ORDINANCE 2019-049  

AMENDING THE FISCAL YEAR-END DECEMBER 31, 2019 (FY2019) BUDGET OF THE CITY OF DEKALB, ILLINOIS TO EXECUTE A LOAN FROM THE WATER FUND FOR THE INSTALLATION OF A FIRE SUPPRESSION SYSTEM AT 924 GREENBRIER ROAD.

WHEREAS, the City of DeKalb is a home-rule municipal corporation with all power and authority derived under the law; and

WHEREAS, on May 14, 2018, the City approved Ordinance 2018-019, amending Chapter 14 "Rooming Houses" by adding Section 14.22 "Greek Housing Fire Safety" to the Municipal Code of the City of DeKalb, Illinois; and

WHEREAS, during Council discussion of Ordinance 2018-019 on May 14, 2018, there was consensus from Council that the City's Water Fund could be utilized to loan up to 80% of qualified Greek organization sprinkler installation project costs to property owners, if owners agreed to a five year term at an interest rate of 5.25%, and agreed to the use of a special service area as backup payment for the loan; and

WHEREAS, on September 24, 2018, the City approved Ordinance 2018-049, authorizing an agreement with Red Door LLC, as the owner of the property located at 924 Greenbrier Road in DeKalb, Illinois, for a special service area backed loan from the City's Water Fund in the amount of $37,425; and

WHEREAS, the aforementioned agreement included certain requirements that were not fully met until after the close of the FY2018 Budget; and

WHEREAS, an amendment to the FY2019 Budget is now required to accommodate the financial obligations associated with this agreement.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL of the City of DeKalb, Illinois:

SECTION 1. That, the City of DeKalb, which utilizes the Budget Process as contemplated by Article 8, Division 2 of the Illinois Municipal Code including but not limited to 65 ILCS 5/8-2-9.1 through 65 ILCS 5/8-2-9.10, adopts an amendment to its FY2019 Budget, as shown below:

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SECTION 2. That each section, paragraph, sentence, clause, and provision of the Ordinance is separable and if any provision is held unconstitutional or invalid for any
reason, such decision shall not affect the remainder of this ordinance, nor any part thereof, other than that part affected by such decision.

SECTION 3. Upon its passage and approval according to law, this Ordinance shall by the authority of the City Council be published in pamphlet form.


ATTEST:

[Signature]
LYNN A. FAZEKAS, City Clerk
[Signature]
JERRY SMITH, Mayor
ORDINANCE 2018-019        PASSED: MAY 14, 2018

AMENDING CHAPTER 14 “ROOMING HOUSES” BY
ADDITION SECTION 14.22, “GREEK HOUSING FIRE
SAFETY” TO THE MUNICIPAL CODE OF THE CITY OF
DEKALB, ILLINOIS.

WHEREAS, the City of DeKalb is a home-rule municipality with the power and authority
Municipal Code; and

WHEREAS, the City presently maintains provisions of Chapter 14 of the City Code
regulating Rooming Houses; and

WHEREAS, the State of Illinois has passed the Greek Housing Fire Safety Act, 110 ILCS
130/1 et. seq. ("the Act"), which regulates and requires the installation of fire suppression
sprinklers in structures being utilized as Greek housing, as defined therein, on and after
January 1, 2019; and

WHEREAS, the City Council finds that the provisions of the Act lack adequate detail so
as to inform property owners of the conduct that is prescribed and proscribed thereunder,
which has the potential to result in inequitable or unclear enforcement of the provisions
thereof; and

WHEREAS, the City has sought information from the Illinois State Fire Marshall to
determine their approach to regulatory enforcement of the Act, and the Fire Marshall has
deployed to provide further information or clarification to the Act; and

WHEREAS, as drafted, the Act could apply to determine that when two (2) active
members of an identified fraternity or sorority move into any dwelling, said dwelling could
be thereafter regulated as Greek housing and be required to implement sprinkler,
regardless of the use of the remainder of the structure; and

WHEREAS, the City Council finds that enforcement of the Act in the fashion as written is
vague and incapable of precise enforcement, and is likely to lead to the imposition of fire
suppression sprinkler requirements in structures that are not truly being utilized as Greek
housing; and,

WHEREAS, the City has engaged in significant study of the practices and approaches of
other municipalities that have universities with Greek housing within them and has
engaged in a careful review of those approaches. As a result of that study, the City has
concluded that no municipality has engaged in a technical enforcement of the Act in the
broadest fashion possible thereunder, but rather that municipalities have attempted to
devise enforcement approaches consistent with the intent of the Act and in furtherance
of the goals thereof; and
WHEREAS, the City Council specifically finds that fire safety risks in Greek housing constitute a clear and imminent hazard to public safety and merit regulation as contemplated by the Act; and

WHEREAS, the City Council has determined that it is necessary and appropriate to amend said regulations to include the following restrictions, so as to protect and promote the public health, safety, welfare and morals.

THEREFORE BE IT ORDAINED by the Mayor and City Council of the City of DeKalb, DeKalb County, Illinois, as follows:

Section 1. Section 14.22 Added.

Chapter 14, Section 14.22, "Greek Housing Fire Safety" shall be added as follows:

14.22 Greek Housing Fire Safety:

The City of DeKalb, in furtherance of the obligations contained within the Greek Housing Fire Safety Act, 110 ILCS 130/1 et. seq., hereby adopts the following requirements as a component of the Rooming House ordinance of the City of DeKalb.

1) Definitions:

   **Automatic Fire Sprinkler System:** A fire sprinkler system as defined within the Fire Sprinkler Contractor Licensing Act, inclusive of a water service and active, monitoring alarm operational at all times.

   **Greek Organization:** A social fraternity or sorority exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986, the active membership of which consists primarily of students in attendance at a public or private institution of higher education.

   **Greek Housing:** A rooming house, apartment, or other residential structure that provides housing for a Greek Organization, whether or not such structure provides for activities other than housing, provided that:

   a) The structure is owned by a Greek Organization and is used for housing by any members; or,

   b) The structure is leased by a Greek Organization (as lessor or lessee) and is used for housing by any members; or,

   c) The structure is recognized by any accredited public or private university as providing housing to a Greek Organization or as being their housing location; or,
d) Eight (8) or more members of a single Greek Organization reside within the structure; or,

e) Fifty (50%) or more of the occupancy of the structure are members of one or more Greek Organizations, when the structure is eligible for recognition and licensure as a Rooming House under this Chapter 14 or when any dwelling unit within the structure contains such a number of unrelated persons as to violate applicable zoning restrictions on consanguinity as imposed under City Code.

2) Greek Housing Regulations: Any structure which is utilized as Greek Housing, and which is under the jurisdiction of the City of DeKalb shall be subject to the following restrictions:

a) Newly Constructed or Renovated Greek Housing: Any time a structure is proposed to be constructed or renovated to be utilized as Greek Housing, it shall be required to be designed and constructed with an Automatic Fire Sprinkler System that complies with all applicable codes and ordinances. Regardless of whether any other code or ordinance requires such Automatic Fire Sprinkler System, it shall be required hereunder. Said Automatic Fire Sprinkler System shall be installed, operational and shall have passed inspection prior to granting a certificate of occupancy for the structure following construction or renovation.

b) Property Utilized as Greek Housing: Any time a structure is utilized as Greek Housing or identified as being within the definition of Greek Housing as defined above, said structure shall be obligated to be retrofitted with an Automatic Fire Sprinkler System that complies with all applicable codes and ordinances. Said Automatic Fire Sprinkler System shall be installed and operational before the first to occur of the entry of the owner of the structure into a new lease for use of the structure as Greek Housing, or the passage of twelve (12) months from the date of identification as Greek Housing.

(i) The owner of any property which is utilized for residential purposes within the City of DeKalb shall have an obligation to make inquiry with all prospective tenants to confirm whether they are members of a Greek Organization so as to comply with the terms of this ordinance and install an Automatic Fire Sprinkler System if required hereunder. The owner shall make records responsive to such an inquiry available to the Fire Chief of the City of DeKalb upon request. Should the owner refuse to provide such records, the Fire Chief or designee shall be authorized to obtain an administrative subpoena or search warrant for such documents. The owner's failure to identify use of the structure as Greek Housing shall not be a defense to the obligation to install an Automatic Fire Sprinkler
System.

(ii) In the event that an owner of a structure elects to avoid the requirement to install an Automatic Fire Sprinkler System within a structure by choosing to not renew leases so as to render the structure no longer Greek Housing, the owner shall notify the Community Development Director in writing and shall enter into a compliance agreement identifying that the structure shall discontinue use as Greek Housing within a period of less than twelve (12) months. In the event that the structure is identified as being Greek Housing, as defined herein, more than one time in any rolling five-year period, the owner shall be obligated to install an Automatic Fire Sprinkler System.

3) Greek House Registration, Licensure and Inspection: Any structure utilized as or meeting the definition of Greek Housing as defined herein, and any residential structure utilizing an Automatic Fire Sprinkler System shall be required to register with the City of DeKalb for a Rooming House License under this Chapter 14 and shall submit to the conduct of a Rooming House inspection as contemplated in Chapter 14. Said structure shall be required to comply with the requirements of this Chapter 14, and also to comply with all other applicable codes, ordinances and statutes.

Section 2. Provided that the owner of a property subject to the requirements of this Ordinance submits a written letter of intent to the Community Development Director by July 1, 2018 indicating the owner’s intent to construct improvements consistent with these requirements of this Ordinance and in the timeline contemplated herein, the Community Development Director shall be authorized and directed to waive any applicable City permit fees or charges associated with such sprinkler improvements, including but not limited to permit fees, application fees, and tap-on or connection fees. Such fee waiver shall not include any fee relating to an actual cost incurred by the City, including but not limited to water meter fees or third-party review or inspection costs.

Section 3. All ordinances or portions thereof in conflict with this ordinance, including the prior versions of the ordinances included above, are hereby repealed.

Section 4. Should any provision of this Ordinance be declared invalid by a court of competent jurisdiction, the remaining provisions will remain in full force and affect the same as if the invalid provision had not been a part of this Ordinance.

Section 5. This Ordinance shall be in full force and effect after passage and publication pursuant to law. Notwithstanding the foregoing, the City shall not take any enforcement action under this Ordinance until January 1, 2019. Provided that the owner of a property subject to this ordinance has made substantial efforts to commence installation of any required equipment on or before January 1, 2019, the Community Development Director shall be authorized to extend the timeline for completion of improvements by not more than six months. An extension for longer than six months shall require the approval of
the City Council.


ATTEST:

[Signature]

RUTH A. SCOTT, Deputy City Clerk

JERRY SMITH, Mayor
STATE OF ILLINOIS )
COUNTY OF DEKALB ) SS
CITY OF DEKALB )

I, LYNN A. FAZEKAS, do hereby certify that I am the duly appointed City Clerk of the City of DeKalb, DeKalb County, Illinois, and as such officer, I am the keeper of the records and files of the City Council of said City.

I do further certify that the attached is a true and correct copy of:

ORDINANCE 2018-049

AUTHORIZING A FIRE SUPPRESSION SYSTEM AGREEMENT WITH RED DOOR, LLC TO PROVIDE A LOAN FROM THE CITY'S WATER FUND FOR THE INSTALLATION OF GREEK SPRINKLERS AT 924 GREENBRIER ROAD, AND AMENDING THE FISCAL YEAR-END DECEMBER 31, 2018 (FY2018) BUDGET.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 24th day of September 2018. The original will be kept on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 20th day of December 2018.

Prepared by and Return to:

City of DeKalb
City Clerk's Office
200 S. Fourth Street
DeKalb, Illinois 60115
ORDINANCE 2018-049

PASSED: SEPTEMBER 24, 2018

AUTHORIZING A FIRE SUPPRESSION SYSTEM AGREEMENT WITH RED DOOR, LLC TO PROVIDE A LOAN FROM THE WATER FUND FOR THE INSTALLATION OF GREEK SPRINKLERS AT 924 GREENBRIER ROAD, AND AMENDING THE FISCAL YEAR-END DECEMBER 31, 2018 (FY2018) BUDGET OF THE CITY OF DEKALB, ILLINOIS.

WHEREAS, the City of DeKalb is a home-rule municipal corporation with all power and authority derived under the law; and

WHEREAS, on May 14, 2018, the City approved Ordinance 2018-019, amending Chapter 14 “Rooming Houses” by adding Section 14.22 “Greek Housing Fire Safety” to the Municipal Code of the City of DeKalb, Illinois; and

WHEREAS, during Council discussion of Ordinance 2018-019 on May 14, 2018, there was consensus from Council that the City’s Water Fund could be utilized to loan up to 80% of qualified Greek organization sprinkler installation project costs to property owners, if owners agreed to a five year term at an interest rate of 5.25%, and agreed to the use of a special service area as backup payment for the loan; and

WHEREAS, Red Door LLC, as owner of the property located at 924 Greenbrier Road in DeKalb, Illinois, has requested approval of an agreement that would authorize a special service area backed loan from the City’s Water Fund in the amount of $37,425; and

WHEREAS, the City Council of the City of DeKalb has determined that it is necessary and advantageous and supports the public health, welfare and safety to provide a loan from the City’s Water Fund for the installation of a Greek Sprinkler System at 924 Greenbrier Road; and

WHEREAS, a budget amendment is required to accommodate the financial obligations associated with this agreement.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL of the City of DeKalb, Illinois:

Section 1. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to sign an agreement with Red Door, LLC that details the provision of a loan from the City’s Water Fund in the amount of $37,425, a copy of which is attached hereto, subject to such changes as shall be acceptable to him.

Section 2. That the City Clerk of the City of DeKalb is authorized and directed to attest the Mayor’s signature.

Section 3. Thereafter, City staff are directed to fully comply with the terms of the agreement, and to undertake the obligations contained therein. The City Council
expressly approves of the provision of the funding contemplated therein without
requirement of further Council approval. Provided that the work performed under the
agreement is performed in accordance with the agreement, the City Council waives any
otherwise applicable requirement for Council approval of bids or vendors utilized by
Owner and waives any applicable competitive bidding requirement (except to the extent
required under the Agreement).

Section 4. That, the City of DeKalb, which utilizes the Budget Process as contemplated
by Article 8, Division 2 of the Illinois Municipal Code including but not limited to 65 ILCS
5/8-2-9.1 through 65 ILCS 5/8-2-9.10, adopts an amendment to its FY2018 Budget, as
shown below:

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Section 5. That each section, paragraph, sentence, clause and provision of the
Ordinance is separable and if any provision is held unconstitutional or invalid for any
reason, such decision shall not affect the remainder of this ordinance, nor any part
thereof, other than that part affected by such decision.

Section 6. Upon its passage and approval according to law, this Ordinance shall by
authority of the City Council be published in pamphlet form.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting
thereof held on the 24th day of September, 2018, and approved by me as Mayor on the
same day. Passed on First Reading by a 7-0-1 roll call vote. Aye: Finucane, Marquardt,
waived by a 7-0-1 roll call vote. Aye: Finucane, Marquardt, Fagan, Noreiko, Verbic,

ATTEST:

LYNN A. FAZEKAS, City Clerk

JERRY SMITH, Mayor
Prepared by and Return To:
City of DeKalb
ATTN: City Attorney
200 S. Fourth Street
DeKalb, IL 60115

924 Greenbrier Road, DeKalb, IL 60115
FIRE SUPPRESSION SYSTEM AGREEMENT
CITY OF DEKALB
This Fire Suppression System Agreement (the "Agreement") is made and entered the 6th day of December 2018 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and Red Door, LLC (the "Owner"). The City and the Owner are collectively referred to as "Parties" and individually referred to as a "Party."

RECITALS

A. The Owner is the Owner of record of a certain multiunit residential structure located at 924 Greenbrier Rd, DeKalb, Illinois which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property", which property is within the corporate limits of the City.

B. The Property is comprised of a two-story residential structure. It is comprised as a rooming house or dormitory style structure, with 24 individual rooms or sleeping quarters, and common bathroom and kitchen facilities. Under the provisions of the Greek Housing Fire Safety Act, 110 ILCS 130/1 et. seq. ("the Act"), the Property is presently being utilized and is anticipated to continue being utilized as a greek housing structure. Under the requirements of the Act, the Property is required to have an automatic fire sprinkler system installed and operational by January 1, 2019, with such system being designed and installed in accordance with the building codes and ordinances of the City ("the System"). The Owner has investigated the potential of installing the System and the related costs, and has determined that absent financial support from the City, the Owner is unable to pay the costs associated with installing the System. The Owner has requested financial support from the City to assist in the payment of the costs of installing the System and affording a unique, local and special benefit to the Property.

C. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the installation of the System.

D. The City acknowledges that the continuing use of the Property as a greek housing structure, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and will be of benefit to the City, will permit orderly growth, planning and development of the City, will increase the tax base of the City, and will promote and enhance the general welfare of the City and its residents. The Owner acknowledges that the City is not required to provide the incentive outlined herein, and that the City’s agreement to provide the incentive in accordance with the provisions of this Agreement, to provide access to public utility services and other City services, and to otherwise perform the City’s obligations under this Agreement constitutes valuable, bargained-for consideration that benefits the Owner and the Property.

E. All other and further notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement (with the exception of the hearing process relating to the creation of a special service area) have been given, made, held and performed by the City as required by the Illinois Municipal Code, and all other applicable statutes, and all applicable ordinances, regulations and procedures of the City.

F. The Corporate Authorities have duly considered all necessary matters to enter into this Agreement and have further duly considered the terms and provisions of this Agreement and have authorized the Mayor to execute, and the City Clerk to attest, this Agreement on behalf of the City.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements herein made, the Parties hereby agree as follows:
ARTICLE I: INCORPORATION OF RECITALS

The Parties acknowledge that the statements and representations contained in Paragraphs A through F, both inclusive of the foregoing recitals are true and accurate and incorporate such recitals into this Agreement as if fully set forth in this Article I.

ARTICLE II: INSTALLATION OF THE SYSTEM

A. System Design:

The Owner has obtained a preliminary design proposal for the construction and installation of the System, a copy of which is attached hereto as Exhibit B. The System shall include the automatic fire sprinkler system as well as a monitored fire alarm. The preliminary design shall be modified to comply with all comments of the Community Development Director, Chief Building Official and Fire Chief of the City of DeKalb or their designees ("City Review Staff"). Upon approval of a final design in form and content acceptable to the City Review Staff and in compliance with all applicable codes and ordinances, the Community Development Director or designee shall issue a written letter of approval authorizing construction and installation of the System.

1. Required Revisions to System Design:

1) The final plans for the System shall be required to provide such information as shall be required by the Community Development Director or designee thereof, to demonstrate compliance with applicable codes and the terms of this Agreement.

2) The Owner shall install and maintain a 'Knox Box' entry systems for use by City of DeKalb emergency responders, at locations designated by the City of DeKalb Fire Chief, and shall ensure that such systems are available for use and operational at all times. At minimum, one (1) Knox Box shall be installed at an approved location on each primary entrance to the Building.

3) The Parties acknowledge that the Owner may maintain cameras or other equipment utilized to provide video surveillance and security coverage for the parking lot and/or common areas of the Property and Building. The Owner acknowledges that the City requests that the Owner provide to the City a connection and inter-link to any such cameras so installed, so that the City can remotely monitor such common area surveillance videos from the City Police Department. Such monitoring would be provided through having the Owner establish an external, static IP address securely accessible by the City with video feed in a format acceptable to the City Police Department. With regard to such interlink, if provided, the Parties agree to mutually indemnify and hold harmless the other party from any claim arising out of the monitoring or failure to monitor such systems. Such interlink shall permit the City to access a digital feed of live data collected on the Property, and shall also allow the City to access data stored in any recording devices installed or maintained by Owner with respect to such surveillance. Regardless of the provision of the interlink, all security cameras and security equipment installed on the Property shall be maintained in good and fully-operable condition by Owner and Owner shall comply with any request of the DeKalb Police Department to provide video footage recorded of any exterior portion of the Property or Building or any public or common area outside of the Property or Building.

B. System Installation:

Upon approval of the design of the System, the Owner shall cause the System to be promptly installed by a licensed contractor possessing all state and local certifications and licensure required to install
the System, and in accordance with all applicable codes and ordinances. The Owner shall permit the City unhindered access to any and all portions of the Property as shall be necessary to inspect the installation of the System and the condition of the Property. The Owner shall cause such modifications or additional work to be performed as shall be required in order to complete the installation of the System in a fashion compliant with the approved plans, applicable codes and ordinances, and the conditions of approval imposed by the City Review Staff. No payment shall be issued by the City until such point in time as the System has been fully installed, tested and is operational and approved by the City.

Owner shall complete installation of the System and all required remediation work so as to render it operational and approved prior to December 15, 2018. Should Owner fail to meet this deadline, the City reserves the right to either revoke the certificate of occupancy for the Property or to issue a temporary or conditional certificate of occupancy requiring completion of the System installation by a specified date. The Community Development Director or designee is authorized and directed to take such action, in order to comply with the letter and spirit of the Act. The failure to comply with any of the foregoing requirements shall constitute a material breach of this Agreement. The Community Development Director shall be authorized and directed to extend this timeline (or issue a temporary or conditional certificate of occupancy) without any further approval from the City Council in the event that the Owner is, through no fault of the Owner’s, unable to comply with such timelines and is working in good faith to correct the same. Any temporary or conditional certificate of occupancy may include such restrictions or conditions as may be required by the Community Development Director.

The City shall issue stop orders as necessary to insure development occurs as required by this Agreement and City Ordinances. Unless issued in case of emergency, said stop orders shall be preceded by reasonable notice (not less than three business days) and opportunity to comply. In the event that the Owner fails to meet any deadline imposed under the terms of this Agreement or otherwise violates any provision of this Agreement, the City may issue stop work orders for any work at the Property, pending either the posting of a security acceptable to the City to guarantee the completion of all work required, or the entry of the Parties into an amendment to this Agreement.

C. Building Condition:

As a condition of the approval of this Agreement, the Owner shall permit a full inspection of the Property and any structures located thereupon, to confirm their compliance with all applicable building codes and ordinances. Owner shall be responsible for any costs of remediation, repair or other work required to render the Property in compliance with applicable codes. The Parties acknowledge that the City shall apply the Existing Building Codes to the Property to the fullest extent of the law. Any new work performed on the Property, including but not limited to the fire suppression system, shall be compliant with then-current code requirements as provided by law.

D. Maintenance of Property and System:

At all times during the term of this Agreement, the Owner shall have the obligation to maintain the Property (including any structures located thereupon) and the System in accordance with all applicable codes and ordinances. The failure to so-maintain the Property and System shall be a material breach of this Agreement that shall constitute a material default. Following the installation of the System, the Owner shall maintain such the Property (including the exterior of the building, landscaping, parking areas and other portions of the Property) in good condition and shall take appropriate actions necessary to prevent the deterioration of the Property or its appearance, excepting ordinary wear and tear that does not violate applicable property maintenance codes. The Parties agree and acknowledge that environmental factors, such as the appearance and maintenance of a structure, have a significant impact on crime and on surrounding properties. Accordingly, the Parties agree and acknowledge that inherent in the incentive
granted herein is the Owner’s affirmative obligation to comply with all applicable property maintenance codes to maintain the attractiveness and appearance of the Property. The failure to maintain the building façade, architectural improvements, the System, landscaping or other aesthetic components of the Property shall constitute a material breach of this Agreement. Owner specifically covenants that it shall maintain the System as operational at all times during the term of this Agreement and shall pay all charges associated with maintaining and operating a monitored fire alarm system connected to the System.

E. Licensure of Property:

The Parties acknowledge that as a negotiated element of the consideration afforded by the Owner under the terms of this Agreement, the Owner shall maintain the Property with a Rooming House License issued by the City of DeKalb. The Owner shall be responsible for all costs associated with such licensure and inspection, and shall be responsible for complying with all provisions of the City’s Rooming House ordinances. The Parties acknowledge that this obligation to maintain a Rooming House license shall apply without regard to whether the Property would be subject to such licensure in the absence of this Agreement. The Parties further acknowledge that the maintenance of a Rooming House license does not entitle the Property to any change in zoning status, property use, or consanguinity requirements. The failure to maintain a Fire Life Safety license in good standing at all times, and to permit and comply with all requirements of the related inspection process, shall be a material breach of this Agreement which shall constitute a material default.

The Parties specifically acknowledge that maintenance of the System requires annual servicing and maintenance, and further acknowledge that the System is being installed throughout the building on the Property. The Parties have agreed to the use of the Rooming House License inspection program as a means for the City to verify that the Property and System are being properly maintained and serviced. The obligation to maintain the Property with a Rooming House license shall survive the termination or expiration of this Agreement. Should the City amend its ordinances or change the nature or extent of Rooming House licenses, the Property shall remain subject to any successor ordinances or inspection protocols in their then-current form, and the City reserves the right to designate an alternate type of license requirement for the Property without necessity of amending this Agreement.

Owner shall be responsible for securing all rights, permissions and consent required to facilitate the full inspection of all portions of the Property as a component of this required inspection. Owner shall further be responsible for giving all residential tenants of the Property adequate of this inspection and licensure standard, so as to facilitate inspections. During the term of this Agreement, the Owner shall reasonably cooperate with any request by the City to inspect the Property, the Building or any portion thereof, by any City employee or contractor, to confirm compliance with the terms of this Agreement.

F. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that the Property shall be maintained and the System shall be installed in compliance with all ordinances, codes and regulations of the City in effect at the time of development. The Parties acknowledge that it is the ultimate responsibility of the Owner to comply with any and all requirements of this Agreement and applicable City Codes. Thus, in the event that the City or its consultants issue a permit or give an approval not consistent with the terms of this Agreement or any applicable City Codes, such erroneous permit or approval may be of no force and effect and thus may be revoked. The Owner agrees that it may not rely on any such issued permit or approval for purposes of vested rights or estoppels to compel an improvement not consistent with the terms of this Agreement or applicable City Codes. The Owner hereby waives any claims of damages, of any type or character, against the City, its employees or its consultants based on such erroneously issued permits or approvals. All construction shall be in accordance with the City codes and ordinances and any comments of the City Review Staff or other City consultants which shall be provided at the time of plan review, except as may be specifically modified
and/or governed by this Agreement. All such comments must be addressed prior to site development. All permits from any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work commencing.

G. Site Control:

Owner agrees that it shall inspect and clean the streets and sidewalks adjacent to and within 100 feet of the entrance to Owner’s construction site, and take measures to control dust and any form of construction debris daily while construction is occurring on said site. Owner shall also patch or repair damage to any roadway, path, driveway, sidewalk or other similar improvement which may be damaged during the course of Owner’s construction or maintenance activities in a fashion acceptable to the City. In the event Owner fails to clean the Property, pick-up debris or fails to patch or repair any apron, taxiway, runway, street, path, roadway or sidewalk within two business days after receipt of notice from the City of Owner’s failure to comply with this provision, then the City may perform or contract with others to perform such undertaking and bill the Owner for such costs. Owner shall, within 15 business days following written notice from the City, pay all such costs.

ARTICLE III: INFRASTRUCTURE:

A. Water Mains and Potable Water Supply:

The Property is currently serviced by an existing connection to the City’s potable water system. In order to provide water service adequate for the needs of the System, the Owner shall be permitted to install a larger water service for the Property, in a size and configuration acceptable to the City Review Staff. The Owner shall have the right to connect to and use such system and mains upon payment of the costs of any water meters or related devices, which costs may be paid by the City and incorporated into the incentive contemplated herein, subject to the terms of this Agreement. The Owner shall be responsible for constructing all on-site and off-site improvements necessary to connect to the Property and any development on the Property to the presently existing water mains and potable water supply of the City. The Owner shall be exclusively responsible for the payment of all costs, expenses and charges associated with the design, construction and permitting of such improvements, including but not limited to any security required under this Agreement or applicable law, any permits required by the City, the Illinois Environmental Protection Agency or any other agency having jurisdiction, or any other costs whatsoever.

B. Grant of Easements / Right of Way:

The Parties acknowledge that at present, the City does not contemplate the installation of additional public utilities or street improvements in the vicinity of the Property. However, the Owner agrees and acknowledges that it shall grant to the City, at no cost to the City, easements or right of way along the perimeter of the Property upon request, if required for the construction or maintenance of public improvements owned or operated by the City, or by any governmental entity providing services to the Property. Such easements shall be limited in size as reasonably required to provide area for public improvements.

ARTICLE IV: FEES AND CONTRIBUTIONS:

The Owner shall pay all fees imposed under City Ordinance in the amount and in the time as described by such applicable Ordinance, unless waived herein. The City and Owner shall, at the time of payment of any required fee, cooperate to determine the amount of the fee due. The Parties acknowledge that the Property is subject to building permit fees, but that tap-on and connection fees customarily charged for connections to the City’s water system are to be waived where the connection relates solely to the increase in size relating to the installation of the fire suppression system. Owner shall also be responsible
for all usual and customary operational charges associated with the property, such as payment of water and utility bills.

A. Fees Specifically and Uniquely Attributable:

The Parties further agree that the fees contained within this Agreement are specifically and uniquely attributable to the development of the Property and that the Owner participated in the calculation and reconciliation of said fees, and the Owner and any successor hereby agree they will neither file any lawsuit nor take any other legal action challenging the imposition, collection, use, necessity enforceability, validity, or applicability of the fees described in this Agreement, nor shall Owner pay any such fees under protest. Notwithstanding the foregoing, Owner or the subsequent Owners or developers of any portion of the Property shall be responsible for payment of all future fees, charges and assessments relating to their use or modification of the property, including but not limited to building permit fees for remodeling of any structure on the development, and similar charges or fees.

B. Owner Responsibility for Costs:

Owner agrees and acknowledges that, as a result of the preparation of this Agreement and related documents, and as a result of the ongoing commitment of resources by the City that is caused as a direct result of this Agreement, the process of creating this Agreement, and the Development that is to be constructed under the terms of this Agreement, the City may incur substantial expenses at the request of Owner, and the Owner may become responsible for substantial charges and fees in order to perform its obligations under this Agreement. The City agrees that Owner shall not be responsible for any costs incurred prior to the date of this Agreement. Owner acknowledges that assignment or transfer of any interest in any property subject to this Agreement can increase the complexity of recovering those costs for the City and, in order to induce the City to enter into this Agreement, Owner agrees as follows:

1. Prior to the sale, assignment, lease or other transfer of any portion or portions of the Property, Owner shall provide not less than thirty (30) days notice to the City that such transfer is contemplated. Transfers among or between family members related by blood or marriage, or between trusts, corporations, partnerships or limited liability companies which are entirely owned or controlled by family members related by blood or marriage, shall not be construed as transfers giving rise to a potential obligation under this subsection.

2. Within fifteen (15) days of the receipt of such notice, the City shall provide Owner with a calculation of the total amount believed to be outstanding as costs for which Owner is responsible. Owner shall then have fifteen (15) days to make written objection to any such notice. Upon said objection, if any, the Parties agree to review in good faith and work toward the resolution of the notice and related costs for which the City claims Owner is responsible within an additional fifteen (15) days and in any event prior to the closing of the consummation of such transfer.

3. Prior to, or at the closing of, the consummation of such transfer, Owner shall cause all such amounts to be paid to the City, unless an Owner objection remains unresolved, in which case either Party may proceed with a legal action as detailed hereinafter.

4. At any time within ninety (90) days following consummation of such a transfer, the City shall provide final calculations of the total amount due from Owner and Owner shall pay all such amounts within thirty days of the City providing such notice.

5. In the event of a failure of Owner to comply with this subsection, Owner, along with the interest holder to which an interest in the property subject to this Agreement was transferred, shall be
jointly and severally liable to the City for all such amounts described above.

6. Any notice of amounts so due under this agreement shall include accurate and complete (to the extent that such documentation exists) documentation from the City.

Owner further acknowledges that, at any point, if Owner fails to make a payment requested by the City within thirty (30) days of such request, or such additional time as the City shall agree to provide (with any such extension being acknowledged by the City in writing), the City may unilaterally choose to implement any or all of the following remedies until such point in time as Owner has paid all amounts due and/or restored any escrow accounts maintained by the Owner by virtue of this Agreement:

1. Issuance of a stop work order on any portion of the Property.

2. Refusal to issue further permits for building, occupancy, water tap on, or other development related work.

3. Cessation of any utility service provided by the City to any property owned or maintained by Owner or their successors or assigns.

4. Institution of appropriate legal action to recover any and all amounts due, or such an action by the Owner to object to the amount claimed due and/or to seek the declaration of a different amount due, in which case the prevailing party to such legal action shall be entitled to attorneys’ fees, court costs, other collection costs, and interest at a rate of eight (8%) percent per annum, until such amount, including costs and interest, is paid in full, as against the non-prevailing party.

5. Cessation of any or all work on or pertaining to the Property by City staff, employees or consultants.

ARTICLE V: INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that Owner lacks the financial resources necessary to install the System, and that in the absence of the System, continued use of the Property as configured would be unlawful under the Act. The Parties further acknowledge that if the Property were unable to be used as configured, its value would be substantially reduced, and it would have the potential to become unoccupied, underoccupied or blighted. The City acknowledges the value of encouraging beneficial use of such structures, and provides this Development Incentive to encourage and enable such continuing which would not happen but for this Agreement. Both Parties agree and acknowledge that this Agreement calls for the provision of a special service to the Owner that would not happen but for the mutual agreements and covenants contained herein, the adequacy and receipt of which are hereby acknowledged.

B. Incentive Defined:

The incentive contemplated herein shall be defined as follows. Upon the completion and successful installation of the System, the City shall pay for the costs of design and installation of the System, as well as the costs of construction of an enlarged water service and water meter. The incentive shall not cover any other improvement or modification to the Property or any building located thereupon. Any costs incurred by the City with respect to the review of the System or its installation or inspection at the Property shall be included within the incentive and shall be reimbursable to the City under the process described herein. The Parties acknowledge that installation of the System both provides a substantial enhancement to public safety.
and also provides additional or expanded connections to the City’s potable water utility system. The incentive shall not exceed the total sum of $37,425, which is 80% of the total estimated cost of $46,779 as indicated in the proposals attached hereto as Exhibit B, and the City shall be entitled to make the first incentive payments towards any costs or fees due and owing the City under the terms of this Agreement or City Code plus cost due owing to the City. The City is authorized to fund expenses out of the water fund and reimburse through the loan.

The Parties specifically acknowledge that because the Owner is utilizing public funds for the construction of the System, and because those funds are coming from the City’s water capital fund, the Owner shall be obligated to comply with the Illinois Prevailing Wage Act and to pay not less than the prevailing wages contemplated and required therein. Owner shall be responsible for the provision of prevailing wage records for all labor governed by the Prevailing Wage Act, and the City shall not be liable for any payments that are not accompanied by certified wage statements in compliance therewith.

C. Payment of Incentive:

1. Prior to the making of any payment of the Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit C. The mortgage shall be recorded against the Property and shall contemplate and secure further advances up to the full amount of the potential Development Incentive. The mortgage and loan secured thereby shall be subordinate to any other purchase, acquisition or construction financing that the Lessee obtains in order to facilitate the redevelopment of the Property, and the Community Development Director shall be authorized and directed to execute any subordination agreement or other similar documentation, without requirement of separate City Council approval. Further, the Community Development Director may extend the term of repayment or otherwise modify the financial incentive contemplated herein without requirement of further City Council approval to the extent required to comply with Lessee’s other financing or borrowing, provided that no such modification shall serve to reduce the Lessee’s obligation to fully account for the entirety of the Development Incentive and repay the entirety of the same.

2. The incentive shall be paid out of the City’s water capital fund, and shall be payable through a third party commercial title agency acceptable to the City in its sole discretion. The City shall utilize the title agency to process all payment requests and lien waivers, as well as prevailing wage records, and all costs of the title agency shall be included within the incentive amount and borne by the owner.

3. The approval of this Agreement shall constitute the full and final approval of the payment of the Incentive in the amount described above. This sum shall be payable upon installation and successful inspection of the System.

   a. City staff is authorized and directed to make direct payments of such expenses, without requirement of separate City Council review or authorization, provided that the expenses are documented in accordance with Exhibit D. At the time of payment, Owner shall provide the City with satisfactory evidence of title including lien waivers and other required documentation.

   b. The City’s intention in providing direct payment of such expenditures is to facilitate the rapid installation of the System in compliance with the Act.

   c. All payments contemplated hereunder shall be administered through a title agency
acceptable to the City, at Owner’s sole cost. Said title agency shall receive and process all payment requests and review all related documentation, including but not limited to lien waivers, to confirm appropriateness of payment.

D. Repayment of Incentive:

The Parties acknowledge that this Agreement contemplates the establishment of an active special service area, with a geographic boundary coterminous with the boundaries of the Property, and that under this arrangement, the Owner shall be responsible for the payment of a special service area tax to the City of DeKalb each year. In addition to all amounts included in the incentive as described above, the City shall add simple interest to the incentive at the rate of 5.25 percent (5.25%) per annum. This incentive plus interest shall be subject to repayment over a roughly 5 year long term. In the final year of that 5 year term, the Owner shall be responsible for the payment of all sums necessary to fully repay the incentive and all accrued interest. The Finance Director of the City of DeKalb is authorized and directed to establish an estimated amortization schedule based upon the final amount of the incentive paid out hereunder, and to prepare special service area tax levies each year in accordance with the aforesaid amortization schedule. It is the intention of the Parties that the City levy a special service area tax each year in an amount necessary to pay that year’s portion of the incentive repayment, so as to provide a full repayment of the incentive within the fifth year term of repayment, as though the special service area was being utilized to repay a simple interest loan. As more fully indicated below, through the execution of this Agreement, the Owner is irrevocably waiving any objection to the establishment, maintenance and levying of taxes under such a special service agreement, whether levied on an ad valorem or pro-rata basis (at the City’s discretion). The Owner acknowledges that the terms of this Agreement afford the Property a unique special service.

In the event that the City is, at any time prior to full repayment of the incentive and accrued interest, unable to recover the sums due hereunder through the levy associated with the special service area, whether by virtue of the invalidity of the special service area, changes in law, or the failure of the Owner to pay taxes when due, then the Owner shall have engaged in a material default under the terms of this Agreement and the City shall have the right to immediately declare a default and demand immediate repayment, to require the Owner to execute and record a mortgage and make direct loan payments to the City of DeKalb, or to take such other relief as the City shall determine to be necessary and appropriate. Owner covenants and agrees that it shall take all such action as shall be lawfully required to consent to the creation of the special service area, to make all payments when due thereunder, to otherwise further the efficacy or validity of the special service area, or to execute, record and comply with the terms of a mortgage contemplating the repayment of the principal and interest contemplated herein should the special service area for any reason be ineffective. Owner expressly agrees and acknowledges that it consents to the creation of the special service area and the levy of all taxes thereafter due to provide for the repayment contemplated herein, and consents to being levied on either an ad valorem or pro-rata basis.

Owner may prepay all or any portion of the incentive at any time without penalty, but shall be liable for all premium and interest accruing on a per diem basis up to the date of full repayment.

E. Special Service Area:

Owner and its successors, assignees and grantees, shall not object to and agree to cooperate with the City in establishing a special service area ("SSA") after approval of this Agreement, for the Property. The purpose of the formation of special service area in general is to authorize the maintenance, repair, regular care, renewal and replacement of the automatic fire suppression system at the Property, as well as the monitored fire alarm system, as well as any other components of the Building or Property which are required to be repaired or maintained in order to comply with applicable codes and which are not, after
notice to the Owner, maintained or repaired ("the Maintenance Obligation"), as well as to provide a source of funding to repay the costs of installation of the System, based upon the amortization schedule which the City of DeKalb Finance Director is authorized and directed to establish, based upon the repayment of all sums advanced as principal, plus interest, for the benefit of the Property, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. There will be considered the levy of an annual tax of not to exceed an annual rate of twenty dollars ($20) per one hundred dollars ($100) of the equalized assessed value of the property in the proposed special service area, said tax to be levied for an indefinite period of time from and after the date of the Ordinance establishing said Area. Said taxes shall be in addition to all other taxes provided by law and shall be levied pursuant to the provisions of the Property Tax Code. The City may levy taxes at any time under the Special Service Area, and may choose to offer none, some or all of the enumerated special services. Proceeds raised by the levy shall only be used as permitted by law and may be levied ad valorem or pro-rata as determined by the City. Owner shall have the primary responsibility of providing for the completion of the Maintenance Obligation in a first class and workmanlike fashion and in accordance with all applicable codes and ordinances. Even should Owner fully perform that obligation, the City shall nonetheless levy taxes hereunder to provide for repayment of the incentive.

The Owner shall, upon the request of the City, grant the City an easement ("Common Facilities Maintenance Easement") over all of those portions of the Property necessary to effectuate the Maintenance Obligation, in favor of the City. The substance of the maintenance easement shall be as approved by legal counsel for the City. Approval of this Agreement shall be deemed to constitute consent to the City's establishment of a special service area as herein described. Owner shall also execute a waiver of objection in the form attached hereto as Exhibit E.

Nothing in this Agreement shall prevent the City from levying or imposing property taxes, including but not limited to special service areas, special assessment areas, or other ad valorem or flat rate taxes upon the Property in the manner provided by law which are applicable to and apply equally to all other properties within the City or from establishing a special service area that encompasses solely the Property.

F. Limitation of Liability / Third Party Beneficiaries:

The Parties expressly disclaim and deny the existence of any third party beneficiaries, and no third parties, including but not limited to Owner's contractors, subcontractors or materialmen, shall have any claim against or relating to the City. Owner shall indemnify, defend and hold harmless the City from any such claims, and shall take all action as shall be required to remove and defend against any liens filed against the Property as a result of the design or installation of the System. Upon approval of a payment request (and all related documentation) properly processed by the third party title agency selected by the City, the City shall issue payments of the incentive, which payments shall be made payable to Owner (and any party designated by Owner) in the fashion that Owner specifies. Owner may request that the City issue payment to Owner and Owner's contractor(s), and the City shall comply with such requests, but the City shall not be directly liable to any contractor(s) under any circumstances. The City's obligation to pay the incentive contemplated herein may not be assigned to any third party except with the express, written consent of the Community Development Director, which consent may be withheld in the Director's sole and absolute discretion. In no event shall the payment obligation be assigned to any contractor, subcontractor or materialman of Owner.

G. Owner Security:

Owner shall provide a note and corporate undertaking in the form attached hereto to guarantee its obligations hereunder, pending the creation of the special service area. The note and corporate undertaking shall be released upon the full repayment of all sums advanced to or on behalf of Owner hereunder.
ARTICLE VI: MUTUAL ASSISTANCE:

The Parties shall do all things necessary or appropriate to carry out the terms and provisions of this Agreement; to aid and assist each other in carrying out the terms and objectives of this Agreement and the intentions of the Parties as reflected by said terms, including, without limitation, the giving of such notices, the holding of such public hearings, the enactment by the City of such resolutions and ordinances and the taking of such other actions as may be necessary to enable the Parties' compliance with the terms and provisions of this Agreement and as may be necessary to give effect to the terms and objectives of this Agreement.

ARTICLE VII: REMEDIES:

A. Failure to Construct:

In the event that Owner fails to complete the installation of the System or otherwise fails to comply with the terms of this Agreement within the timeline contemplated herein at any point in time prior to the payment of the incentive, the City may terminate this Agreement on the provision of not less than thirty (30) days written notice, after which point the Agreement shall be null and void.

B. Breach Generally:

Upon a breach of this Agreement, any of the Parties, solely in the venue as provided hereinafter, by an action or proceedings at law or in equity, may secure the specific performance of the covenants and agreements herein contained, may be awarded damages for failure of performance or both. No action taken by any party hereto pursuant to the provisions of this Article or pursuant to the provisions of any other Article of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and nonexclusive of any other remedy either set forth herein or available to any party at law or in equity.

In the event of a material breach of this Agreement, the Parties agree that the Party alleged to be in breach shall have thirty (30) days after written notice of said breach to correct the same prior to the non-breaching Party's seeking of any remedy provided for herein (provided, however, that said thirty (30) day period shall be extended if the defaulting Party has initiated the cure of said default and is diligently proceeding to cure the same).

If any of the Parties shall fail to perform any of its obligations hereunder, and the Party affected by such default shall have given written notice of such default to the defaulting party, and such defaulting Party shall have failed to cure such default within thirty (30) days of such default notice (provided, however, that said thirty (30) day period shall be extended if the defaulting party has initiated the cure of said default and is diligently proceeding to cure the same), then, in addition to any and all other remedies that may be available, either in law or equity, the Party affected by such default shall have the right (but not the obligation) to take such action as in its reasonable discretion and judgment shall be necessary to cure such default.

The failure of the Parties to insist upon the strict and prompt performance of the terms, covenants, agreements, and conditions herein contained, or any of them, upon any other party imposed, shall not constitute or be construed as a waiver or relinquishment of any party's rights thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full force and effect.

If the performance of any covenant to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include acts of God, war, acts of civil disobedience, weather, terrorist acts of a direct or indirect nature, material
shortages, flooding, strikes or similar acts), the time for such performance shall be extended by the amount of time of such delay.

In the event that material default occurs or any event occurs which jeopardizes the ability of the City to levy or recoup the incentive contemplated herein through the use of a special service area tax levy against the Property, the City may, at its option, accelerate the repayment of the incentive and demand immediate repayment of the incentive and all accrued interest, or may require the Owner to execute, record and comply with a mortgage and related repayment obligation as contemplated in Article V(D) above.

ARTICLE XII: TERM:

This agreement shall have a term of fifty (50) years from the date of execution.

ARTICLE XIII: MISCELLANEOUS:

A. Amendment:

This Agreement, and the exhibits attached hereto, may be amended only by mutual consent of the City and Owner, by adoption of an ordinance or resolution by the City approving said amendment as provided by law, and by the execution of said amendment by the City and Owner.

B. Severability:

If any provision, covenant, agreement or portion of this Agreement or its application to any person, entity or property is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements and portions of this Agreement, and to that end, all provisions, covenants, agreements and portions of the Agreement are declared to be severable. If for any reason the special service area contemplated herein is ruled invalid, in whole or in part, the Owner and City, as soon as possible, shall take such actions (including the holding of such public hearings and the adoption of such ordinances and resolutions) as may be necessary to give effect to the spirit and intent of this Agreement and the objectives of the Parties, as disclosed by this Agreement.

C. Entire Agreement:

This Agreement sets forth all agreements, undertakings and covenants between and among the Parties. This Agreement supersedes all prior agreements, negotiations and understandings, written and oral, and is a full integration of the entire agreement of the Parties. In the event of any conflict between two or more components of this Agreement providing standards, guidelines or requirements for Owner to act upon in or around the Property, construction or related activities for the Property, the more restrictive provision shall apply unless the City agrees otherwise.

D. Successors and Assigns:

1. This Agreement shall inure to the benefit of, and be binding upon the Owner and its successors, grantees, Owners, and assigns, and upon the City and successor corporate authorities of the City and successor municipalities, and shall constitute a covenant running with the land. Following the payment of the incentive and establishment of the special service area, this Agreement may be assigned to a successor owner of the Property without the City's approval, and upon said assignment and acceptance by an assignee, the assignor shall have no further obligations hereunder. If a portion of the Property is sold, the seller shall be deemed to have assigned to the purchaser any and all rights and obligations Seller may have under this Agreement which affect the portion of the Property sold or conveyed and thereafter the seller shall have no further obligations under this Agreement as it relates to the portion of the Property conveyed.
2. Notwithstanding the foregoing, the Owner shall not be authorized to engage in any sale or assignment of the Property or the rights conveyed under this Agreement, prior to the date upon which the System is installed, inspected and approved, and the building on the Property is issued a final certificate of occupancy following renovation thereof. Transfers among or between family members related by blood or marriage, or between trusts, corporations, partnerships or limited liability companies which are entirely owned or controlled by family members related by blood or marriage, shall not be construed as sale or assignment under this subsection.

E. Notices:

Any notice required or permitted by the provisions of this Agreement shall be in writing and sent by certified mail, return receipt requested, or personally delivered, to the Parties at the following addresses, or at such other addresses as the Parties may, by notice, designate:

City Clerk
City of DeKalb
200 South 4th Street
DeKalb, IL 60115
Telephone: 815-748-2095

With copies to:
Interim City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2060
Email: raymond.munch@cityofdekab.com

City Attorney
City of DeKalb
200 South 4th Street
DeKalb, IL 60115
Telephone: 815-748-2093
Email: dean@frieders.com

If to the Owner:
Red Door, LLC
60 B W Terra Cotta Ave #139
Crystal Lake, IL 60014

With a Copy To:

Notices shall be deemed given on the third (3rd) business day following deposit in the U.S. Mail, if given by certified mail as aforesaid, and upon receipt, if personally delivered.
F. **Time of Essence:**

Time is of the essence of this Agreement and of each and every provision hereof.

G. **Indemnification and Insurance:**

The Owner covenants and agrees to pay, at its expense, any and all damages, expenses, liabilities and losses resulting from this Agreement, the construction and development activities of the Owner, or its agents, contractors and subcontractors, and to defend and indemnify and save the City and its officers, elected and appointed agents, employees, engineers and attorneys (collectively, the “Indemnifieds”) harmless of, from and against such damages, expenses, liabilities and losses as a direct and proximate result of Owner’s unlawful actions in furtherance of the terms hereof and the construction activities contemplated hereby, except to the extent such damages, expenses, liabilities and losses arise by reason of the negligence or willful or wanton act or omission of the Indemnifieds. The Owner shall provide satisfactory proof of comprehensive general liability insurance for the Property and the project during the time from approval of this Agreement until completion of the last improvement contemplated by the approved final plans, and such insurance shall name the City as additional primary and non-contributory insured without right of subrogation. In addition, Owner shall provide workers compensation insurance in the form as required by law.

The Parties acknowledge that this Agreement contemplates the payment, including direct payment, of expenses associated with the redevelopment of the Property under the Development Incentive, and contemplates the City’s approval of plans. Under City Code, the Parties acknowledge that the City has a limited role in inspecting improvements and conducting construction observation. Notwithstanding the foregoing, the Parties agree and acknowledge that neither the Owner nor its personnel shall be acting as an employee or official representative of the City for purposes of being offered any protection or coverage under City insurance policies for tort immunity or other legal purposes. The Owner and City acknowledge that the provisions of this Agreement shall be construed, pursuant to *Carney v. Union Pacific Railroad Company*, 2016 IL 118984, to provide the City with the right to stop or resume work, to make inspections, to receive reports and to provide recommendations or suggestions pursuant to Section 414 of the Second Restatement of Torts, and that the Owner shall be considered to be fully independent of the City both in terms of tort liability and in terms of contractual liability to third parties. No provision of this Agreement shall be construed as the City retaining control of or having liability for the actions of the Owner or its contractors or subcontractors. The City shall have no liability for Owner’s selection of personnel, employees or subcontractors, nor for the presence of dangerous conditions on any portion of the Property.

Owner shall have sole control over the manner and means of providing the work and services performed under this Agreement. The City’s payment of any sums to Owner shall be limited to that described in this Agreement with respect to payment of the Development Incentive, and the City shall not reimburse any expenses, provide any benefits, withhold any employment taxes or otherwise have a financial relationship with Owner other than payment of the stated Development Incentive. The Owner shall be solely responsible for contracting for the construction of improvements, acquiring properties, paying or withholding of taxes, or otherwise complying with applicable laws and agreements relating to its employees or contractors.

Without limiting the applicability of the foregoing indemnification provisions, the Owner expressly and without limitation agrees that it shall indemnify and hold harmless the City from any claims, damages, fines, penalties, legal fees or other costs or expenses whatsoever, arising as a proximate result of Owner’s unlawful activities or construction on the Property and relating to any federally protected wetland, the delineation or failure to delineate wetlands, the protection or mitigation or failure to protect or mitigate wetlands, the identification of floodplains, or the construction of any improvement or structure in or near any wetland or floodplain area, within or outside the Property.
Owner shall provide the City with a certificate of commercial general liability insurance naming the City as additional primary and non-contributory insured, without right of subrogation, prior to the commencement of construction on the Property and shall maintain such insurance in place until the commencement of the forgiveness period as defined herein; such policy shall have minimum limits of $1,000,000 per person and $2,000,000 per occurrence.

1. Contractor Indemnification and Insurance:

Each contractor or subcontractor who performs work on the Property relating to the construction or installation of the System or otherwise in any way relating to the terms of this Agreement shall be required to execute a covenant with the Owner, in form and content acceptable to the City, wherein such contractor or subcontractor agrees to be bound to provide insurance and indemnification in form and content identical to that required of Owner, including naming the City as additional primary and non-contributory insured with waiver of right of subrogation, and with waiver of any rights under Kotecki.

H. Exhibits:

The following Exhibits referred to herein and attached to this Agreement are hereby made a part of this Agreement:

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
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<tr>
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<td>Exhibit B:</td>
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<tr>
<td>Exhibit E:</td>
<td>Waiver of Objection</td>
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I. Venue:

Jurisdiction and venue for any dispute arising out of relating to the terms of this Agreement, the zoning or restrictions imposed hereunder, the development of the Property or otherwise relating to the relationship of the Parties or contents hereof shall have its jurisdiction and venue exclusively fixed in the Twenty-Third Judicial Circuit, DeKalb County, Illinois, and the parties expressly and intentionally waive the right to pursue claims in any other jurisdiction or venue.

J. Survival of Provisions:

The provisions of this Agreement relating to the remedies upon default and/or the recovery of any portion of the Development Incentive (through legal action, foreclosure, deed in lieu or other process) shall survive any termination of this Agreement.
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written and, by so executing, each of the Parties warrants that it possesses full right and authority to enter into this Agreement.

CITY:

CITY OF DE KALB, an Illinois Municipal corporation
By: [Signature]

Jerry Smith Mayor
Lynn Fazekas, City Clerk

OWNER:

Red Door, an Illinois Limited Liability Company
By: [Signature]

FRANK E. WOODIN
Owner

Attest: [Signature]

OFFICIAL SEAL
MICHELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/06/21
Exhibit A: Legal Description

The property is legally described as: LOTS 7 AND 8 IN BLOCK 8 IN FIRST ADDITION TO ROLLING MEADOWS SUBDIVISION, A SUBDIVISION OF A PART OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 22ND, 1962, AS DOCUMENT NO. 310496 IN PLAT BOOK "M", PAGE 17, IN DEKALB COUNTY, ILLINOIS

Parcel Identification Number: 08-15-152-004
The following items are specifically not included in quoted price:

- Water supply and site work; start from adequately sized pipe inside the building.
- Flushing, testing, and chlorination of underground supply.
- Exterior control valves; PIV, wallpost, etc.
- Premium and/or off-hours work.
- Fire extinguishers and cabinets.
- Power and alarm wiring.
- Painting of pipe or paint protection.
- Sprinkler protection in overhangs, canopies and concealed spaces.

General terms:

- Progress billing NET 30 days after invoice date. Monthly progress billing 1-1/2% monthly finance charges assessed on past due invoices, along with collection costs and attorney fees if necessary.
- SJC guarantees the work hereunder to be free of defects in workmanship for a period of one (1) year from the date the system is placed in service, subject to the terms and limitations set forth in the General Terms and Conditions attached hereto.
- Owner shall provide a minimum of 40 F temperatures throughout all areas of the building where wet pipe sprinkler systems are provided.
- This proposal is based upon SJC performing work during normal working hours (7:00 a.m. to 3:30 p.m. Monday through Friday).
- SJC prepared this proposal with the assumption that standard industry construction methods and materials will be used.

Thank you for the opportunity to present this bid.

Respectfully submitted,
Robert Erickson
robert@slushon.com

This price set forth above was prepared on the basis of labor and material prices in existence as of the date set forth above and shall be in effect for a period of thirty (30) days after such date. To the extent that any such prices are increased after such thirty (30) day period, the price set forth shall be adjusted accordingly to account for such price increases.

ACCEPTANCE OF PROPOSAL
NAME
TITLE
DATE
May 21, 2018

Frank Wooded
924 Greenbrier
DeKalb, Illinois
Phone: 630-978-6512
Fax:
Email: frank.wooded@yahoo.com

Project: Student Housing
924 Greenbrier
DeKalb, Illinois
Proposal No: 181268e

Frank,

S.J. Carlson Fire Protection, Inc. (SJC) proposes to furnish all the equipment, labor, material, and supervision to provide a wet sprinkler system to protect an existing (2) story student building at the above project location as per your faxed plans (dated 05/17/2018). All work to be performed in accordance with municipal requirements and NFPA-13 regulations.

For the total price of: thirty-one thousand, eight hundred and eighty-one dollars. $31,881.81.

Our quoted price includes:

- Installation of approximately (35) brass sidewalls sprinklers on exposed piping in the dorm rooms.
- Installation of approximately (55) brass upright sprinkler heads with head guards in hallways and public areas.
- Backflow prevention device; certification of the device is included.
- Fire department connection; threads to match local municipality threads.
- Schedule 10 black steel pipe with grooved fittings.
- Schedule 40 black steel pipe with threaded fittings.
- Alarm devices.
- Inspector’s test connection.
- Auxilliary drains, as required.
- Engineered drawings for municipal and owner approval.
- Plan review and permit fees.
- Hydrostatic test and municipal inspection as required by local fire prevention bureau.
- Warranty on material and workmanship for (3) year on all completed work.
# Quote

**AMERICAN TRENCHLESS TECHNOLOGY**

17720 SOMONAU KRD  
DEKALB IL 60115  
815-730-5155  

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**Description**

Install 2" water service, directional bore from pathway into new sprinkler room through floor. T off and hook up to existing domestic service and hook up to new fire sprinkler service. Includes permit fees and new 2" water tap and remove old tap. Includes remove and replace concrete in new sprinkler room. Includes remove and replace sidewalk as needed. Does not include RPZ valve. Does not include any in floor heisting repairs.

$14,898.00

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**Total Quote**  $0.00
COMPANY UNDERTAKING  
for  
Red Door, LLC  

WHEREAS, the company known as Red Door, LLC, is a duly recognized and active limited liability company organized and doing business in the State of Illinois; and

WHEREAS, the Company is governed by a written Operating Agreement, which provides that the Member identified below of said Company may act on behalf of the Company in the capacity herein contemplated;

NOW, THEREFORE:

BE IT RESOLVED this 6th day of December 2018, that the undersigned, being a duly appointed and acting Member of the Company, authorizes the Company to execute any and all documents pursuant to that certain Incentive Agreement with the City of DeKalb regarding the Property described in the attached Legal Description (the "Property"), all in DeKalb, Illinois, including, but not limited to, promissory note(s), security agreement(s), line(s) of credit, mortgage(s) and all other loan or financing documents to enable the Company to fulfill its obligations pursuant to said Incentive Agreement and to permit and enable the City of DeKalb to perfect any and all liens on the assets of the Company and/or Property.

1. Company Further Agrees as follows:

(a) "Company's Liabilities" shall mean all obligations and liabilities of Company to the City (including, without limitation all debts, claims, and indebtedness), whether primary, secondary, direct, contingent, fixed, or otherwise, heretofore, now, and/or from time to time hereafter owing, due, or payable, however evidenced, created, incurred, acquired, or owing and however arising, whether under the "Loan Agreements" or "Development Agreement" (hereinafter defined), or by oral agreement or operation of law, or otherwise, and all terms, conditions, agreements, representations, warranties, undertakings, covenants, guaranties, and provisions to be performed, observed, or discharged by Company under the Loan Agreements.

(b) "Incentive Agreement" shall mean that certain Fire Suppression System Incentive Agreement entered into by the Company and City relating to the redevelopment of the Property described in Exhibit 1.

(c) "Loan Agreements" shall mean all agreements, instruments, and documents, including, without limitation, promissory notes, loan and security agreements, guaranties, letters of credit, mortgages, deeds of trust, environmental indemnity agreements, pledges, powers of attorney, consents, assignments, contracts, notices, leases, financing statements, and all other written matter heretofore, now, and/or from time to time hereafter executed by and/or on behalf of Company and delivered to City, including, without limitation, that certain Loan and Security Agreement dated as of the date hereof, made by Company in favor of City (Loan Agreement), and any and all substitutions, replacements, renewals, and/or amendments to and of the aforementioned agreements, instruments, and documents.
2. Company unconditionally, absolutely, and continuously guarantees and undertakes to City the prompt performance and payment (in full) of all of Company’s Liabilities, when such performance or payment is due or declared due by City, subject to the terms and provisions of the Incentive Agreement. In addition to the payment and performance of Company’s Liabilities specified in the preceding sentence, Company shall additionally be liable for all of the costs and expenses incurred by City as identified in Section 9 of this Undertaking.

Prior to enforcing its rights under this Undertaking, the City is not required to seek to enforce or resort to any remedies with respect to any security interests, liens, or encumbrances granted to City by Company or any other party to secure the repayment of Company’s Liabilities.

Company’s Liabilities shall in no way be impaired, affected, reduced, or released by reason of (a) the City’s failure or delay to do or take any of the actions or things described in this Undertaking; (b) the invalidity or unenforceability of Company’s Liabilities or the Loan Agreements; or, (c) any loss of or change in priority or reduction in or loss of value of any security interest, lien, or encumbrances securing the repayment of Company’s Liabilities.

3. Company represents and warrants to City that:
   (a) The statements in the preamble to this Undertaking are true and correct.
   (b) Company has reviewed and voluntarily entered into this Undertaking and the associated Note and Mortgage.
   (c) Company has the right, power, and capacity to enter into, execute, deliver, and perform this Undertaking.
   (d) This Undertaking, when duly executed and delivered, will constitute a legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms, subject to applicable bankruptcy laws or other laws affecting creditors’ rights generally or the equity powers of the courts.
   (e) The execution, delivery, and/or performance by Company of this Undertaking shall not, by the lapse of time, the giving of notice, or otherwise, constitute a violation or breach of (1) any applicable law; or (2) any provision contained in any agreement or document to which Company is now or hereafter a party or by which it is or may become bound.
   (f) Company is now, and at all times hereafter shall be, solvent and generally able to pay its debts as such debts become due, and Company now owns or will upon its acquisition of the Property which is the subject of the Incentive Agreement, and shall at all times hereafter own, property that, at a fair valuation, exceeds the sum of Company’s debts.
   (g) Company now has, and shall have at all times hereafter, capital sufficient to carry on all business transactions and all businesses and transactions in which Company is about to engage. Company does not intend to incur or believe that Company will incur debts beyond Company’s ability to pay as such debts mature.
   (h) There are no actions or proceedings that are pending or threatened against Company that might result in any material and adverse change in Company’s financial condition or materially affect Company’s ability to perform Company’s Liabilities.
   (i) Company has reviewed independently the Loan Agreements, and Company has made an independent determination as to the validity and enforceability thereof on the advice of Company’s own counsel, and in executing and delivering the Undertaking to City, Company is not in any manner relying on City as to the validity and/or enforceability of any security interests of any kind or nature to City.
   (j) Upon written request from City, Company agrees to furnish to City all pertinent facts relating to the ability of Company to pay and perform Company’s Liabilities, and all pertinent facts relating to Company’s ability to pay and perform Company’s
Liabilities. Company agrees to keep informed with respect to all such facts. Company acknowledges and agrees that (1) City has relied and will continue to rely on the facts and information to be furnished to it by Company; (2) in executing this Undertaking and at all times hereafter, Company has relied and will continue to rely on Company's own investigation, and Company has not and will not hereafter rely on City for any such information or facts.

4. Waivers

(a) To the extent permitted by law, Company waives all other defenses, counterclaims, and offsets of any kind or nature in connection with the validity and/or enforceability of this Undertaking, including, without limitation, (1) those arising directly or indirectly from the perfection, sufficiency, validity, and/or enforceability of any security interest granted by Company to City or acquired by City from Company; and, (2) those based on the failure or adequacy of consideration.

(b) Company hereby waives notice of the following events or occurrences and agrees that City may do any or all of the following in such manner, on such terms, and at such times as City, in its sole and absolute discretion, deems advisable without in any way impairing, affecting, reducing, or releasing Company from Company's Liabilities:

(1) City's acceptance of this Undertaking;
(2) Presentment, demand, notices of default, nonpayment, partial payment, and protest, and all other notices or formalities to which Company may be entitled;

5. Covenants and Agreements

Company covenants and agrees with City that:

(a) All security interests, liens, and encumbrances heretofore, now, and at any time or times hereafter granted by Company to City shall secure Company's Liabilities.

(b) All indebtedness, liability, or liabilities now and at any time or times hereafter owing to Company by any party liable to City by reason of any security interests, liens, or encumbrances granted by Company to City are hereby subordinated to all indebtedness, liability, or liabilities owed by such party to City.

6. Security

To secure the prompt payment to City of, and the prompt, full, and faithful performance of, Company's Liabilities, Company grants to City a security interest in and lien on the Property ("Collateral").

Company shall execute and/or deliver to City, at any time and from time to time hereafter at the request of City, all agreements, instruments, documents, and other written matter that City reasonably may request, in a form and substance acceptable to City, to perfect and maintain perfected City's security interest in the Collateral. City shall have no obligation to protect, secure, or insure any of the foregoing security interests, liens, or encumbrances or the properties or interests in properties subject thereto.

Company warrants and represents to and covenants with City that (a) Company has good, indefeasible, and merchantable title to the Collateral, or will upon its acquisition of same as contemplated by the Incentive Agreement; (b) City's security interest in and lien on the Collateral is now, and at all times hereafter shall be, valid and perfected, and shall have a first priority; (c) Company shall not grant a security interest in or permit a lien, claim, or encumbrance on any of the Collateral in favor of any third party, except as contemplated by the Incentive Agreement; (d) the addresses specified at the end of this Undertaking include and designate Company's principal residence and is Company's sole residence. Company, by written notice delivered to City at least thirty (30) days prior thereto, shall advise City of Company's acquiring any new residence or selling any existing residence, and any new residence shall be within
the continental United States of America.

7. Default
The occurrence of any of the following events shall, at the election of City, be deemed a default by Company (Event of Default) under this Undertaking:

(a) if Company fails to pay any of Company’s Liabilities when due and payable or properly declared due and payable;
(b) if Company fails or neglects to perform, keep, or observe any term, provision, condition, covenant, warranty, or representation contained in this Undertaking, which is required to be performed, kept, or observed by Company, and Company shall fail to remedy such within ten (10) days of being served with written notice from City;
(c) if the Collateral is attached, seized, subjected to a writ of distress warrant, or levied upon, or becomes subject to any lien, or comes within the possession of any receiver, conservator, trustee, custodian, or assignee for the benefit of creditors;
(d) if Company becomes insolvent or generally fails to pay, or admits its inability to pay, debts as they become due;
(e) if a petition under Title 11, United States Code, or any similar law or regulation shall be filed by Company, or if Company shall make an assignment for the benefit of its creditors, or if any case or proceeding is filed by Company for its dissolution or liquidation;
(f) if a petition under Title 11, United States Code, or any similar law or regulation shall be filed against Company, or if a case or proceeding is filed against Company for its dissolution or liquidation and such proceeding shall not be dismissed within forty-five (45) days of its filing, during which time Company shall be diligently contesting such action or proceeding;
(g) if Company is enjoined, restrained, or in any way prevented by court order from conducting all or any material part of its business affairs, and such injunction or restraint shall not be voided, removed, or dismissed within thirty (30) days of the court’s order, during which time Company shall be diligently contesting such action or proceeding;
(h) if a notice of lien, levy, or assessment is filed of record or given to Company with respect to the Collateral;
(i) if Company is in default in the payment or performance of any material obligation, indebtedness, or other liability to any third party, and such default is not cured within any cure period specified in any agreement or instrument governing the same;
(j) if any material statement, report, or certificate made or delivered to City by Company is not true and correct;
(k) any material adverse change in the financial condition, operations, business, or assets of Company, and Company shall fail to remedy such within ten (10) days of being served with written notice from City;
(l) the occurrence of a default or Event of Default under any other agreement, instrument, and/or document executed and delivered by Company to City, which is not cured by Company within any applicable cure period set forth in any such agreement, instrument, and/or document;
(m) the occurrence of a default or event of default under the Loan Agreements;
(n) the dissolution of Company or if Company attempts to cancel, revoke, or disclaim this Undertaking; or

8. Remedies
Upon the occurrence of an Event of Default, and with prior notice thereof to Company, Company’s Liabilities shall be due and payable and enforceable against Company, forthwith, at City’s principal place of business, and City may, in its sole and absolute discretion, exercise any one or more of the following
remedies that are cumulative and nonexclusive:

(a) proceed to suit against Company if Company's Liabilities are not immediately paid by Company to City at City's principal place of business; at City's election, one or more successive or concurrent suits may be brought hereunder by City against Company; and/or

(b) reduce to cash or the like any of Company's assets of any kind or nature in the possession, control, or custody of City, and, without notice to Company, apply the same in reduction or payment of Company's Liabilities; and/or

(c) exercise any one or more of the rights and remedies accruing to City under the Loan Agreements, the Uniform Commercial Code of the relevant jurisdiction, and any other applicable law upon default by a debtor.

Company recognizes that in the event it fails to perform, observe, or discharge any of its obligations or liabilities under this Undertaking, no remedy at law will provide adequate relief to City, and agrees that City shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damage.

9. Costs, Fees, and Expenses
If at any time or times hereafter, either the Owner or the City employs counsel for advice or other representation with respect to this Undertaking or to represent the Owner or City in any litigation, contest, dispute, suit, or proceeding relating to this Undertaking or Owner's or City's rights thereunder, the reasonable costs, fees, and expenses incurred by either the Owner or City in any manner or way with respect to the foregoing shall be payable by Company to City, or by the City to the Owner, as the case may be, on demand. Without limiting the generality of the foregoing, such costs, fees, and expenses include reasonable (a) attorneys' fees, costs, and expenses; (b) court costs and expenses; (c) court reporter fees, costs, and expenses; (d) long-distance telephone and facsimile charges; (e) expenses for travel, lodging, and food. The City's and Company's liability for all reasonable expenses and fees under this Section 9 shall also extend to the collection of any judgment that shall result from City's or Company's enforcement of its rights and remedies hereunder. The obligation of Company and City set forth in this agreement shall be continuing and shall not be merged into any judgment entered based on this Undertaking.

10. Miscellaneous
All payments received by City from any source on account of Company's Liabilities shall be applied by City in its reasonable discretion, and this Undertaking shall apply to and secure any ultimate balance that may be owed to City on account of Company's Liabilities after City's application.

If any provision of this Undertaking or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder of this Undertaking and the application of such provision to other parties or circumstances will not be affected thereby, the provisions of this Undertaking being severable in any such instance. This Undertaking shall be binding on Company and the City and inure to the benefit of Company and City and their respective heirs, personal representatives, successors, and assigns.

Whenever a notice is required or permitted to be given under this Undertaking, it shall be in writing and either delivered personally, or sent via certified mail, return receipt requested. Notice sent via certified mail shall be deemed given three (3) business days after such notice is sent. Notice served by hand delivery shall be deemed served on the day delivered. Any written notice to Company shall be to the address or addresses specified below.
This Undertaking shall continue in full force and effect until Company's Liabilities are fully paid, performed, and discharged as provided in the Incentive Agreement and City gives Company written notice thereof, such notice to be promptly sent by City after full performance of Company's Liabilities. This Undertaking shall continue to be effective or be reinstated, as the case may be, if at any time payment of any of Company's Liabilities is rescinded or must otherwise be returned by City upon the insolvency, bankruptcy, or reorganization of Company or otherwise, all as though such payment had not been made.

This Undertaking is submitted to City at City's principal place of business and shall be deemed to have been made thereat. This Undertaking shall be governed and controlled as to interpretation, enforcement, validity, construction, effect, and in all other respects by the laws, statutes, and decisions of the State of Illinois. No modification, waiver, estoppel, amendment, discharge, or change of this Undertaking or any related instrument shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, estoppel, amendment, discharge, or change is sought.

To the extent that City receives any payment on account of Company's Liabilities, or any proceeds of Collateral are applied on account of Company's Liabilities, and any such payment(s) and/or proceeds or any part thereof are applied, declared to be fraudulent or preferential, set aside, subordinated, and/or required to be repaid to a trustee, receiver, or any other party under any bankruptcy act, state or federal law, common law, or equitable cause, then, to the extent of such payment(s) or proceeds received, Company's Liabilities or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment(s) and/or proceeds had not been received by City and applied on account of Company's Liabilities. Company agrees that Company's Liabilities hereunder shall be revived to the extent of such revival of Company's Liabilities.

Until expressly released in writing by City, this Undertaking shall be in addition to any other guaranties that Company has previously given to City or that Company may, from time to time, hereafter give to City relating to Company's Liabilities.

Company warrants and represents to City that Company has read this Undertaking and understands the contents hereof and that this Undertaking is enforceable against Company in accordance with its terms.

COMPANY AND CITY AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING DIRECTLY, INDIRECTLY, OR OTHERWISE IN CONNECTION WITH, OUT OF, RELATED TO, OR FROM THIS UNDERTAKING SHALL BE LITIGATED ONLY IN THE TWENTY-THIRD JUDICIAL CIRCUIT COURT OF DEKALB COUNTY, STATE OF ILLINOIS. COMPANY AND CITY CONSENT AND SUBMIT TO THE EXCLUSIVE JURISDICTION OF SAID COURT. COMPANY AND THE CITY HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH.

City of DeKalb:

Jerry Smith

Member
Red Door, LLC
Exhibit 1

[LEGAL]
The property is legally described as:

LOTS 7 AND 8 IN BLOCK 8 IN FIRST ADDITION TO ROLLING MEADOWS SUBDIVISION, A SUBDIVISION OF A PART OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOFRecorded MARCH 22ND, 1962, AS DOCUMENT NO. 310496 IN PLAT BOOK "M", PAGE 17, IN DEKALB COUNTY, ILLINOIS
PROMISSORY NOTE

DeKalb, Illinois

12/10/2018

On (date) for value received, Red Door, LLC, hereby promises to pay in lawful money of the United States, to the order of the CITY OF DEKALB at 200 South Fourth Street, DeKalb, Illinois, the principal sum of THIRTY-SEVEN THOUSAND FOUR HUNDRED TWENTY FIVE DOLLARS ($37,425) (the "Face Value"). Repayment hereof shall be subject to the terms and conditions of that certain Incentive Agreement by and between said Red Door, LLC Properties, LLC, and the City of DeKalb, executed on (date), relating to the development of the property commonly and legally described in the legal description attached hereto as Exhibit 1 (the "Property") in DeKalb, Illinois. The repayment terms of this Note shall be governed by the provisions of the Incentive Agreement, and shall include a reduction of the balance due consistent with said Agreement. The City shall provide the Owner with a memorandum of the outstanding balance of said Note and/or a partial release of any Mortgage recorded pursuant to this Note or the Incentive Agreement, at any time upon the request of Owner.

This Note shall be secured by a Mortgage providing the payee with a lien on the Property. The Parties acknowledge that this Note is provided to secure the repayment of monies to be advanced to Owner over a period of time pursuant to the Incentive Agreement, up to an amount not to exceed the Face Value of this Note as indicated above. The then-present value secured by this Note shall be in an amount equal to the full amount of funds advanced by the City as of the date of inquiry (not to exceed the Face Value), inclusive both of funds directly advanced to Owner, funds paid on behalf of Owner, or funds held to secure the Owner Escrow as defined in the Incentive Agreement.

Red Door, LLC

By: [Signature]

[Name]

FRANK WOODIN
Exhibit 1

(LEGAL)

The property is legally described as:

LOTS 7 AND 8 IN BLOCK 8 IN FIRST ADDITION TO ROLLING MEADOWS SUBDIVISION, A SUBDIVISION OF A PART OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOFRecorded March 22nd, 1962, as Document No. 310496 in Plat Book "M", Page 17, in DeKalb County, Illinois
Mortgage to be recorded separately.
MORTGAGE

Dated December 6, 2018

Red Door, LLC (Mortgagor) and the City of DeKalb (Mortgagee)

Commonly known as: 924 Greenbrier Road, DeKalb, DeKalb County, Illinois 60115

PIN: 05-15-152-004

Prepared by and Return to:
Dean M. Frieders
City Attorney
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
(Ordinance 2018-049)
MORTGAGE

RETURN TO:
City Clerk
City of DeKalb
200 S. Fourth Street
DeKalb IL 60115

Future Advances Mortgage
Maximum Value: $37,425.00

THIS MORTGAGE, dated this 6th day of December, 2018, by Red Door, LLC ("Mortgagor"),
WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of Thirty-Seven Thousand
Four Hundred Twenty-Five Dollars ($37,425.00) payable to the City of DeKalb ("Mortgagee"), dated the same
date as this Mortgage, whereby Mortgagee is entitled to recover from Mortgagor certain expenses, costs, and
advances in connection with Mortgagor's development work on the Premises as defined below and Property
as defined within that certain 924 Greenbrier Road Fire Suppression System Agreement executed on December
6, 2018 and recorded against the Premises (as defined below) and certain other parcels of real property;

THAT to secure the payment of the indebtedness evidenced by said Promissory Note, Mortgagor does
by these presents GRANT and MORTGAGE unto Mortgagee, the real estate situated in the County of DeKalb, and
State of Illinois, legally described as follows:

[see legal description attached as Exhibit 1]

PROPERTY INDEX NO.: 08-15-152-004

which is referred to hereinafter as the "Premises";

Together with all improvements, tenements, hereditaments, easements and all types and kinds of furniture,
fixtures and equipment whether now on the premises or hereafter erected, installed or placed thereon or
therein, or whether physically attached thereto or not, are and shall be deemed a part of said real estate as
between the parties hereto and all persons claiming by, through or under them, and a portion of the security
for said indebtedness; and also all the estate, right, title and interest of Mortgagor in and to the premises; and

Further, Mortgagor does hereby pledge and assign to Mortgagee, from and after the date hereof,
primarily and on a parity with said real estate and not secondarily, all the rents, issues and profits of the
premises and all rents, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing, and
all deposits or money as advance rent or for security, under any and all present and future leases of the
premises, and does hereby transfer and assign all such leases to Mortgagee together with the right, but not the
obligation, to collect, receive and receipt for all avails thereof, to apply then to said indebtedness and to demand,
sue for and recover the same when due or payable. Mortgagee by acceptance of the Mortgage agrees, as a
personal covenant applicable to Mortgagor only, and not as a limitation or condition hereof and not available
to any Owner or tenant, that until a default shall be made or an event shall occur, when under the terms hereof
shall give to Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such
avails.

TO HAVE AND TO HOLD the premises unto Mortgagee, their successors, and assigns, forever, for the
purposes and uses herein set forth.

NOTICE: THIS MORTGAGE SECURES TOTAL CREDIT IN THE AMOUNT OF $37,425.00, AND IS CONSTRUED
IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN FIRE SUPPRESSION SYSTEM INCENTIVE AGREEMENT ("AGREEMENT") RECORDED AGAINST THE PREMISES PRIOR TO THE DATE OF THIS MORTGAGE. LOANS, PAYMENTS, CREDITS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH ANY OTHER AMOUNTS OR OTHER OBLIGATIONS OF MORTGAGOR/OWNER UNDER THIS MORTGAGE OR THE AGREEMENT ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS, UNLESS AND UPON THE CITY'S SUBORDINATION OF THIS MORTGAGE LIEN AS PROVIDED IN THE AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE AGREEMENT, INCLUDING BUT NOT LIMITED TO REPAYMENT OF A DEVELOPMENT INCENTIVE (AS DEFINED IN THE AGREEMENT).

Maximum Obligation Limit: The total amount of secured debt secured by this Mortgage at any one time shall not exceed the amount stated above. This limitation does not include loan charges, commitment fees, attorney's fees and other charges validly made pursuant to this Mortgage and does not apply to advances (or interest accrued on such advances) made under the terms of this Mortgage to protect Mortgagee's security and to perform any of the covenants contained in this Mortgage or the Incentive Agreement. Future advances are contemplated and, along with other future obligations, are secured by this mortgage even though all or part may not yet be advanced. Nothing contained in this Mortgage shall constitute an irrevocable commitment to make additional or future loans or advances in any amount, and no commitment to future advances, whether contained herein or in the Incentive Agreement, shall create any right of or liability to any third party not identified expressly herein.

The debt secured by this Mortgage includes, but is not limited to:

A) The promissory note, guaranty, obligations of Mortgagor under the Incentive Agreement and all extensions, renewals, modifications or substitutions thereof to Red Door, LLC, with a note amount of $37,425.00 (collectively, the "Evidence of Debt").

B) All future advances from Mortgagee to Mortgagor or other future obligations of Mortgagor to Mortgagee under any promissory note, development agreement, contract, guaranty or other evidence of debt existing now or executed after this Mortgage whether or not this Mortgage is specifically referred to in the Evidence of Debt and whether or not such future advances or obligations are incurred for any purpose that was related or unrelated to the purpose of this Mortgage or the Evidence of Debt.

C) All obligations Mortgagor owes to Mortgagee, which now exist or may later arise, to the extent not prohibited by law, including but not limited to any obligation under the Incentive Agreement such as obligations to defend and indemnify and obligations relating to the Owner Escrow as defined therein.

D) Any additional sums advanced and expenses incurred by Mortgagee for Insuring, preserving or otherwise protecting the Premises and Property and its value and any other sums advanced or expenses incurred by the Mortgagee under the terms of this Mortgage, plus interest (where applicable), as provided in the Evidence of Debt and Incentive Agreement.

E) Mortgagor's performance under the terms of any instrument evidencing a debt by Mortgagor to Mortgagee and any Mortgage securing, guarantying or otherwise relating to a debt.

Mortgagor covenants and agrees:

1. To pay or cause to be paid, when due, all sums secured hereby as further defined and governed by the Incentive Agreement.

2. Not to abandon the premises; to keep the premises in good condition and repair and not to commit or suffer waste; to pay for and complete within a reasonable time any building at any time in the process of erection upon the premises; to promptly repair, restore or rebuild any building or improvement now or hereafter on the premises which may become damaged or destroyed; to refrain from impairing or diminishing the value of the security; to make no material alterations of the premises.

3. To comply with all requirements of law or local government ordinances governing the
premises and the use thereof; and to permit Mortgagee, or their agents, to inspect the premises at all reasonable times.

4. To keep the premises free from mechanics, or other liens or claims for liens of any kind; to pay or cause to be paid, when due, any indebtedness which may be secured by a lien or charge on the premises; and, upon receipt, to exhibit to Mortgagee satisfactory evidence of the payment and discharge of such liens or claims.

5. To pay, or cause to be paid, before any penalty attaches, all general taxes and to pay, or cause to be paid, when due, all special taxes, special assessments, water charges, drainage charges, sewer service charges and other charges against the premises, of any kind whatsoever, which may be levied, assessed, charged or imposed on the premises, or any part thereof.

6. To promptly pay all taxes and assessments assessed or levied under and by virtue of any state, federal or local law or regulation hereafter passed, against Mortgagee upon this Mortgage or the debt hereby secured, or upon their interest under this Mortgage.

7. To exhibit to Mortgagee, annually upon request, official receipts showing full payment of all taxes, assessments and charges which Mortgagor is required, or shall elect, to pay or cause to be paid hereunder.

8. To keep the premises continuously insured, until the indebtedness secured hereby is fully paid against loss or damage under such types of hazard and liability insurance and in such forms, amounts and companies as may be reasonably approved or required from time to time by Mortgagee (in the absence of any specified requirements, such insurance shall be under policies providing for payment by the insurance companies of moneys sufficient either to pay the full cost of replacing or repairing the premises or to pay in full the indebtedness secured hereby); all policies whether or not required by the terms of this Mortgage, shall contain loss payable clauses in favor of Mortgagee (or, in case of foreclosure sale, in favor of the Owner of the certificate of sale); in the event of loss, Mortgagor shall immediately notify Mortgagee in writing and Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Mortgagee (who may, but need not, make proof of loss) and Mortgagee is hereby authorized to adjust, collect and compromise, in their discretion, all claims under all policies, and Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers and releases required by the insurance companies and the insurance proceeds, or any part thereof, may be applied by Mortgagee, at their option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged, and any application thereof to the indebtedness shall not relieve Mortgagors from making the payments herein required until the indebtedness is paid in full. Mortgagee may, from time to time, at their option, waive and, after any such waiver, reinstate any or all provisions hereof requiring deposit of insurance policies, by notice to Mortgagor in writing.

9. (a) To deliver to Mortgagee, all policies of insurance with evidence of premiums prepaid (renewal policies to be delivered not less than ten (10) days prior to the respective dates of expiration), and all abstracts of title, title guarantee policies, and other evidence of title to the premises, all of which shall be held by Mortgagee without liability, and in the event of foreclosure of this Mortgage or transfer of title to the premises in extinguishment of said indebtedness, shall become the absolute property of Mortgagee.

(b) IF ALL OR ANY PART OF THE PREMISES OR AN INTEREST THEREIN IS SOLD OR TRANSFERRED BY MORTGAGOR WITHOUT MORTGAGEE'S PRIOR WRITTEN CONSENT, MORTGAGEE MAY, AT MORTGAGEE'S OPTION, DECLARE ALL THE SUMS SECURED BY THIS MORTGAGE TO BE IMMEDIATELY DUE AND PAYABLE.
MORTGAGEE SHALL HAVE WAIVED SUCH OPTION TO ACCELERATE IF, PRIOR TO THE SALE OF TRANSFER, MORTGAGEE AND THE PERSON TO WHOM THE PREMISES IS TO BE SOLD OR TRANSFERRED REACH AGREEMENT IN WRITING THAT THE CREDIT OF SUCH PERSON IS SATISFACTORY TO MORTGAGEE AND THAT THE INTEREST PAYABLE ON THE SUMS SECURED BY THIS MORTGAGE SHALL BE AT SUCH RATE AS MORTGAGEE SHALL REQUEST. IF MORTGAGEE HAS WAIVED THE OPTION TO ACCELERATE.

IF MORTGAGEE EXERCISES SUCH OPTION TO ACCELERATE, MORTGAGEE SHALL MAIL MORTGAGOR NOTICE OF ACCELERATION. SUCH NOTICE SHALL PROVIDE A PERIOD OF NOT LESS THAN THIRTY (30) DAYS FROM THE DATE THE NOTICE IS MAILED WITHIN WHICH MORTGAGOR MAY PAY THE SUMS DECLARED DUE. IF MORTGAGOR FAILS TO PAY SUCH SUMS PRIOR TO THE EXPIRATION OF SUCH PERIOD, MORTGAGEE MAY, WITHOUT FURTHER NOTICE OR DEMAND ON MORTGAGOR, INVOKE ANY REMEDIES PERMITTED BY THIS MORTGAGE.

THE REQUIREMENT OF MORTGAGEE’S CONSENT PRIOR TO ANY TRANSFER SHALL INCLUDE ALL LEGAL INTEREST OF MORTGAGOR IN THE PREMISES. SAID REQUIREMENT EXTENDS TO CONTRACTS FOR DEED, TRANSFERS TO LAND TRUSTS OR OTHER TRUSTS (EVEN THOUGH MORTGAGOR OR ANY OF THEM ARE BENEFICIARIES THEREIN), AND ASSIGNMENTS OF BENEFICIAL INTERESTS IN LAND TRUSTS AND OTHER TRUSTS.

10. In the event of default in performance of any Mortgagor’s covenants or agreements herein contained, Mortgagor may, but need not, make any payment or perform any act hereinbefore required of Mortgagor, in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney’s fees, and any other monies advanced by Mortgagor to protect the premises and the lien hereof shall be so much additional indebtedness secured hereby and shall be come immediately due and payable without notice. Mortgagor, making any payment hereby authorized relating to taxes or assessments, shall be the sole judge of the legality and validity thereof and of the amount necessary to be paid in satisfaction thereof.

11. If (a) default be made in payment, when due, of any sum secured hereby, or in any of the other covenants or agreements herein contained to be performed by Mortgagor herein or in the Agreement, or (b) if any proceedings be instituted or process issued (i) to enforce any other lien, charge or encumbrance against the premises, or (ii) to condemn the premises or any part thereof for public use, or (iii) against Mortgagor or any beneficiary thereof under any bankruptcy or insolvency laws, or (iv) to place the premises or any part thereof in the custody of any court through their receiver or other officer, and such proceedings are not dismissed or stayed on appeal or such process withdrawn within Ten (10) days after written notice to Mortgagor; or (c) if Mortgagor makes any assignment for the benefit of creditors, or are declared bankrupt, or if by or with the consent or at the instance of proceedings to extend the time of payment of the Note or to change the terms of this Mortgage be instituted under any bankruptcy or insolvency law; then:

(a) All sums secured hereby shall, at the option of Mortgagor, become immediately due and payable without notice, with interest thereon, from the date of the first of any such defaults, at the penalty rate; and

(b) Mortgagor may immediately foreclose this Mortgage. The Court in which any
proceedings is pending for that purpose may, at once or any time thereafter, either
before or after sale, without notice to Mortgagor, and without requiring bond, and
without regard to the solvency or insolvency of any person liable for payment of the
indebtedness secured hereby, and without regard to the then value of the premises,
or whether the same shall be occupied as a Homestead, appoint a receiver (the
provisions for the appointment of a receiver and assignment of rents being an express
condition upon which the loan hereby secured is made), for the benefit of Mortgagee
or place Mortgagee in possession under the terms of the applicable statute of the State
of Illinois, with power to collect the rents, issues and profits of the premises, due and
to become due, during such foreclosure suit and the full statutory period of
redemption notwithstanding any redemption. The receiver or Mortgagee in
possession, out of such rents, issues and profits when collected, may pay costs
incurred in the management and operation of the premises, prior and coordinate
liens, if any, and taxes, assessments, water and other utilities and insurance, then due
or thereafter accruing, and may make and pay for any necessary repairs to the
premises, and may pay all or any part of the indebtedness secured hereby or any
deficiency decree; and

(c) Mortgagee shall, at its option, have the right, acting through itself, its agents or
attorneys, with process of law, to enter upon and take possession of the premises and
property, expel and remove any persons, goods or chattels, occupying or upon the
same, and to collect or receive all the rents, issues and profits thereof, and to manage
and control the same, and to lease the same or any part thereof from time to time, and
after deducting all reasonable attorney's fees and all operation of the premises, apply
the remaining net income upon the indebtedness secured hereby, or upon any
deficiency decree entered by virtue of any sale held pursuant to a decree of
foreclosure.

12. In any foreclosure of this Mortgage, there shall be allowed and included in the decree for sale,
in the event Mortgagor successfully obtains a judgment of foreclosure, to be paid out of the
rents or proceeds of such sale, or by the Mortgagee, as the case may be, and only payable to
the prevailing party in any such foreclosure action:

(a) All principal and interest remaining unpaid and secured hereby;

(b) All other items advanced or paid by Mortgagee pursuant to this Mortgage with
interest at the penalty rate from the date of advancement;

(c) All court costs and fees, attorneys' fees, appraiser's fees, expenditures for
documentary and expert evidence, stenographer's charges, publication costs and
coats (which may be estimated as to items to be expended after entry of the decree)
of procuring all abstracts of title, title searches and examinations, title guarantee
policies, and similar data with respect to title, as Mortgagee may deem necessary. All
expenditures and expenses of the type mentioned in this subparagraph (c) shall
become so much additional indebtedness secured hereby and immediately due and
payable, with interest at the same rate as shall accrue on the principal balance when
paid or incurred by Mortgagee, in connection with (i) any proceedings, including
probate and bankruptcy proceedings to which Mortgagee shall be a party, either as
plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness
hereby secured; or (ii) preparations for the commencement of any suit for the
foreclosure hereof after accrual of such right to foreclose whether or not actually
commenced; or (iii) preparations for the defense of security hereof, whether or not
actually commenced. The proceeds of any foreclosure sale shall be distributed and
applied to the items described in subparagraph (a), (b) and (c) in order of priority
inversely to the manner in which said subparagraphs are above listed and any surplus
of the proceeds of such sale be paid to Mortgagor.

13. No remedy or right of mortgagee shall be exclusive of, but shall be in addition to, every other remedy or right now or hereafter existing at law or in equity. No delay in exercising, or omission to exercise, any remedy or right accruing on default shall impair any such remedy or right, or shall be construed to be a waiver of any such default, or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

14. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any Indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said note, and without notice or consent:

(a) Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation.

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.

(c) Exercise or refrain from exercising or waive any right Mortgagee may have.

(d) Accept additional security of any kind.

(e) Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

15. Upon full payment of all sums secured hereby at the time and in the manner provided, this conveyance shall be null and void and within thirty (30) days after written demand therefor a re-conveyance or release of the premises shall be made by Mortgagee to Mortgagor.

16. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons liable for the payment of the indebtedness or any part hereof, whether or not such persons shall have executed the Note or this Mortgage. Whenever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

17. That this Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

18. This lien may be subordinated with the written consent of the City Manager.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the day and year first above written.
Red Door, LLC

By: 

STATE OF ILLINOIS  }  
COUNTY OF DEKALB  
} ss

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Frank Woodin, an authorized Member of Red Door, LLC, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Member, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth; and the same Member then and there acknowledge that he did affix the seal of said company to said instrument as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 6th day of December, 2018.

Notary Public

OFFICIAL SEAL
MICHELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/06/21
Exhibit 1
Legal Description

(LEGAL DESCRIPTION)

The property is legally described as:

LOTS 7 AND 8 IN BLOCK 8 IN FIRST ADDITION TO ROLLING MEADOWS SUBDIVISION, A SUBDIVISION OF A
PART OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD
PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 22ND, 1962, AS
DOCUMENT NO. 310496 IN PLAT BOOK "M", PAGE 17, IN DEKALB COUNTY, ILLINOIS
Exhibit D: Project Cost Documentation Requirements

- **Applicants/Recipients are responsible for identifying and complying with all applicable laws, ordinances and regulations.**
- The Parties acknowledge that the funding contemplated under this Agreement is provided exclusively through either a Tax Increment Financing District or through sales tax rebates for funds generated on-site, and is provided exclusively for the purpose of funding private improvements. Accordingly, while the Owner is solely responsible for complying with the applicable provisions of the Illinois Prevailing Wage Act, pursuant to the guidance issued by the Illinois Department of Labor, the City shall not require the Owner to provide certified payroll records unless the Owner determines that such records are required under the Prevailing Wage Act. The Owner shall indemnify, defend and hold harmless the City from any claims arising out of the alleged Owner violation of the Prevailing Wage Act with respect to this Agreement or the Property.
- Final waivers of lien must be provided for all contractors, suppliers and materialmen. All payments associated with the purchase of real property or payment of contractors, subcontractors or materialmen providing services to the Property in connection with this Agreement, which are intended to be included in Project Completion Costs or which are intended to be eligible for payment through the Development Incentive must be paid through a title company acceptable to the City of DeKalb where the cost associated with such payment exceeds $5,000.
- Final Project Costs must be documented in a tabbed binder in accordance with these regulations.
  - The first section must include a notarized affidavit from the Applicant affirming that all information provided is complete and accurate, and affirming that all work was done in accordance with these Guidelines and all applicable laws.
  - The second section must include a spreadsheet generated by the Applicant, including all project costs that are a component of the project, broken down by vendor. All amounts listed in this spreadsheet must match the corresponding contractor invoices described below.
  - Subsequent sections should be separately tabbed by contractor. Each contractor tab should start with a spreadsheet generated by the Applicant that includes the totals from each invoice, and should be followed by a complete set of prevailing wage records, final waivers of lien, and invoices.
  - Applicants may include a Miscellaneous Expenses tab in the binder for small project expenses.
  - Credit Card Statements are not adequate to evidence expenditures. All small expenditures require actual receipts showing the expenditures. The City reserves the right to require Applicants to provide written documentation explaining any expenditure.
  - Building permits are eligible expenditures. Ineligible expenditures include: food, fuel, beverages, utility bills, web design, merchandise for stock or supply, membership dues, life insurance, or other personal expenses. The City reserves the right to disqualify any expense.
- Once an invoice is submitted, the invoice **cannot be withdrawn or retracted, and the scope of work described on the invoices cannot be altered.** For this reason, it is critical to ensure that these guidelines are complied with.
- The City shall also be provided with an electronic copy of all submittals, in PDF format, separated into sections as outlined above.
Exhibit E: Waiver of Objection to Special Service Area

STATE OF ILLINOIS )
) SS.
COUNTY OF DEKALB )

Waiver of Objection to Special Service Area

NOW COMES the affiant, Red Door, LLC by and through its Member/Manager, Frank Woodin, and for its LANDOWNER WAIVER OF OBJECTION TO CREATION OF SSA, states as follows:

1. That it has negotiated with the City of DeKalb regarding the improvement of its property located at 924 Greenbrier Rd, DeKalb, IL, legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a residential development as greek housing, with a fully operational and monitored automatic fire suppression system.

2. That it is aware that as a condition of approval of the permits required for construction of the above-described improvements, the City is requiring the creation of a backup/dormant maintenance Special Service Area to provide a source of funding to repay the costs of installing the System, as defined within the Incentive Agreement to which this waiver is attached. It agrees and covenants that this Waiver of Objection has been executed to demonstrate that it does not object to the creation of an SSA (as contemplated on Exhibit 2), and acknowledges that the City is relying upon the execution of this waiver in approving the construction permit that it otherwise would not be obligated to approve.

3. That it is presently the Owner of some or all of the property legally described in the attached Exhibit 1.

4. That, having been ably represented by its own counsel and having been fully apprised of its right and ability to object to the creation of a special service area, it seeks to formally waive any such objection to the creation and imposition of a special service area, according to the terms and purposes announced in the attached Exhibit 2, and further affirmatively indicate its consent to those terms and any other reasonable terms which may be required to create and implement the backup special service area. This consent shall apply to any land presently owned by it, or any land later acquired by it, contained within the legal description of the property at issue.

5. That it has submitted this Owner Waiver of Objection to Creation of SSA to the City of DeKalb, for the purpose of waiving any objection it, as the or one of the Owners of the properties described in the attached Exhibit 1 which shall be subject to the special service area upon creation, may otherwise have. This Waiver of Objection shall be binding upon all subsequent Owners of the property, and may be recorded against the property.
FURTHER, AFFIANT SAYETH NAUGHT.

By: [Signature]

Its: [Signature]

SUBSCRIBED AND SWORN to before me this ___ day of ___

[Signature]

NOTARY PUBLIC

[OFFICIAL SEAL]

MICHELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/06/21
Exhibit 1: Legal Description of the Property

The property is legally described as:

LOTS 7 AND 8 IN BLOCK 8 IN FIRST ADDITION TO ROLLING MEADOWS SUBDIVISION, A SUBDIVISION OF A PART OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 22ND, 1962, AS DOCUMENT NO. 310496 IN PLAT BOOK "M", PAGE 17, IN DEKALB COUNTY, ILLINOIS
Exhibit 2: Proposed Terminology for Special Service Area

The purpose of the formation of special service area in general is to authorize the maintenance, repair, regular care, renewal and replacement of the automatic fire suppression system at the Property, as well as the monitored fire alarm system, as well as any other components of the Building or Property which are required to be repaired or maintained in order to comply with applicable codes and which are not, after notice to the Owner, maintained or repaired, as well as to provide a source of funding to repay the costs of installation of the System, as defined in the Fire Suppression System Incentive Agreement approved on September 24, 2018, based upon the amortization schedule which the City of DeKalb Finance Director was authorized and directed to establish, based upon the repayment of all sums advanced as principal, plus interest, for the benefit of the Property, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally.

There will be considered the levy of an annual tax of not to exceed an annual rate of two hundred-hundredths percent (2.0%, being 200¢ per $100) of the equalized assessed value of the property in the proposed special service area, said tax to be levied for an indefinite period of time from and after the date of the Ordinance establishing said Area. Said taxes shall be in addition to all other taxes provided by law and shall be levied pursuant to the provisions of the Property Tax Code. The City may levy taxes at any time under the Special Service Area, and may choose to offer none, some or all of the enumerated special services. Proceeds raised by the levy shall only be used as permitted by law and may be levied ad valorem or pro-rata as determined by the City.