this Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the Sponsor, the Authority of the Sponsor's, or the Authority's respective officers, agents, employees or servants.
b. If a claim or suit is brought against the City or the City’s officers, agents, employees or servants, for which the Owner is responsible pursuant to subparagraph (a) of this Paragraph 8, the Owner shall defend, at the Owner’s cost and expense, any suit or claim, and shall pay any resulting claims, judgments, damages, losses, costs, expenses or settlements against the City or the City’s officers, agents, employees or servants.

9. **VIOLATION OF AGREEMENT.** Upon violation of any of the provisions of this Agreement by the Owner, the City shall give written notice thereof to the Owner, as provided in Paragraph 11 hereof. If such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is given, or within such further time as the City in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, it shall not be considered a violation), the City may declare a default under this Agreement, effective on the date of such declaration of *default* and notice thereof to the Owner, and upon such default the City may:

a. Terminate this Agreement;
b. Exercise any rights it may have under the Loan Documents; and
c. Exercise such other rights or remedies as may be available to the City, at law or in *equity*.

The City’s remedies are *cumulative*, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver or any breach of this Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

10. **AMENDMENT.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

11. **NOTICES.** Any notice, demand, request or other communication that any *party may desire or may be required to give to any other party hereunder shall be given in writing, at the addresses set forth above, by any of the following means: (a) personal service; (b) electronic communication, with confirmation of receipt; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection (a) or (b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective upon deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (d) shall be *served* and effective by three (3) business days after proper deposit with the United States Postal Service.

12. **SUCCESSORS.** This Agreement shall bind, and the benefits shall *incur* to, the parties hereto, their legal representatives, *successors* in office or interest and assigns, provided that the Owner may not assign this Agreement, its rights to the Loan proceeds or any of its obligations hereunder without the prior written approval of the City.

13. **SURVIVAL OF OBLIGATION.** The Owner’s obligations, as set forth in this Agreement, shall survive the *disbursement of the Loan*, and the Owner shall continue to cooperate with the Sponsor and furnish any documents, exhibits or showings required.
14. **CONSTRUCTION AGREEMENT:**

a. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement, or the application thereof to circumstances other than those as to which it is held invalid unenforceable, shall not be affected thereby and each term, covenant, condition, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

b. **Gender.** The use of the plural in this Agreement shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

c. **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of any provision of the Agreement.

d. **Construction.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.

15. **COUNTERPARTS.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.

16. **WAIVER OF JURY TRIAL.** THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE REHABILITATION PROGRAM OR THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

OWNER(s):

Greg Aves

Dawn Aves

STATE OF ILLINOIS )

) SS

COUNTY OF DEKalB )

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of Illinois, do hereby certify that the person(s) listed above, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/their signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this 23 day of September, 2009.

[Notary Seal]

Jamie L. Smirz
Notary Public, State of Illinois
My Commission Expires 1/28/11

Planning/2009/CDBG09/Jamie/Rehabilitation Program Agreement
Attachments:

EXHIBIT A - Recapture Agreement
EXHIBIT B - Declaration of Understanding
EXHIBIT C - Mortgage and Promissory Note
City of DeKalb
Owner-Occupied Housing Rehabilitation Program
Declaration of Understanding

I/We, the undersigned owner ("Owner"), Keith and Janice Rehhorn, have applied for a grant from the City of DeKalb, Illinois ("City"), for assistance through the Private Property Rehabilitation Program for property commonly known as 1203 Market Street. The property is legally described as:

The South 150 feet of Lot 10 in Andrew Larson's Subdivision, a subdivision of the South Half of Assessor's Lot 24 in the Southeast Quarter of the Northeast Quarter of Section 23, Township 40 North, Range 4 East of the Third Principal Meridian, according to the plat thereof recorded in Book "B" of Plats, page 109 on April 23rd, 1892, in DeKalb County, Illinois.

PIN: 08-23-278-032

I/We understand the guidelines for this program and have been informed of the following conditions, which apply:

The City shall:

1. Inspect the property to determine eligible repairs.
2. Provide a list of repairs needed to meet minimum code standards.
3. Consult with the Owner regarding all bids.
4. Require that all applicable permits be obtained. However, fees for said permits shall be waived.
5. Pay contractor directly for work, after it has been inspected and approved by City staff.

The Owner shall:

1. Abide by all program requirements and policies.
2. Supply all documentation required for verification of income, insurance, property ownership and any other information, which shall be required.
3. Allow inspection of the property by City staff before, during and after any work has begun.
4. Receive verification in writing from City staff prior to causing changes in any eligible work.
5. Receive no grant assistance for work, which was performed prior to signing this or any other agreement with the City.
6. Sign a promissory note and mortgage for the actual amount of all work completed through the program. (Actual amount not to exceed $5,000)
7. Not be eligible for further assistance through the Owner-Occupied Rehabilitation Program for a period of five years after the completion of the current project.

The Owner further acknowledges that City staff has provided written program guidelines, and discussed and explained the following information:
1. Lead-based paint and EPA regulations
2. Recapture Agreement
3. Total grant amount allowed
4. Mortgage and Promissory Note
5. Recording requirements
6. Title/lien search
7. State Historic Preservation requirements
8. Inspection procedures
9. Bidding process
10. Pay-out process
11. Close-out process
12. Time-lines for project

Owner further understands that upon completion of rehab work to their home, failure to sign the Mortgage and Promissory Note will result in the grant being converted to a loan and a lien immediately being placed on their property for all project expenses.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the __5__ day of __June__, 200__.

OWNER(S):

Keith Rebhorn
Jánice Rebhorn

STATE OF ILLINOIS )
COUNTY OF DEKALB )

I, Jamie Smirz, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the above named persons, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth.

Given under my hand and notary seal, given this __5__ day of __June__, 200__.

Notary Public

[Seal]
REHABILITATION PROGRAM AGREEMENT

THIS PRIVATE PROPERTY REHABILITATION AGREEMENT (the “Agreement”), made this 16 day of June, 2009 by and between Keith and Janice Reburn, (the “Owner”), who reside(s) at (address of property) (the “Property”), and City of DeKalb, a unit of local government (the “City”), having its principal offices at 200 South Fourth Street, DeKalb, Illinois.

WITNESSETH

WHEREAS, the City has applied for and received funds from the United States Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the City wishes to provide forgivable loans (individually, a “Loan”) to eligible property owners for the rehabilitation of eligible single-family residences (individually, a “Residence”) under the City’s Private Property Rehabilitation Program (the “Rehabilitation Program”). Such program shall include activities eligible under the Community Development Block Grant (CDBG) Program; and

WHEREAS, the Owner is the owner of record of the Residence and has applied to the City for a Loan for the rehabilitation of the Residence (the “Project”); and

WHEREAS, it is a condition of the making of the Loan that the Owner enter into and be bound by this Agreement.

In consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are made part of this Agreement.

2. **GENERAL CONDITIONS.** This Agreement and the Loan shall be subject to the terms and conditions as set forth in the CDBG regulations and the local program guidelines.

3. **OWNER REPRESENTATIONS AND WARRANTIES.** The Owner represents and warrants to the City as follows:
   a. The Owner’s Household has a gross annual income, as adjusted for family size, that is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the Residence is located, as determined by the United States Department of Housing and Urban Development.
   b. The Owner holds fee simple title to, or has a 99-year leasehold interest in, or has ownership or membership in a cooperative corporation owning, or has entered a contract for deed covering, the Residence.
   c. The Residence is the principal residence of the Owner.
d. Loan proceeds shall be used to pay only Eligible Costs (as that term is defined in the program guidelines) of the Project.

4. **TERMS AND CONDITIONS OF THE LOAN.** The Loan shall be subject to the following terms and conditions:

a. **Amount, Interest, Term and Security.** The Loan shall be in an amount not to exceed Five Thousand Dollars ($5,000.00), shall bear no interest, shall be for a term of five (5) years and shall be governed by the Recapture Agreement, as provided hereof.

b. **Use.** The proceeds of the Loan shall be used to rehabilitate the Residence, as more fully described herein.

c. **Recapture Agreement.** The owner shall enter into a recapture agreement with the City in the form attached hereto as Exhibit A, pursuant to which the Owner agrees, among other things, to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Residence, other than a transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in their sole discretion, occurs within the applicable Recapture Period for the Loan. The Recapture Period shall be for five (5) years from the date of the completion of the project, and the amount of the repayment shall be in the amount of the loan reduced by one-sixtieth (1/60th) for each full month of occupancy of the Residence by the Owner from the date of the Recapture Agreement.

d. **Loan Documents.** Upon City approval of the Project, the Owner shall deliver to the City the following documents and such other documents as the City may require, in its sole discretion, all executed in the manner indicated therein, and in form and substance acceptable to the City (collectively, including this Agreement and Loan Documents):

i. The Declaration of Understanding between the Owner and City attached hereto as Exhibit B;

ii. The Mortgage and Promissory Note in the amount of the Loan in favor of the City in the form attached hereto as Exhibit C, (the "Note");

iii. The Recapture Agreement between the Owner and City be recorded in the county in which the Residence is located, attached hereto as Exhibit A;

iv. Any and all other documents and showings requested by the City.

e. **Payment.** Upon completion of the rehabilitation of the Residence and funds are needed for payment of Eligible Costs, the contractor shall submit to the City a request for payment. No more than ten (10) business days after the City receives the request for payment, the City shall inspect the Residence and approve or reject the contractor’s request for payment. If the City approves the request, the disbursement shall be made directly to the contractor and any subcontractor who worked on the Project. The City shall not make a disbursement until the work is satisfactorily completed, inspection has been completed and it has received lien waivers for all work from all such contractors and subcontractors. If the work does not pass inspection and the City rejects the contractor’s request for payment; it shall give its reasons for such rejection in writing to the Owner and contractor.

5. **REHABILITATION PROGRAM REQUIREMENTS.**

a. **Government Approvals.** The Owner shall obtain all Federal, State and local government approvals require by law for the Project.

b. **Project Standards.** The Owner shall cause the Project to comply with all local codes, ordinances, zoning ordinances, rehabilitation standards and the housing quality standards set forth in the Rules.
c. **Scope of Work.** The City and Owner agree that the only rehabilitation to be done in connection with the Project, subject to written change orders ("Change Orders"), listed in the "Scope of Work".

The Scope of Work shall be done by the Owner and City prior to work being done. All Change Orders must be in writing and approved by the City and the Owner before deletions, modifications or additions can be made to the Scope of Work. The City shall authorize only those Change Orders necessary for the correction of building code violations identified during the course of the Project or for changes necessary to complete the Project in a workmanlike manner. THE OWNER UNDERSTANDS AND AGREES THAT IF IT REQUESTS A CONTRACTOR TO PERFORM WORK NOT LISTED IN THE SCOPE OF WORK OR ON ANY APPROVED CHANGE ORDERS, THE OWNER IS SOLELY RESPONSIBLE FOR THE PAYMENT FOR SUCH ADDITIONAL WORK.

d. **Inspection.** The City shall have the right to inspect the Residence during the course of the Project.

e. **Construction Contracts.** The City shall not be responsible for (i) construction means, methods, techniques, or sequences of construction, (ii) procedures for safety precautions in connection with the Project, (iii) the contractor's work, or (iv) the contractor's failure to carry out the Project in accordance with their Construction Contract. The City shall be the interpreter of the requirements of the Construction Contract and shall make decisions on all claims and disputes in connection with the Project between the Owner and the contractor, which shall be final and binding on all parties thereto. The Owner shall not terminate a Construction Contract without prior written approval of the City.

f. **Insurance.** If the Owner receives insurance proceeds for any damage or destruction to the Residence occurring during the course of the Project, the Owner shall apply such proceeds to the repair of such damage or destruction, if practicable.

g. **Cooperation.** The Owner understands and agrees that the Owner shall cooperate at all times with the City and the Owner's contractor(s) and will do all acts necessary to facilitate the Project.

6. **CONFLICTS.** The Owner shall incorporate into all Construction Contracts Language prohibiting any member, officer, employee, representative or agent of the City, or member of the immediate family of such individuals, from having an interest in this Agreement, any Construction Contract or any other contract or subcontract, or the proceeds of any such Construction Contract or other contract or subcontract, entered into in connection with this Agreement.

7. **RECORDS.** At the request of the City, the Owner shall furnish such reports, records and information in connection with the Project required by the City, and shall give specific answers to questions from the City from time to time relative to the Owner's income, assets, liabilities, or contracts, all relating to the Project, and the maintenance, occupancy, and physical condition of the Residence.

8. **INDEMNIFICATION.**

a. The Owner shall indemnify the City and the City's officers, agents, employees or servants against, and hold them harmless from, liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, attorneys' fees, settlement or judgments, whether by direct suit or from third parties, arising out of the Owner's performance under this Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the Sponsor, the Authority of the Sponsor's, or the Authority's respective officers, agents, employees or servants.
b. If a claim or suit is brought against the City or the City's officers, agents, employees or servants, for which the Owner is responsible pursuant to subparagraph (a) of this Paragraph 8, the Owner shall defend, at the Owner's cost and expense, any suit or claim, and shall pay any resulting claims, judgments, damages, losses, costs, expenses or settlements against the City or the City's officers, agents, employees or servants.

9. **VIOLATION OF AGREEMENT.** Upon violation of any of the provisions of this Agreement by the Owner, the City shall give written notice thereof to the Owner, as provided in Paragraph 11 hereof. If such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is given, or within such further time as the City in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, it shall not be considered a violation), the City may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:

a. Terminate this Agreement;
b. Exercise any rights it may have under the Loan Documents; and
c. Exercise such other rights or remedies as may be available to the City, at law or in equity.

The City's remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver or any breach of this Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

10. **AMENDMENT.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

11. **NOTICES.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing, at the addresses set forth above, by any of the following means: (a) personal service; (b) electronic communication, with confirmation of receipt; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection (a) or (b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective upon deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (d) shall be served and effective by three (3) business days after proper deposit with the United States Postal Service.

12. **SUCCESSORS.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Owner may not assign this Agreement, its rights to the Loan proceeds or any of its obligations hereunder without the prior written approval of the City.

13. **SURVIVAL OF OBLIGATION.** The Owner's obligations, as set forth in this Agreement, shall survive the disbursement of the Loan, and the Owner shall continue to cooperate with the Sponsor and furnish any documents, exhibits or showings required.
14. **CONSTRUCTION AGREEMENT:**

a. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement, or the application thereof to circumstances other than those as to which it is held invalid unenforceable, shall not be affected thereby and each term, covenant, condition, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

b. **Gender.** The use of the plural in this Agreement shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

c. **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of any provision of the Agreement.

d. **Construction.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.

15. **COUNTERPARTS.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.

16. **WAIVER OF JURY TRIAL.** THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE REHABILITATION PROGRAM OR THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

OWNER(s):

Keith Reborn

Janice Reborn

STATE OF ILLINOIS )

) SS

COUNTY OF DEKALB )

I, Jamie Smirnoff, a Notary Public in and for the County of DeKalb, in the State of Illinois, do hereby certify that the person(s) listed above, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledge that he/she/their signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this 15 day of June, 2009.

Patricia A. Rain

Notary Public.
Attachments:

EXHIBIT A - Recapture Agreement

EXHIBIT B - Declaration of Understanding

EXHIBIT C - Mortgage and Promissory Note
RECAPTURE AGREEMENT
(EXHIBIT A)

THIS RECAPTURE AGREEMENT (the “Agreement”), dated as of the _6_ day of _June_, 2009, is by and between Keith and Janice Rehborn, whose address is 1203 Market Street, DeKalb, Illinois, 60115 (the “Owner”), and the City of DeKalb, a unit of local government, having its principal office at 200 South Fourth Street, DeKalb, Illinois, 60115 (the “City”).

WITNESSETH

WHEREAS, the Owner is the holder of legal title to certain real estate on which a single family residence (the “Residence”) is located, commonly known as 1203 Market Street, DeKalb, Illinois (the “Property”). The real estate is legally described in Exhibit B and C attached hereto and by this reference made a part hereof; and

WHEREAS, the Sponsor has agreed to make a forgivable loan to the Owner, as evidenced by that certain note (the “Loan”) to be used with such other monies as the Owner may provide, if any, to rehabilitate the Property; and

WHEREAS, as an inducement to the City to make the Loan, the Owner has agreed to enter into this Agreement in accordance with the terms, conditions and covenants set forth below.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Incorporation. The foregoing recitals are made a part of this Agreement as fully and with the same force and effect as repeated herein at length.

2. Restrictions. As a condition of the provision of the Loan, the Owner agrees to repay to the City a pro-rated portion of the Loan if a sale, conveyance or transfer of the Property or of the transfer by will or by operation of law upon the death of a joint tenant Owner or such other transfer as may be approved by the City, in its sole discretion, occurs within the applicable “Recapture Period” for the Loan. The Recapture Period shall be for five (5) years of the date of completion and the amount of the repayment shall be the amount of the Loan reduced by one-sixtieth (1/60th) for each full month after completion of rehabilitation.

3. Violation of Agreement by Owner. Upon the Owner’s failure to make any payment due under this Agreement, the City shall give a written notice thereof to the Owner by registered or certified mail addressed to the address stated in this Agreement, or such other address as may subsequently, upon appropriate written notice thereof to the City, be designated by the Owner. If payment is not made within such further time as the City in its sole discretion permits, but not less than thirty (30) days, the City may declare a default under this Agreement effective on the date of such declaration of default and notice thereof to the Owner, and upon such default the City may:

Planning/2009/CDBG09/Jamie/Recapture Agreement
a. Declare the unforgiven portion of the Loan immediately due and payable; and/or
b. Exercise such other rights or remedies as may be available to the City hereunder, at law or in equity.

The City's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of the City's other remedies.

4. **Amendment.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

5. **Partial Invalidity.** The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

6. **Gender.** The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

7. **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of the Agreement.

8. **WAIVER OF JURY TRIAL.** THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE LOAN OR THIS AGREEMENT.

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

OWNER(s);

Keith Reborn  
Janice Reborn

State of Illinois  
SS  
County of DeKalb

I, Jamie Smirz, a Notary Public in and for the County of DeKalb, in the State of Illinois, do hereby certify that the person(s) listed above, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, acknowledge that he/she/their signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set-forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this 16th day of June, 2009.

Notary Public
New Issue - Global Book Entry

In the opinion of Bond Counsel, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes and, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. See "TAX EXEMPTION" herein. Interest on the Bonds and is not exempt from State of Illinois income taxes. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

$10,800,000
City of DeKalb
DeKalb County, Illinois
General Obligation Bonds, Series 2010A

Dated: Date of Delivery

Due: December 1 as set forth below

The Bonds will be issued as fully registered bonds and will initially be registered in the name of Cede & Co., the nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository for the Bonds. Purchases will be made in book-entry form through DTC participants only in denominations of $5,000 and any authorized integral multiple thereof and no physical delivery of bonds will be made to purchasers of beneficial interests (the "Beneficial Owners") in the Bonds. Interest on the Bonds will be payable on June 1 and December 1, commencing December 1, 2010. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, if any, and interest on the Bonds will be paid by the City Treasurer as paying agent for the Bonds, to DTC, which in turn will remit such payments to DTC participants for subsequent distribution to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds are not subject to redemption prior to maturity.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

The Bonds are direct and general obligations of the City of DeKalb, DeKalb County, Illinois (the "City"), for which its full faith and credit have been irrevocably pledged and are payable from ad valorem taxes to be levied on all taxable property in the City, without limitation as to rate or amount.

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<th>Yield</th>
<th>Dec. 1</th>
<th>Amount</th>
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<td>0.60%</td>
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<td>2018</td>
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<td>2021</td>
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<td>2.50%</td>
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The Bonds are offered when, as, and if issued by the City, subject to the delivery of the legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel. A copy of the proposed legal opinion of Bond Counsel relating to the Bonds is set forth in Appendix C of this Official Statement. It is expected that the Bonds, will be available for delivery to The Depository Trust Company in New York, New York on or about May 27, 2010.

The Northern Trust Company

Dated: May 14, 2010
For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

No dealer, broker, salesman, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement and, if given or made, such other information or representations must be relied upon as having been authorized by the City. Certain information contained in the Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to accuracy or completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE DATE THEREOF.

Reference herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement they will be furnished on request.
City of DeKalb
DeKalb County, Illinios
General Obligation Bonds, Series 2010A

Sources & Uses

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$10,800,000
City of DeKalb
DeKalb County, Illinois
General Obligation Bonds, Series 2010A

Debt Service Schedule

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<td>1,145,000.00</td>
<td>4.000%</td>
<td>45,800.00</td>
<td>1,190,800.00</td>
</tr>
<tr>
<td>Total</td>
<td>$10,800,000.00</td>
<td>-</td>
<td>$2,497,652.22</td>
<td>$13,297,652.22</td>
</tr>
</tbody>
</table>

Yield Statistics

- Bond Year Dollars: $70,000.00
- Average Life: 6.481 Years
- Average Coupon: 3.5680746%
- Net Interest Cost (NIC): 3.1956096%
- True Interest Cost (TIC): 3.1158088%
- Bond Yield for Arbitrage Purposes: 2.9961174%
- All Inclusive Cost (AIC): 3.1720230%

IRS Form 8038

- Net Interest Cost: 2.9708705%
- Weighted Average Maturity: 6.533 Years
$10,800,000
City of DeKalb
DeKalb County, Illinois
General Obligation Bonds, Series 2010A

Pricing Summary

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Type of Bond</th>
<th>Coupon</th>
<th>Yield</th>
<th>Maturity Value</th>
<th>Price</th>
<th>Dollar Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/01/2010</td>
<td>Serial Coupon</td>
<td>2.00%</td>
<td>0.60%</td>
<td>820,000.00</td>
<td>100.71%</td>
<td>825,846.60</td>
</tr>
<tr>
<td>12/01/2011</td>
<td>Serial Coupon</td>
<td>2.00%</td>
<td>1.00%</td>
<td>755,000.00</td>
<td>101.49%</td>
<td>766,287.25</td>
</tr>
<tr>
<td>12/01/2012</td>
<td>Serial Coupon</td>
<td>2.00%</td>
<td>1.35%</td>
<td>770,000.00</td>
<td>101.59%</td>
<td>782,312.30</td>
</tr>
<tr>
<td>12/01/2013</td>
<td>Serial Coupon</td>
<td>2.00%</td>
<td>1.65%</td>
<td>785,000.00</td>
<td>101.19%</td>
<td>794,333.65</td>
</tr>
<tr>
<td>12/01/2014</td>
<td>Serial Coupon</td>
<td>2.50%</td>
<td>2.05%</td>
<td>800,000.00</td>
<td>101.92%</td>
<td>815,432.00</td>
</tr>
<tr>
<td>12/01/2015</td>
<td>Serial Coupon</td>
<td>2.50%</td>
<td>2.40%</td>
<td>825,000.00</td>
<td>100.51%</td>
<td>829,232.25</td>
</tr>
<tr>
<td>12/01/2016</td>
<td>Serial Coupon</td>
<td>3.00%</td>
<td>2.80%</td>
<td>845,000.00</td>
<td>101.18%</td>
<td>854,987.90</td>
</tr>
<tr>
<td>12/01/2017</td>
<td>Serial Coupon</td>
<td>4.00%</td>
<td>3.03%</td>
<td>870,000.00</td>
<td>106.47%</td>
<td>926,306.40</td>
</tr>
<tr>
<td>12/01/2018</td>
<td>Serial Coupon</td>
<td>4.00%</td>
<td>3.20%</td>
<td>1,020,000.00</td>
<td>105.91%</td>
<td>1,080,363.60</td>
</tr>
<tr>
<td>12/01/2019</td>
<td>Serial Coupon</td>
<td>4.00%</td>
<td>3.30%</td>
<td>1,060,000.00</td>
<td>105.67%</td>
<td>1,120,144.40</td>
</tr>
<tr>
<td>12/01/2020</td>
<td>Serial Coupon</td>
<td>4.00%</td>
<td>3.50%</td>
<td>1,105,000.00</td>
<td>104.36%</td>
<td>1,153,233.25</td>
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<tr>
<td>12/01/2021</td>
<td>Serial Coupon</td>
<td>4.00%</td>
<td>3.60%</td>
<td>1,145,000.00</td>
<td>103.74%</td>
<td>1,187,845.90</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$10,800,000.00</td>
<td>-</td>
<td>$11,136,325.50</td>
</tr>
</tbody>
</table>

Bid Information

Par Amount of Bonds $10,800,000.00
Reoffering Premium or (Discount) 336,325.50
Gross Production $11,136,325.50

Total Underwriter's Discount (0.700%) $(75,600.00)
Bid (102.414%) 11,060,725.50

Total Purchase Price $11,060,725.50

Bond Year Dollars $70,000.00
Average Life 6.481 Years
Average Coupon 3.5680746%

Net Interest Cost (NIC) 3.1956096%
True Interest Cost (TIC) 3.11580888%
$10,800,000
City of DeKalb
DeKalb County, Illinois
General Obligation Bonds, Series 2010A

Detail Costs Of Issuance

Dated 05/27/2010 | Delivered 05/27/2010

<table>
<thead>
<tr>
<th>COSTS OF ISSUANCE DETAIL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Counsel</td>
<td>$20,800.00</td>
</tr>
<tr>
<td>Rating Agency Fee</td>
<td>$11,000.00</td>
</tr>
<tr>
<td>Bond Printing</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Bond Registrar/Paying Agent</td>
<td>$950.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$35,250.00</strong></td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois, as of and for the year ended June 30, 2010, which collectively comprise the City of DeKalb, Illinois's basic financial statements, and have issued our report thereon dated December 3, 2010.

We have also audited the City of DeKalb, Illinois's compliance 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). The management of the City of DeKalb, Illinois, is responsible for the City of DeKalb, Illinois's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of DeKalb, Illinois's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of DeKalb, Illinois, complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142).

This report is intended solely for the information and use of the Mayor, the City Council, management of the City, the Illinois State Comptrollers Office and the joint review boards and is not intended to be and should not be used by anyone other than those specified parties.

Sikich

Aurora, Illinois
December 3, 2010
CITY OF DEKALB, ILLINOIS

REPORT ON COMPLIANCE WITH PUBLIC ACT 85-1142

For the Year Ended
June 30, 2010

Prepared by the Administrative Services Department

Rudy Espiritu
Assistant City Manager

Ted Kozinski
Comptroller/Treasurer
## CITY OF DEKALB, ILLINOIS
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<tr>
<td>INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION</td>
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</tr>
<tr>
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<td>Districts Redevelopment Funds</td>
<td>3</td>
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<td>Schedule of Fund Balance by Source</td>
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</tr>
<tr>
<td>Tax Increment Financing #1 Fund</td>
<td>4</td>
</tr>
<tr>
<td>Tax Increment Financing #2 Fund</td>
<td>5</td>
</tr>
<tr>
<td>County Home Tax Increment Financing Fund</td>
<td>6</td>
</tr>
<tr>
<td>Tax Increment Financing Debt Service Fund</td>
<td>7</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT
ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois, for the year ended June 30, 2010, which collectively comprise the City of DeKalb, Illinois’s basic financial statements, and have issued our report thereon dated December 3, 2010. These financial statements are the responsibility of the City of DeKalb, Illinois’s management. Our responsibility is to express opinions on these financial statements based on our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of DeKalb, Illinois’s basic financial statements. The accompanying combining schedule of revenues, expenditures, and changes in fund balances and schedules of fund balance by source for the County Home Tax Increment Financing Fund, Tax Increment Financing #1 Fund, Tax Increment Financing #2 Fund and Tax Increment Financing Debt Service Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Aurora, Illinois
December 3, 2010

Sikich LLP
SUPPLEMENTARY INFORMATION
CITY OF DEKALB, ILLINOIS

TAX INCREMENT FINANCING DISTRICTS REDEVELOPMENT FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Capital Projects Funds</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fund</td>
</tr>
<tr>
<td>Tax Increment Financing #1</td>
<td>Tax Increment Financing #2</td>
</tr>
<tr>
<td>Capital Projects Funds</td>
<td>Debt Service</td>
</tr>
</tbody>
</table>

REVENUES

<table>
<thead>
<tr>
<th>Taxes</th>
<th>$ 8,361,066</th>
<th>$ 2,073,700</th>
<th>$ 311,219</th>
<th>$ -</th>
<th>$ 10,745,985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>61,611</td>
<td>-</td>
<td>-</td>
<td>385</td>
<td>61,996</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,992</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,992</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>8,424,669</td>
<td>2,073,700</td>
<td>311,219</td>
<td>385</td>
<td>10,809,973</td>
</tr>
</tbody>
</table>

EXPENDITURES

<table>
<thead>
<tr>
<th>Capital Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual Services</td>
</tr>
<tr>
<td>Permanent Improvements</td>
</tr>
<tr>
<td>Debt Service</td>
</tr>
<tr>
<td>Principal Retirement</td>
</tr>
<tr>
<td>Interest Charges</td>
</tr>
<tr>
<td>Total Expenditures</td>
</tr>
</tbody>
</table>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

| (3,333,723) | 1,137,015 | 11,148 | (9,192,256) | (11,377,816) |

OTHER FINANCING SOURCES (USES)

| Transfers In | - | - | - | 8,172,302 | 8,172,302 |
| Transfers (Out) | (8,172,302) | - | - | - | (8,172,302) |
| Notes Issued, at Par | 4,383,291 | - | - | 1,000,000 | 5,383,291 |
| Bonds Issued, at Par | 10,800,000 | - | - | - | 10,800,000 |
| Premium on Bond Issue | 336,326 | - | - | - | 336,326 |
| Total Other Financing Sources (Uses) | 7,347,315 | - | - | 9,172,302 | 16,519,617 |

NET CHANGE IN FUND BALANCES

| 4,013,592 | 1,137,015 | 11,148 | (19,954) | 5,141,801 |

FUND BALANCES (DEFICIT), JULY 1

| 7,554,750 | 1,220,083 | (11,148) | 578,956 | 9,342,641 |

FUND BALANCES (DEFICIT), JUNE 30

| $ 11,566,342 | $ 2,357,098 | $ - | $ 559,002 | $ 14,484,442 |

(See independent auditor's report.)
CITY OF DEKALB, ILLINOIS

TAX INCREMENT FINANCING #1 FUND

SCHEDULE OF FUND BALANCE BY SOURCE

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING BALANCE, JULY 1, 2009</td>
<td>$ 7,554,750</td>
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<tr>
<td><strong>DEPOSITS</strong></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>6,883,479</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>1,477,587</td>
</tr>
<tr>
<td>Notes Issued</td>
<td>4,383,291</td>
</tr>
<tr>
<td>Bonds Issued</td>
<td>10,800,000</td>
</tr>
<tr>
<td>Premium on Bonds Issued</td>
<td>336,326</td>
</tr>
<tr>
<td>Investment Income</td>
<td>61,611</td>
</tr>
<tr>
<td>Refunds/Reimbursements</td>
<td>1,992</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>23,944,286</td>
</tr>
<tr>
<td><strong>Balance Plus Deposits</strong></td>
<td>31,499,036</td>
</tr>
<tr>
<td><strong>EXPENDITURES AND TRANSFERS</strong></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>11,758,392</td>
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<tr>
<td>Transfers Out</td>
<td>8,172,302</td>
</tr>
<tr>
<td>Total Expenditures and Transfers</td>
<td>19,930,694</td>
</tr>
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<td><strong>ENDING BALANCE, JUNE 30, 2010</strong></td>
<td></td>
</tr>
<tr>
<td>ENDING BALANCE BY SOURCE</td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>11,568,342</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>11,568,342</td>
</tr>
<tr>
<td>Less Surplus Funds</td>
<td>-</td>
</tr>
<tr>
<td><strong>ENDING BALANCE</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 11,568,342</td>
</tr>
</tbody>
</table>

(See independent auditor's report.)
RESOLUTION 03-62          Passed: September 8, 2003

AUTHORIZING THE MAYOR OF THE CITY OF
DEKALB, ILLINOIS, TO SIGN AGREEMENTS WITH
DEKALB PARK DISTRICT ($150,000), DEKALB
SANITARY DISTRICT ($50,000), KISHWAUKEE
COLLEGE ($200,000), AND DEKALB PUBLIC
LIBRARY ($50,000), FOR A TOTAL OF $450,000 OF
ANNUAL FUNDING FROM FY2004 THROUGH
FY2010 FOR VARIOUS PROJECTS FROM TAX
INCREMENT FINANCE REVENUES.

BE IT RESOLVED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

Section 1. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to sign an
agreement with DeKalb Park District for $150,000.00 each year from FY2004 through FY2010 in
Tax Increment Financing Revenues for various improvements to Park District property, a copy of
which is attached hereto and made a part hereof as Exhibit “A”.

Section 2. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to sign an
agreement with the DeKalb Sanitary District for $50,000.00 each year from FY2004 through
FY2010 in Tax Increment Financing Revenues for various sanitary collection system renewal and
rehabilitation projects, a copy of which is attached hereto and made a part hereof as Exhibit “B”.

Section 3. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to sign an
agreement with the Kishwaukee College for $200,000.00 each year from FY2004 through FY2010
in Tax Increment Financing Revenues for workforce development and job training, a copy of which
is attached hereto and made a part hereof as Exhibit “C”.

Section 4. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to sign an
agreement with the DeKalb Public Library for $50,000.00 in Tax Increment Financing Revenues for
improvements to the Library, a copy of which is attached hereto and made a part hereof as Exhibit
“D”.

Section 5. That the City Clerk of the City of DeKalb is authorized and directed to attest the Mayor’s
signature.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof
held on the 8th day of September, 2003, and approved by me as Mayor on the same day. Roll call

ATTEST:

[Signatures]

DONNA S. JOHNSON, City Clerk

GREG SPARROW, Mayor
EXHIBIT "2"

1. Repurpose Chesebro Elementary School from an elementary school to an early childhood center.
   Projected Cost: $1,000,000

2. Repurpose Huntley Middle School from a middle school to an elementary school.
   Projected Cost: $1,000,000

3. Future additional projects to schools located within the TIF areas, including but not limited to: handicapped accessibility, building code/life safety issues, safety and security improvements, infrastructure upgrades and repairs and general remodeling costs.
   Projected Cost: $1,432,797