Name of Municipality: City of DeKalb
County: DeKalb
Unit Code: 019/015/30

Reporting Fiscal Year: 2018
Fiscal Year End: 12/31/2018

TIF Administrator Contact Information
First Name: Bill
Last Name: Nicklas
Address: 200 South Fourth Street
Title: City Manager
Telephone: 815-748-2391
City: DeKalb
Zip: 60115
E-mail: Bill.Nicklas@cityofdekalb.com

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s) in the City/Village of DeKalb is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

Written signature of TIF Administrator: ________________________________
Date: 7/5/19

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

<table>
<thead>
<tr>
<th>Name of Redevelopment Project Area</th>
<th>Date Designated</th>
<th>Date Terminated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Area Tax Increment Financing District</td>
<td>12/22/1986</td>
<td></td>
</tr>
</tbody>
</table>

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]
### Section 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

**Name of Redevelopment Project Area (below):**

- **Central Area TIF**

<table>
<thead>
<tr>
<th><strong>Primary Use of Redevelopment Project Area</strong></th>
<th><strong>Combination/Mixed</strong></th>
</tr>
</thead>
</table>

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

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

- Tax Increment Allocation Redevelopment Act
- Industrial Jobs Recovery Law

**Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary?** [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)]

- **No**
- **Yes**

**Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year.** [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)]

- **X**

**Opinion of legal counsel that municipality is in compliance with the Act.** [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)]

- **X**

**Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities.** [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]

- **X**

**Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary?** [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)]

- **X**

**Were any obligations issued by the municipality?** [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)]

- **No**

**An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage.** [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)]

- **X**

**Has a cumulative of $100,000 of TIF revenue been deposited into the special tax allocation fund?** 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)

- **X**

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

- **X**

---

Please utilize the information below to properly label the Attachments.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary?</td>
<td>[65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)]</td>
<td>X</td>
</tr>
<tr>
<td>Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year.</td>
<td>[65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)]</td>
<td>X</td>
</tr>
<tr>
<td>Opinion of legal counsel that municipality is in compliance with the Act.</td>
<td>[65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)]</td>
<td>X</td>
</tr>
<tr>
<td>Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities.</td>
<td>[65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]</td>
<td>X</td>
</tr>
<tr>
<td>Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary?</td>
<td>[65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)]</td>
<td>X</td>
</tr>
<tr>
<td>Were any obligations issued by the municipality?</td>
<td>[65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)]</td>
<td>X</td>
</tr>
<tr>
<td>An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage.</td>
<td>[65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)]</td>
<td>X</td>
</tr>
<tr>
<td>Has a cumulative of $100,000 of TIF revenue been deposited into the special tax allocation fund?</td>
<td>65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)</td>
<td>X</td>
</tr>
<tr>
<td>A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements.</td>
<td>[65 ILCS 5/11-74.4-5 (d) (10)]</td>
<td>X</td>
</tr>
</tbody>
</table>
## FY 2018

**TIF NAME:**

Special Tax Allocation Fund Balance at Beginning of Reporting Period $863,818

### SOURCE of Revenue/Cash Receipts:

<table>
<thead>
<tr>
<th>Source</th>
<th>Revenue/Cash Receipts for Current Reporting Year</th>
<th>Cumulative Totals of Revenue/Cash Receipts for life of TIF</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Increment</td>
<td>$7,085,132</td>
<td>$120,970,388</td>
<td>63%</td>
</tr>
<tr>
<td>State Sales Tax Increment</td>
<td>$</td>
<td>$15,180,034</td>
<td>8%</td>
</tr>
<tr>
<td>Local Sales Tax Increment</td>
<td>$</td>
<td>$12,981,206</td>
<td>7%</td>
</tr>
<tr>
<td>State Utility Tax Increment</td>
<td>$</td>
<td>$</td>
<td>0%</td>
</tr>
<tr>
<td>Local Utility Tax Increment</td>
<td>$</td>
<td>$</td>
<td>0%</td>
</tr>
<tr>
<td>Interest</td>
<td>$258,751</td>
<td>$2,294,165</td>
<td>1%</td>
</tr>
<tr>
<td>Land/Building Sale Proceeds</td>
<td>$</td>
<td>$152,138</td>
<td>0%</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>$</td>
<td>$34,334,964</td>
<td>18%</td>
</tr>
<tr>
<td>Transfers from Municipal Sources</td>
<td>$3,392,076</td>
<td>$3,736,444</td>
<td>2%</td>
</tr>
<tr>
<td>Private Sources</td>
<td>$</td>
<td>$890</td>
<td>0%</td>
</tr>
<tr>
<td>Other (identify source _____________; if multiple other sources, attach schedule)</td>
<td>$2,359</td>
<td>$900,513</td>
<td>0%</td>
</tr>
</tbody>
</table>

All Amount Deposited in Special Tax Allocation Fund $10,738,318

Cumulative Total Revenues/Cash Receipts $190,550,742 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) $4,009,038

Transfers to Municipal Sources

Distribution of Surplus $3,219,784

Total Expenditures/Disbursements $7,228,822

Net/Income/Cash Receipts Over/(Under) Cash Disbursements $3,509,496

**FUND BALANCE, END OF REPORTING PERIOD** $4,373,314

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

<table>
<thead>
<tr>
<th>Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.5-10 (o)]</th>
<th>Amounts</th>
<th>Reporting Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>62300 Architect/Engineering Services</td>
<td>9,123</td>
<td></td>
</tr>
<tr>
<td>62100 Financial Services</td>
<td>9,850</td>
<td></td>
</tr>
<tr>
<td>63800 Contracted Services</td>
<td>49,777</td>
<td></td>
</tr>
<tr>
<td>65300 Legal Expenses and Notices</td>
<td>12,716</td>
<td></td>
</tr>
<tr>
<td>66200 Conferences/Training</td>
<td>1,484</td>
<td></td>
</tr>
<tr>
<td>65100 Freight and Postage</td>
<td>248</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83,188</strong></td>
<td><strong>2018</strong></td>
</tr>
<tr>
<td>2. Annual administrative cost.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>91100 Transfer to General Fund</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,000</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>3. Cost of marketing sites.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>4. Property assembly cost and site preparation costs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>63650 Land Acquisition Costs</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>63750 Demolition Services</td>
<td>15,958</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,558</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>69199 Private Property Rehab/Redevelopment</td>
<td>2,142,147</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,142,147</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>6. Costs of the construction of public works or improvements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>83050 Street Maintenance</td>
<td>449,037</td>
<td></td>
</tr>
<tr>
<td>83900 Other Capital Improvements</td>
<td>16,188</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>465,225</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>7. Costs of eliminating or removing contaminants and other impediments.</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>8. Cost of job training and retraining projects.</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>9. Financing costs.</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>91375 Transfer to TIF Debt Service</td>
<td>1,193,200</td>
<td></td>
</tr>
<tr>
<td>10. Capital costs.</td>
<td>$ 1,193,200</td>
<td></td>
</tr>
<tr>
<td>63700 Developmental Services</td>
<td>8,710</td>
<td></td>
</tr>
<tr>
<td>11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.</td>
<td>$ 8,710</td>
<td></td>
</tr>
<tr>
<td>12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Item Description</td>
<td>Dollar Amount</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>13. Relocation costs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Payments in lieu of taxes.</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>15. Costs of job training, retraining, advanced vocational or career education.</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>16. Interest cost incurred by redeveloper or other nongovernmental persons in</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>connection with a redevelopment project.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Cost of day care services.</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>18. Other.</td>
<td>$ -</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ITEMIZED EXPENDITURES**

$ 4,009,038
<table>
<thead>
<tr>
<th>Name</th>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeKalb County Treasurer</td>
<td>Surplus Distribution</td>
<td>$2,613,850.91</td>
</tr>
<tr>
<td>Cornerstone DeKalb</td>
<td>Redevelopment Reimbursement</td>
<td>$120,000.00</td>
</tr>
<tr>
<td>The Bandit's Castle</td>
<td>Redevelopment Reimbursement</td>
<td>$468,282.00</td>
</tr>
<tr>
<td>IL Dept of Revenue</td>
<td>Surplus Distribution</td>
<td>$326,622.13</td>
</tr>
<tr>
<td>Curran Contracting</td>
<td>Contractor</td>
<td>$131,120.58</td>
</tr>
<tr>
<td>SB Friedman</td>
<td>Development Services</td>
<td>$39,083.36</td>
</tr>
<tr>
<td>Fehr Graham</td>
<td>Engineering Services</td>
<td>$27,366.79</td>
</tr>
<tr>
<td>Full Compass Systems</td>
<td>Contractor</td>
<td>$25,582.72</td>
</tr>
<tr>
<td>Forge Brewhouse</td>
<td>Redevelopment Reimbursement</td>
<td>$17,062.50</td>
</tr>
<tr>
<td>VACK Inc.</td>
<td>Contractor</td>
<td>$16,187.54</td>
</tr>
<tr>
<td>Technical Theatre</td>
<td>Contractor</td>
<td>$14,955.00</td>
</tr>
<tr>
<td>AV Franklin</td>
<td>Contractor</td>
<td>$14,889.50</td>
</tr>
<tr>
<td>Nunnally Enterprises</td>
<td>Contractor</td>
<td>$13,556.04</td>
</tr>
<tr>
<td>RB Service &amp; Hauling</td>
<td>Contractor</td>
<td>$11,891.00</td>
</tr>
</tbody>
</table>

List all vendors, including other municipal funds, that were paid in excess of $10,000 during the current reporting year.
### FY 2018

**TIF NAME:**

**FUND BALANCE BY SOURCE**

<table>
<thead>
<tr>
<th>Description of Debt Obligations</th>
<th>Amount of Original Issuance</th>
<th>Amount Designated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010A GO Bond</td>
<td>$ 10,800,000</td>
<td>$ 3,578,200</td>
</tr>
</tbody>
</table>

**Total Amount Designated for Obligations**

|                         | $ 10,800,000 | $ 3,578,200 |

**2. Description of Project Costs to be Paid**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Designated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plaza DeKalb</td>
<td>$ 950,000</td>
</tr>
<tr>
<td>Egyptian Theatre</td>
<td>$ 2,500,000</td>
</tr>
<tr>
<td>211 N. First</td>
<td>$ 97,800</td>
</tr>
<tr>
<td>Lovells</td>
<td>$ 61,536</td>
</tr>
<tr>
<td>Hometown</td>
<td>$ 150,000</td>
</tr>
<tr>
<td>Win Aviation</td>
<td>$ 235,000</td>
</tr>
</tbody>
</table>

**Total Amount Designated for Project Costs**

|                         | $ 3,994,336 |

**TOTAL AMOUNT DESIGNATED**

|                         | $ 7,572,536 |

**SURPLUS/(DEFICIT)**

|                         | $ (3,199,222) |
### TIF NAME:
Central Area TIF

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

*Check here if no property was acquired by the Municipality within the Redevelopment Project Area.*

**Property Acquired by the Municipality Within the Redevelopment Project Area.**

<table>
<thead>
<tr>
<th>Property (1):</th>
<th>Street address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate size or description of property:</td>
<td></td>
</tr>
<tr>
<td>Purchase price:</td>
<td></td>
</tr>
<tr>
<td>Seller of property:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property (2):</th>
<th>Street address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate size or description of property:</td>
<td></td>
</tr>
<tr>
<td>Purchase price:</td>
<td></td>
</tr>
<tr>
<td>Seller of property:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property (3):</th>
<th>Street address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate size or description of property:</td>
<td></td>
</tr>
<tr>
<td>Purchase price:</td>
<td></td>
</tr>
<tr>
<td>Seller of property:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property (4):</th>
<th>Street address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate size or description of property:</td>
<td></td>
</tr>
<tr>
<td>Purchase price:</td>
<td></td>
</tr>
<tr>
<td>Seller of property:</td>
<td></td>
</tr>
</tbody>
</table>
**SECTIONS 5 - 20 ILCS 620/4.7 (7)(F)**

**PAGE 1**

**FY 2018**

**TIF Name:** Central Area TIF

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

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

1. **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area.

2. The Municipality **DID** undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)

2a. The number of projects undertaken by the municipality within the Redevelopment Project Area: **25**

<table>
<thead>
<tr>
<th>TOTAL:</th>
<th>11/1/99 to Date</th>
<th>Estimated Investment for Subsequent Fiscal Year</th>
<th>Total Estimated to Complete Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$79,462,559</td>
<td>$4,242,546</td>
<td>-</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$35,543,574</td>
<td>$4,057,736</td>
<td>-</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>2 4/17</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER*

**Project 1**: Cornerstone DeKalb

<table>
<thead>
<tr>
<th>Private Investment Undertaken (See Instructions)</th>
<th>$4,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Undertaken</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>1 1/3</td>
</tr>
</tbody>
</table>

**Project 2**: Plaza DeKalb

<table>
<thead>
<tr>
<th>Private Investment Undertaken (See Instructions)</th>
<th>$2,050,000</th>
<th>$2,050,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Undertaken</td>
<td>$950,000</td>
<td>$950,000</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>2 3/19</td>
<td></td>
</tr>
</tbody>
</table>

**Project 3**: Sun Dog IT

<table>
<thead>
<tr>
<th>Private Investment Undertaken (See Instructions)</th>
<th>$936,704</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Undertaken</td>
<td>$468,282</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>2</td>
</tr>
</tbody>
</table>

**Project 4**: Egyptian Theatre

<table>
<thead>
<tr>
<th>Private Investment Undertaken (See Instructions)</th>
<th>$1,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Undertaken</td>
<td>$1,466,541</td>
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<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
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</table>

**Project 5**: 211 N. First Street

<table>
<thead>
<tr>
<th>Private Investment Undertaken (See Instructions)</th>
<th>$236,300</th>
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</thead>
<tbody>
<tr>
<td>Public Investment Undertaken</td>
<td>$98,700</td>
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<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
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</tbody>
</table>

**Project 6**: Lovell's

<table>
<thead>
<tr>
<th>Private Investment Undertaken (See Instructions)</th>
<th>$65,582</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Undertaken</td>
<td>$61,536</td>
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<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
</tr>
<tr>
<td>Project</td>
<td>Details</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>Project 7</strong>: Hometown</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$368,271</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$40,664</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
</tr>
<tr>
<td><strong>Project 8</strong>: Ellwood/Nehring House Renovation</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$822,585</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$150,000</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
</tr>
<tr>
<td><strong>Project 9</strong>: Win Aviation</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$350,000</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$235,000</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
</tr>
<tr>
<td><strong>Project 10</strong>: DeKalb Taylor Municipal Airport</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$22,000</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$62,500</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
</tr>
<tr>
<td><strong>Project 11</strong>: Architectural Improvement Program</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$434,113</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$194,872</td>
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<tr>
<td>Ratio of Private/Public Investment</td>
<td>2/5/22</td>
</tr>
<tr>
<td><strong>Project 12</strong>: DeKalb Public Library</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$18,000,000</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>9</td>
</tr>
<tr>
<td><strong>Project 13</strong>: Clinton Rosette School</td>
<td></td>
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<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$1,631,492</td>
</tr>
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<td>Public Investment Undertaken</td>
<td>$0</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>0</td>
</tr>
<tr>
<td><strong>Project 14</strong>: Bemis Toyota</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$745,000</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$1,500,000</td>
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<tr>
<td>Ratio of Private/Public Investment</td>
<td>1/2</td>
</tr>
<tr>
<td><strong>Project 15</strong>: Stagecoach Theatre</td>
<td></td>
</tr>
<tr>
<td>Private Investment Undertaken (See Instructions)</td>
<td>$75,000</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$172,452</td>
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<tr>
<td>Ratio of Private/Public Investment</td>
<td>10/23</td>
</tr>
<tr>
<td>Project</td>
<td>Description</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td><strong>Project 16</strong>:</td>
<td>Pappas - Small's Redevelopment</td>
</tr>
<tr>
<td><strong>Project 17</strong>:</td>
<td>Faranda's</td>
</tr>
<tr>
<td><strong>Project 18</strong>:</td>
<td>Northland Plaza</td>
</tr>
<tr>
<td><strong>Project 19</strong>:</td>
<td>Eisenmann Corporation</td>
</tr>
<tr>
<td><strong>Project 20</strong>:</td>
<td>American Inn</td>
</tr>
<tr>
<td><strong>Project 21</strong>:</td>
<td>Encoat Manufacturing</td>
</tr>
<tr>
<td><strong>Project 22</strong>:</td>
<td>Road Ranger Gas Station</td>
</tr>
<tr>
<td><strong>Project 23</strong>:</td>
<td>Housing Rehabilitation</td>
</tr>
<tr>
<td><strong>Project 24</strong>:</td>
<td>Street Maintenance/Reconstruction</td>
</tr>
<tr>
<td><strong>Project 25</strong>:</td>
<td>Sidewalk Maintenance/Reconstruction</td>
</tr>
</tbody>
</table>
Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of the complete TIF report

SECTION 6
FY 2018

TIF NAME: Central Area TIF

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

<table>
<thead>
<tr>
<th>Year redevelopment project area was designated</th>
<th>Base EAV</th>
<th>Reporting Fiscal Year EAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>$29,921,259</td>
<td>$57,411,697</td>
</tr>
</tbody>
</table>

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

Check if the overlapping taxing districts did not receive a surplus.

<table>
<thead>
<tr>
<th>Overlapping Taxing District</th>
<th>Surplus Distributed from redevelopment project area to overlapping districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeKalb County</td>
<td>$235,250</td>
</tr>
<tr>
<td>DeKalb County Forest Preserve</td>
<td>$16,447</td>
</tr>
<tr>
<td>Cortland Township</td>
<td>$178</td>
</tr>
<tr>
<td>Cortland Road and Bridge</td>
<td>$321</td>
</tr>
<tr>
<td>DeKalb Township</td>
<td>$35,612</td>
</tr>
<tr>
<td>DeKalb Road and Bridge</td>
<td>$41,817</td>
</tr>
<tr>
<td>DeKalb Library</td>
<td>$81,327</td>
</tr>
<tr>
<td>School District #428</td>
<td>$1,621,526</td>
</tr>
<tr>
<td>Kishwaukee College</td>
<td>$140,060</td>
</tr>
<tr>
<td>DeKalb Park District</td>
<td>$155,081</td>
</tr>
<tr>
<td>Kishwaukee Water Reclamation District</td>
<td>$28,581</td>
</tr>
<tr>
<td>City of DeKalb</td>
<td>$257,651</td>
</tr>
</tbody>
</table>

SECTION 7

Provide information about job creation and retention:

<table>
<thead>
<tr>
<th>Number of Jobs Retained</th>
<th>Number of Jobs Created</th>
<th>Description and Type (Temporary or Permanent) of Jobs</th>
<th>Total Salaries Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION 8

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

Optional Documents

<table>
<thead>
<tr>
<th>Enclosed</th>
</tr>
</thead>
</table>

Legal description of redevelopment project area
Map of District
CERTIFICATE

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, do hereby certify that the foregoing is a true and correct copy of:

ORDINANCE 2018-073

ADOPTING AN AMENDMENT TO THE CITY OF DEKALB CENTRAL AREA TAX INCREMENT FINANCING DISTRICT.

ADOPTED BY THE MAYOR AND CITY COUNCIL of the City of DeKalb on the 11th day of February 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of DeKalb this 13th day of February 2019.

LYNN A. FAZEKAS, City Clerk

Prepared by and Return to:
City of DeKalb
City Clerk’s Office
200 S. Fourth Street
DeKalb, Illinois 60115

FILED WITH THE
DeKalb County Clerk
ON 2/19/19.
ORDINANCE 2018-073  PASSED: FEBRUARY 11, 2019

ADOPTING AN AMENDMENT TO THE CITY OF DEKALB CENTRAL AREA TAX INCREMENT FINANCING DISTRICT.

WHEREAS, the City of DeKalb is a home-rule Illinois municipality with the power and authority conferred thereupon by virtue of the Illinois Constitution, the Illinois Municipal Code and the City Code of the City of DeKalb; and

WHEREAS, the City has previously adopted tax increment allocation financing pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1, et seq, (the “TIF Act”) for an area commonly referred to as the Central Area Tax Increment Financing District or TIF 1 ("TIF 1"); and

WHEREAS, pursuant to the TIF Act, the Mayor and City Council of the City (collectively, the “Corporate Authorities”) seek to adopt an amendment to TIF 1 which does not add additional parcels to the redevelopment project area, does not substantially affect the general land uses proposed in the redevelopment plan, does not substantially change the nature of the redevelopment project, does not increase the redevelopment project costs, does not add additional redevelopment project costs, does not result in the displacement of any inhabited residential units, and which results in a reduction in the total number of parcels contained within the boundaries of TIF 1, which amendment may be authorized without requirement of a public hearing or Joint Review Board meeting pursuant to the TIF Act; and

WHEREAS, the City Council of the City of DeKalb has voted to create the Central Business District Tax Increment Financing District (“TIF 3”), the boundaries of which are inconsistent with the boundaries of TIF 1; and

WHEREAS, the proposed amendment and reduction in land area within TIF 1 is generally consistent with the TIF 1 redevelopment plan and approved list of TIF 1 projects;

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

SECTION 1. TIF 1 AMENDMENT ADOPTED. The recitals set forth in the preamble to this Ordinance are adopted as if fully set forth herein. The area contained within TIF 1 shall be amended so that the properties identified on the attached Exhibit A, “Central Area TIF Amendment Map” as being removed from TIF 1 and included within TIF 3 shall be removed from TIF 1. The legal description for TIF 1 shall be amended to reflect that the properties or portions thereof legally described on the attached Exhibit B, “Legal Description of Removed Properties” shall be excluded from TIF 1, such that the legal description shall be composed of the current legal description for TIF 1 (after any previous amendments), excluding those properties described in Exhibit B. The parcels to be removed from TIF 1 and included in TIF 3 and are identified by their Property Index Numbers (PIN) are included as Exhibit C. In the event that there is conflict between these
Ordinance 2018-073

exhibits, Exhibit B, "Legal Description of Removed Properties" shall take priority, followed by Exhibit A, "Central Area TIF Amendment Map", and then Exhibit C, "Central Area TIF - Parcels to be Removed". The City Council directs that notice be given by publication, and by mailing to the Joint Review Board, interested parties registry and affected taxing districts within ten (10) days of the date of adoption of this Ordinance.

SECTION 2. INVALIDITY OF ANY SECTION. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 3. SUPERSEDER AND EFFECTIVE DATE. All ordinances, resolutions, motions, or orders in conflict with this Ordinance are repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.


ATTEST:

LYNN A. FAZEKAS, City Clerk

JERRY SMITH, Mayor
Exhibit B: Legal Description of Removed Properties

LEGAL DESCRIPTION (Exception to Central Area TIF):

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED AREA:

THAT PART OF SECTIONS 22 AND 23 IN TOWNSHIP 40 NORTH, RANGE 4 EAST OF THE THIRD PRINCIPAL MERIDIAN IN DEKALB COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS:


THENCE NORTHERLY ALONG SAID EAST LINE OF THE KISHWAUKEE RIVER TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38), AS WIDENED;

THENCE WESTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY TO A POINT ON THE CENTERLINE OF SAID KISHWAUKEE RIVER;

THENCE NORTHERLY ALONG SAID CENTERLINE OF KISHWAUKEE TO A POINT ON THE NORTH LINE OF LOT 2 IN SAID SPANGENBERG'S ADDITION TO THE CITY OF DEKALB, AS RECORDED SEPTEMBER 11, 1895 IN BOOK "C" OF PLATS, PAGE 9;

THENCE EAST ALONG SAID NORTH LINE OF LOT 2 TO THE NORTHEAST CORNER THEREOF, SAID NORTHEAST CORNER ALSO BEING A POINT ON THE WEST RIGHT-OF-WAY LINE OF JOHN STREET;

THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE OF JOHN STREET TO A POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTHERLY RIGHT-OF-WAY LINE OF LINCOLN WAY;

THENCE EASTERLY ALONG SAID WESTERLY EXTENSION, THE NORTHERLY RIGHT-OF-WAY LINE OF LINCOLN WAY AND THE EASTERLY EXTENSION THEREOF TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF HARRISON STREET;

THENCE SOUTH ALONG SAID EAST RIGHT-OF-WAY LINE OF HARRISON STREET TO THE SOUTHWEST CORNER OF LOT 7 IN BLOCK 2 IN SAMUEL PETERSON'S ADDITION TO THE CITY OF DEKALB, RECORDED IN BOOK "B" OF PLATS, PAGE 110 ON APRIL 20, 1892;

THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 7 TO THE SOUTHEAST CORNER THEREOF, SAID SOUTHEAST CORNER ALSO BEING THE SOUTHWEST CORNER OF LOT 2 IN BLOCK 2 OF MAYO'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED MAY 24, 1900 IN BOOK "C" OF PLATS, PAGE 25;

THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 2 TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF PARK AVENUE;

THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE OF PARK AVENUE TO A POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE CENTERLINE OF A PRIVATE ALLEY, ADJOINING LOT 1 IN BLOCK 1 IN SAID MAYO'S SUBDIVISION TO THE NORTH;
THENCE EAST ALONG SAID WESTERLY EXTENSION OF THE CENTERLINE OF THE PRIVATE ALLEY AND THE SOUTH LINE OF SAID LOT 1 IN BLOCK 1 TO THE SOUTHEAST CORNER THEREOF;

THENCE NORTH ALONG THE EAST LINE OF SAID LOT 1 IN BLOCK 1 TO A POINT ON THE NORTH LINE OF THE SOUTH 2 FEET OF LOT 2 IN SAID BLOCK 1;

THENCE EAST ALONG THE EASTERLY EXTENSION OF SAID NORTH LINE OF THE SOUTH 2 FEET OF LOT 2 TO A POINT ON THE WESTERLY LINE OF LOT 4 IN KENNEDY'S ADDITION TO THE CITY OF DEKALB, AS RECORDED MARCH 21, 1904 IN BOOK "D" OF PLATS, PAGE 29;

THENCE NORTH ALONG SAID WESTERLY LINE OF LOT 4 TO THE NORTHWEST CORNER THEREOF;

THENCE EAST ALONG THE NORTH LINE OF SAID LOT 4 TO THE NORTHEAST CORNER THEREOF, SAID NORTHEAST CORNER ALSO BEING THE SOUTHEAST CORNER OF LOT 1 IN SAID KENNEDY'S ADDITION;

THENCE NORTHEASTERLY ALONG THE EAST LINE OF SAID LOT 1 AND THE NORTHEASTERLY EXTENSION THEREOF TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF LOCUST STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF LOCUST STREET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET TO A POINT OF INTERSECTION WITH THE NORTHWESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 6 FEET OF LOT 5 IN BLOCK A IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF, RECORDED DECEMBER 19, 1853 IN BOOK "A" OF PLATS, PAGE 8 1/4;

THENCE SOUTHEASTERLY ALONG SAID NORTHWESTERLY EXTENSION AND THE SOUTH LINE OF THE NORTH 6 FEET OF LOT 5 IN BLOCK A TO A POINT ON THE NORTHWESTERLY LINE OF AN 18-FOOT-WIDE ALLEY LYING EAST OF SAID 1ST STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF THE 18-FOOT-WIDE ALLEY AND THE NORTHEASTERLY EXTENSION THEREOF TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF OAK STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF OAK STREET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 5TH STREET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 6TH STREET;
THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 6TH STREET TO THE SOUTHWEST CORNER OF LOT 3 IN BLOCK 39 IN SAID ORIGINAL TOWN (NOW CITY) OF DEKALB;

THENCE SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT 3 AND THE SOUTHEASTERLY EXTENSION THEREOF TO A POINT ON THE SOUTHEASTERLY LINE OF AN 18-FOOT-WIDE ALLEY LYING EASTERLY OF 6TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF THE 18-FOOT-WIDE ALLEY TO A POINT ON THE NORTH LINE OF THE SOUTH 44 FEET OF LOT 7 IN SAID BLOCK 39;

THENCE SOUTHEASTERLY ALONG SAID NORTH LINE OF THE SOUTH 44 FEET OF LOT 7 TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 7TH STREET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET AND THE SOUTHEASTERLY EXTENSION THEREOF TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE SOUTH ALONG SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID OAK STREET;

THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF OAK STREET TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF A LINE THAT IS 30 FEET EASTERLY OF AND PARALLEL TO AN EAST LINE OF LOT "B" IN F.E. SCHUNDLER PROPERTY PLAT, AS RECORDED SEPTEMBER 24, 1974 IN BOOK "Q" OF PLATS, PAGE 73 AS DOCUMENT NUMBER 382380, SAID EAST LINE OF LOT "B" BEING A NORTHERLY-SOUTHERLY LINE BEGINNING 101.42 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 23;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE LINE THAT IS 30 FEET EASTERLY OF AND PARALLEL TO AN EAST LINE OF LOT "B" TO A POINT ON THE NORTH LINE OF SAID LOT "B";

THENCE EASTERLY ALONG SAID NORTH LINE OF LOT "B" TO THE NORTHEAST CORNER THEREOF, SAID NORTHEAST CORNER ALSO BEING A POINT ON THE WEST LINE OF LOT "E" IN SAID F.E. SCHUNDLER PROPERTY PLAT;

THENCE NORTHERLY ALONG SAID WEST LINE OF LOT "E" TO THE NORTHWEST CORNER THEREOF;

THENCE EAST ALONG THE NORTH LINE OF SAID LOT "E", 27.11 FEET;

THENCE SOUTH ALONG A LINE THAT IS EAST OF AND PARALLEL TO THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 23, 4.08 FEET;

THENCE EAST AT AN ANGLE OF 90 DEGREES 00 MINUTES 06 SECONDS TO THE RIGHT FROM THE LAST DESCRIBED COURSE, 177.37 FEET;
THENCE SOUTHEASTERLY AT AN ANGLE OF 224 DEGREES 53 MINUTES 26 SECONDS TO THE RIGHT FROM THE LAST DESCRIBED COURSE, 56.68 FEET TO A POINT ON THE EAST LINE OF SAID LOT "E", SAID POINT BEING 45.13 FEET SOUTH OF THE NORTHEAST CORNER OF SAID F.E. SCHUNDLER PROPERTY PLAT (THE LAST THREE COURSES ARE DESCRIBED IN A CONVEYANCE TO COLE PALLET PROPERTIES, LLC IN DOCUMENT NUMBER 2015007579, RECORDED AUGUST 11, 2015);

THENCE SOUTH ALONG THE EAST LINE OF SAID F.E. SCHUNDLER PROPERTY PLAT TO THE SOUTHEAST CORNER THEREOF, SAID SOUTHEAST CORNER ALSO BEING A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23;

THENCE SOUTH ALONG SAID EAST LINE OF THE NORTHWEST QUARTER AND THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 23 TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 7TH STREET TO A POINT OF INTERSECTION WITH THE SOUTHEASTERLY EXTENSION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF GIRARD STREET;

THENCE NORTHWESTERLY ALONG SAID SOUTHEASTERLY EXTENSION AND THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF GIRARD STREET TO A POINT OF INTERSECTION WITH THE SOUTHWESTERLY EXTENSION OF THE WESTERLY LINE OF THE EAST 0.59 FEET OF LOT 3 IN BLOCK 36 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB;

THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY EXTENSION AND THE WESTERLY LINE OF THE EAST 0.59 FEET OF LOT 3 IN BLOCK 36 TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38);

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38) TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 6TH STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 6TH STREET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET;
THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET TO A POINT ON THE NORTHEASTERLY LINE OF A PUBLIC ALLEY IN BLOCK 23 IN THE MAP OF THE ALTERATIONS IN BLOCK 23, 29, 30, 31 AND 42 AS RECORDED IN BOOK "A" OF PLATS, PAGE 31, SAID ALLEY LYING NORTHEASTERLY OF GROVE STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF THE PUBLIC ALLEY IN BLOCK 23 AND THE SOUTHEASTERLY EXTENSION THEREOF TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 5TH STREET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF GROVE STREET;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF GROVE STREET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF FRANKLIN STREET;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF FRANKLIN STREET AND THE NORTHWESTERLY EXTENSION THEREOF TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 22;

THENCE NORTH ALONG SAID EAST LINE OF THE NORTHEAST QUARTER TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO THE SOUTHWEST CORNER OF LOT 5 IN BLOCK "C" IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB;

THENCE NORTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 5 AND CONTINUING ALONG THE WESTERLY LINES OF LOT 4 AND 3 TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38);

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38) TO THE NORTHWEST CORNER OF LOT 2 IN SAID BLOCK "C";

THENCE SOUTHWESTERLY ALONG THE WESTERLY LINE OF SAID LOT 2 AND THE SOUTHWESTERLY EXTENSION THEREOF TO A POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);
THENCE WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION (Exception to Legal description 1986 – Green also on map):

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED AREA:

THAT PART OF SECTIONS 22 AND 23 IN TOWNSHIP 40 NORTH, RANGE 4 EAST OF THE THIRD PRINCIPAL MERIDIAN IN DEKALB COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS:


THENCE NORTHERLY ALONG SAID EAST LINE OF THE KISHWAUKEE RIVER TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38), AS WIDENED;

THENCE WESTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY TO A POINT ON THE CENTERLINE OF SAID KISHWAUKEE RIVER;

THENCE NORTHERLY ALONG SAID CENTERLINE OF KISHWAUKEE TO A POINT ON THE NORTH LINE OF LOT 2 IN SAID SPANGENBERG'S ADDITION TO THE CITY OF DEKALB, AS RECORDED SEPTEMBER 11, 1895 IN BOOK "C" OF PLATS, PAGE 9;

THENCE EAST ALONG SAID NORTH LINE OF LOT 2 TO THE NORTHEAST CORNER THEREOF, SAID NORTHEAST CORNER ALSO BEING A POINT ON THE WEST RIGHT-OF-WAY LINE OF JOHN STREET;

THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE OF JOHN STREET TO A POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTHERLY RIGHT-OF-WAY LINE OF LINCOLN WAY;

THENCE EASTERLY ALONG SAID WESTERLY EXTENSION, THE NORTHERLY RIGHT-OF-WAY LINE OF LINCOLN WAY AND THE EASTERLY EXTENSION THEREOF TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF HARRISON STREET;

THENCE SOUTH ALONG SAID EAST RIGHT-OF-WAY LINE OF HARRISON STREET TO THE SOUTHWEST CORNER OF LOT 7 IN BLOCK 2 IN SAMUEL PETERSON'S ADDITION TO THE CITY OF DEKALB, RECORDED IN BOOK "B" OF PLATS, PAGE 110 ON APRIL 20, 1892; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 7 TO THE SOUTHEAST CORNER THEREOF, SAID SOUTHEAST CORNER ALSO BEING THE SOUTHWEST CORNER OF LOT 2 IN BLOCK 2 OF MAYO'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED MAY 24, 1900 IN BOOK "C" OF PLATS, PAGE 25;

THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 2 TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF PARK AVENUE;
THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE OF PARK AVENUE TO A POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE CENTERLINE OF A PRIVATE ALLEY, ADJOINING LOT 1 IN BLOCK 1 IN SAID MAYO'S SUBDIVISION TO THE NORTH;

THENCE EAST ALONG SAID WESTERLY EXTENSION OF THE CENTERLINE OF THE PRIVATE ALLEY AND THE SOUTH LINE OF SAID LOT 1 IN BLOCK 1 TO THE SOUTHEAST CORNER THEREOF;

THENCE NORTH ALONG THE EAST LINE OF SAID LOT 1 IN BLOCK 1 TO A POINT ON THE NORTH LINE OF THE SOUTH 2 FEET OF LOT 2 IN SAID BLOCK 1;

THENCE EAST ALONG THE EASTERLY EXTENSION OF SAID NORTH LINE OF THE SOUTH 2 FEET OF LOT 2 TO A POINT ON THE WESTERLY LINE OF LOT 4 IN KENNEDY'S ADDITION TO THE CITY OF DEKALB, AS RECORDED MARCH 21, 1904 IN BOOK "D" OF PLATS, PAGE 29;

THENCE NORTH ALONG SAID WESTERLY LINE OF LOT 4 TO THE NORTHWEST CORNER THEREOF;

THENCE EAST ALONG THE NORTH LINE OF SAID LOT 4 TO THE NORTHEAST CORNER THEREOF, SAID NORTHEAST CORNER ALSO BEING THE SOUTHEAST CORNER OF LOT 1 IN SAID KENNEDY'S ADDITION;

THENCE NORTHEASTERLY ALONG THE EAST LINE OF SAID LOT 1 AND THE NORTHEASTERLY EXTENSION THEREOF TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF LOCUST STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF LOCUST STREET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET TO A POINT OF INTERSECTION WITH THE NORTHWESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 6 FEET OF LOT 5 IN BLOCK A IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF, RECORDED DECEMBER 19, 1853 IN BOOK "A" OF PLATS, PAGE 8 ¼;

THENCE SOUTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE AND THE SOUTH LINE OF THE NORTH 6 FEET OF LOT 5 IN BLOCK A TO A POINT ON THE NORTHWESTERLY LINE OF AN 18-FOOT-WIDE ALLEY LYING EAST OF SAID 1ST STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF THE 18-FOOT-WIDE ALLEY AND THE NORTHEASTERLY EXTENSION THEREOF TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF OAK STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF OAK STREET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 5TH STREET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET;
THENENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 6TH STREET;

THENENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 6TH STREET TO THE SOUTHWEST CORNER OF LOT 3 IN BLOCK 39 IN SAID ORIGINAL TOWN (NOW CITY) OF DEKALB;

THENENCE SOUTHEASTERLY ALONG THE SOUHERLY LINE OF SAID LOT 3 AND THE SOUTHEASTERLY EXTENSION THEREOF TO A POINT ON THE SOUTHEASTERLY LINE OF AN 18-FOOT-WIDE ALLEY LYING EASTERLY OF 6TH STREET;

THENENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF THE 18-FOOT-WIDE ALLEY TO A POINT ON THE NORTH LINE OF THE SOUTH 44 FEET OF LOT 7 IN SAID BLOCK 39;

THENENCE SOUTHEASTERLY ALONG SAID NORTH LINE OF THE SOUTH 44 FEET OF LOT 7 TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 7TH STREET;

THENENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 7TH STREET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET;

THENENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF PINE STREET AND THE SOUTHEASTERLY EXTENSION THEREOF TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF 8TH STREET;

THENENCE SOUTH ALONG SAID EAST RIGHT-OF-WAY LINE OF 8TH STREET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID OAK STREET;

THENENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF OAK STREET TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF A LINE THAT IS 30 FEET EASTERLY OF AND PARALLEL TO AN EAST LINE OF LOT "B" IN F.E. SCHUNDLER PROPERTY PLAT, AS RECORDED SEPTEMBER 24, 1974 IN BOOK "Q" OF PLATS, PAGE 73 AS DOCUMENT NUMBER 382380, SAID EAST LINE OF LOT "B" BEING A NORTHERLY-SOUTHERLY LINE BEGINNING 101.42 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 23;

THENENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE LINE THAT IS 30 FEET EASTERLY OF AND PARALLEL TO AN EAST LINE OF LOT "B" TO A POINT ON THE NORTH LINE OF SAID LOT "B";
THENENCE EASTERLY ALONG SAID NORTH LINE OF LOT "B" TO THE NORTHEAST CORNER THEREOF, SAID NORTHEAST CORNER ALSO BEING A POINT ON THE WEST LINE OF LOT "E" IN SAID F.E. SCHUNDLER PROPERTY PLAT;

THENENCE NORTHERLY ALONG SAID WEST LINE OF LOT "E" TO THE NORTHWEST CORNER THEREOF;

THENENCE EAST ALONG THE NORTH LINE OF SAID LOT "E", 27.11 FEET;

THENENCE SOUTH ALONG A LINE THAT IS EAST OF AND PARALLEL TO THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 23, 4.08 FEET;
THENCE EAST AT AN ANGLE OF 90 DEGREES 00 MINUTES 06 SECONDS TO THE RIGHT FROM THE LAST DESCRIBED COURSE, 177.37 FEET;

THENCE SOUTHEASTERLY AT AN ANGLE OF 224 DEGREES 53 MINUTES 26 SECONDS TO THE RIGHT FROM THE LAST DESCRIBED COURSE, 56.68 FEET TO A POINT ON THE EAST LINE OF SAID LOT "E", SAID POINT BEING 45.13 FEET SOUTH OF THE NORTHEAST CORNER OF SAID F.E. SCHUNDLER PROPERTY PLAT (THE LAST THREE COURSES ARE DESCRIBED IN A CONVEYANCE TO COLE PALLET PROPERTIES, LLC IN DOCUMENT NUMBER 201507579, RECORDED AUGUST 11, 2015);

THENCE SOUTH ALONG THE EAST LINE OF SAID F.E. SCHUNDLER PROPERTY PLAT TO THE SOUTHEAST CORNER THEREOF, SAID SOUTHEAST CORNER ALSO BEING A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23;

THENCE SOUTH ALONG SAID EAST LINE OF THE NORTHWEST QUARTER AND THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 23 TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 7TH STREET TO A POINT OF INTERSECTION WITH THE SOUTHEASTERLY EXTENSION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF GIRARD STREET;

THENCE NORTHWESTERLY ALONG SAID SOUTHEASTERLY EXTENSION AND THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF GIRARD STREET TO A POINT OF INTERSECTION WITH THE SOUTHWESTERLY EXTENSION OF THE WESTERLY LINE OF THE EAST 0.59 FEET OF LOT 3 IN BLOCK 36 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB;

THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY EXTENSION AND THE WESTERLY LINE OF THE EAST 0.59 FEET OF LOT 3 IN BLOCK 36 TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38);

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38) TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 6TH STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 6TH STREET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);
THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET TO A POINT ON THE NORTHEASTERLY LINE OF A PUBLIC ALLEY IN BLOCK 23 IN THE MAP OF THE ALTERATIONS IN BLOCK 23, 29, 30, 31 AND 42 AS RECORDED IN BOOK "A" OF PLATS, PAGE 31, SAID ALLEY LYING NORTHEASTERLY OF GROVE STREET;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF THE PUBLIC ALLEY IN BLOCK 23 AND THE SOUTHEASTERLY EXTENSION THEREOF TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 5TH STREET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF GROVE STREET;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF GROVE STREET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF 4TH STREET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF FRANKLIN STREET;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF FRANKLIN STREET AND THE NORTHWESTERLY EXTENSION THEREOF TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF 1ST STREET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 22;

THENCE NORTH ALONG SAID EAST LINE OF THE NORTHEAST QUARTER TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO THE SOUTHWEST CORNER OF LOT 5 IN BLOCK "C" IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB;

THENCE NORTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 5 AND CONTINUING ALONG THE WESTERLY LINES OF LOT 4 AND 3 TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38);

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (AKA IL. RTE. 38) TO THE NORTHWEST CORNER OF LOT 2 IN SAID BLOCK "C";
THENCE SOUTHWESTERLY ALONG THE WESTERLY LINE OF SAID LOT 2 AND THE SOUTHWESTERLY EXTENSION THEROF TO A POINT ON SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD);

THENCE WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD (AKA U.P. RAILROAD) TO THE POINT OF BEGINNING.
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ORDINANCE 2019-070
ADOPTING AN AMENDMENT TO THE CITY OF DEKALB CENTRAL AREA TAX INCREMENT FINANCING DISTRICT.

WHEREAS, the City of Dekalb is a home-rule Illinois municipality with the power and authority conferred thereupon by the virtue of the Illinois Constitution, the Illinois Municipal Code and the City Code of the City of Dekalb; and
WHEREAS, the City has previously adopted tax increment allocation financing pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/1-74.4-1, et seq., the ("TIF Act") for an area commonly referred to as the Central Area Tax Increment Financing District ("TIF 1"); and
WHEREAS, pursuant to the TIF Act, the Mayor and City Council of the City (collectively, the "Corporate Authorities") seek to amend an amendment to TIF 1 which does not modify additional parcels to the redevelopment project area, does not substantially affect the general land uses proposed in the redevelopment plan, does not substantially change the nature of the redevelopment project, does not increase the redevelopment project costs, does not add additional redevelopment project costs, does not result in the displacement of any inhabited residential units, and which results in a reduction in the total number of parcels contained within boundaries of TIF 1, which amendment may be authorized without requirement of a public hearing or Join Review Board meeting pursuant to the TIF Act; and
WHEREAS, the City Council of the City of Dekalb has voted to create the Central Business District Tax Increment Financing District ("TIF 3"), the boundaries of which are inconsistent with the boundaries of TIF 1; and
WHEREAS, the proposed amendment and reduction in land area within TIF 1 is generally consistent with the TIF 1 redevelopment plan and approved list of TIF 1 projects;
NOW THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Dekalb, Dekalb County, Illinois, as follows:

SECTION 1. TIF 1 AMENDMENT ADOPTED. The realty set forth in the preamble to this Ordinance are adopted as if fully set forth herein. The area contained within TIF 1 shall be amended so that the properties identified on the attached Exhibit A, "Central Area TIF Amendment Map" as being removed from TIF 1 and included within TIF 3 shall not be removed from TIF 1. The legal description for TIF 1 shall be amended to reflect that the properties or portions thereof legally described on the attached Exhibit B, "Legal Description of Removed Properties" shall be excluded from TIF 1, such that the legal description shall be composed of the current legal description for TIF 1 (after any previous amendments), excluding those properties described in Exhibit B. The parcels to be removed from TIF 1 and included in TIF 3 and are identified by their Property Index Numbers (PIN) are included as Exhibit C. In the event that there is conflict between these exhibits Exhibit B, "Legal Description of Removed Properties" shall take priority, followed by Exhibit A, "Central Area TIF Amendment Map", and then Exhibit C, "Central Area TIF - Parcels to be Removed". The City Council directs that notice be given by publication, and by mailing to the Joint Review Board, interested parties, and the registry and affected taxing districts within ten (10) days of the date of adoption of this Ordinance.

SECTION 2. INVALIDITY OF ANY SECTION. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect the remaining provisions of this Ordinance.


ATTACH:

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTH-WESTERN RAILROAD (A/K/A U.P. RAILROAD) TO A POINT ON THE SOUTHEASTERNLY RIGHT-OF-WAY LINE OF 7TH STREET;

THENCE WESTERLY ALONG SAID SOUTHEASTERNLY RIGHT-OF-WAY LINE OF 7TH STREET TO A POINT OF INTERSECTION WITH THE SOUTHEASTERNLY EXTENSION OF THE SOUTHWESTERNLY RIGHT-OF-WAY LINE OF 8TH STREET;

THENCE SOUTHWARDLY ALONG SAID SOUTHWESTERNLY EXTENSION AND THE SOUTHWESTERNLY RIGHT-OF-WAY LINE OF 8TH STREET TO A POINT OF INTERSECTION WITH THE SOUTHWESTERNLY EXTENSION OF THE WESTERNLY LINE OF THE EAST 0.99 FEET OF LOT 3 IN BLOCK 36 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB;

THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERNLY EXTENSION AND THE WESTERNLY LINE OF THE EAST 0.59 FEET OF LOT 3 IN BLOCK 36 TO A POINT ON THE SOUTHWESTERNLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (A/K/A IL. RTE. 38);

THENCE WESTERLY ALONG SAID SOUTHWESTERNLY RIGHT-OF-WAY LINE OF LINCOLN HIGHWAY (A/K/A IL. RTE. 38) TO A POINT ON THE NORTHEASTERNLY RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE NORTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF 5TH STREET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTH-WESTERN RAILROAD (A/K/A U.P. RAILROAD);

THENCE WESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTH-WESTERN RAILROAD (A/K/A U.P. RAILROAD) TO A POINT ON THE SOUTHWESTERNLY RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHWESTERNLY RIGHT-OF-WAY LINE OF 4TH STREET TO A POINT ON THE NORTHEASTERNLY LINE OF A PUBLIC ALLEY IN BLOCK 23 IN THE MAP OF THE ALTERATIONS IN BLOCK 23, 26, 30, 31 AND 42 AS RECORDED IN BOOK "A" OF PLATS, PAGE 31, SAID ALLEY LYING NORTHEASTERLY OF GROVE STREET;

THENCE SOUTHWARDLY ALONG SAID NORTHEASTERLY LINE OF THE PUBLIC ALLEY IN BLOCK 23 AND THE SOUTHWESTERLY EXTENSION THEREOF TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF 5TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF 5TH STREET TO A POINT ON THE SOUTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF 4TH STREET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF 4TH STREET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF 7TH STREET.

**Exhibit C: Central Area TIF - Parcels to be Removed**

- 082251024
- 082250011
- 082315014
- 082316018
- 082316008
- 082330104
- 082250040
- 082250013
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- 082316060
- 082316061
- 082316062
- 082316063
February 13, 2019

Mr. Doug Johnson  
DeKalb County Clerk & Recorder  
Administration Building, 2nd Floor  
110 E. Sycamore Street  
Sycamore, Illinois 60178

Re: City of DeKalb Central Business District Tax Increment Financing Allocation District.

Mr. Johnson:

As you may know, the City of DeKalb recently passed ordinances establishing the Central Business District Tax Increment Financing Allocation District. Under 65 ILCS 5/11-74.4-4, the City is required to transmit a certified copy of the ordinances to your office, along with a legal description of the redevelopment project area, a map of the redevelopment project area, identification of the year that the County Clerk shall use for determining the total initial equalized assessed value of the redevelopment project area consistent with subsection (a) of Section 11-74.4-9, and a list of the parcel or tax identification number of each parcel of property included in the redevelopment project area. Please find the same enclosed. Please note that the ordinance refers to 2017 as the year to be utilized by the County Clerk shall use for determining the total initial equalized assessed valuation. This refers to the assessments utilized for taxes levied in 2017 and collected in 2018, as referenced in the eligibility study. The City has confirmed, today, that the 2018 valuations have not yet been certified.

Thank you for your assistance with this matter.

Sincerely,

Jerry Smith  
Mayor
February 15, 2019

Mr. Bill Nicklas, City Manager
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115

Mr. Nicklas,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

The City is required to provide copies of each ordinance to the Joint Review Board, each taxing district, and anyone listed on the interested parties registry, no later than 10 days after of the date of adoption. Therefore, enclosed please find a copy of each of the above ordinances in their entirety.

Please don’t hesitate to contact me by phone at (815) 748-2090 or via email at ruth.scott@cityofdekalb.com if I can be of further assistance.

Respectfully,

Ruth A. Scott
Executive Assistant
February 15, 2019

Mr. Jamie Craven, Superintendent
DeKalb Community Unit School District No. 428
901 S. Fourth Street
DeKalb, Illinois 60115

Mr. Craven,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- **Ordinance 2018-073** Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- **Ordinance 2018-074** Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

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Respectfully,

Ruth A. Scott
Executive Assistant
February 15, 2019

Mr. Gary Hanson, Administrator
DeKalb County
200 N. Main Street
Sycamore, Illinois 60178

Mr. Hanson,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- **Ordinance 2018-073** Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- **Ordinance 2018-074** Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

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Respectfully,

Ruth A. Scott
Executive Assistant
Mr. Gary Hanson  
DeKalb County  
200 N. Main St.  
Sycamore, IL 60178

D. Is delivery address different from item 1?  
Yes  
If YES, enter delivery address below:

B. Received by (Printed Name)  
Robert S. Ballard

C. Date of Delivery  
2/19/19

A. Signature  
X

9590 9402 4247 8121 1403 34

6170 0001 8112 0002

7016 1370 0001 8112 0002

DeKalb County

Hanson

5/15/19

PS Form 3811, July 2015 PSN 7630-02-000-8053  Domestic Return Receipt
February 15, 2019

Mrs. Jennifer Jeep Johnson, Supervisor
DeKalb Township
2323 S. Fourth Street
DeKalb, Illinois 60115

Mrs. Jeep Johnson,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

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Respectfully,

Ruth A. Scott
Executive Assistant
Mrs. Jennifer Jeep Johnson
DeKalb Township
2323 S. Fourth St.
DeKalb, IL 60115

B. Received by (Printed Name)
K. JVM

D. Is delivery address different from item 1?  Yes
If YES, enter delivery address below:  No

S. Service Type
- Certified Mail
- Certified Mail Restricted Delivery
- Certified Mail Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Valued Mail Restricted Delivery
- Priority Mail Express
- Registered Mail
- Return Receipt for Merchandise
- Signature Confirmation
- Signature Confirmation
- Restricted Delivery

U.S. Postal Service™
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OFFICIAL USE

Certified Mail Fee
Extra Services & Fees
- Return Receipt (hardcopy)
- Return Receipt (electronic)
- Certified Mail Restricted Delivery
- Adult Signature Required
- Adult Signature Restricted Delivery

Postage
Total Postage and Fee

Sent To:
Street and Apt. No.
City, State, Zip

See Reverse for Instructions
February 15, 2019

Mr. Craig Smith, Highway Commissioner  
DeKalb Township Road & Bridge District  
2323 S. Fourth Street  
DeKalb, Illinois 60115

Mr. Smith,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- **Ordinance 2018-073** Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- **Ordinance 2018-074** Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

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Please don’t hesitate to contact me by phone at (815) 748-2090 or via email at ruth.scott@cityofdekalb.com if I can be of further assistance.

Respectfully,

Ruth A. Scott  
Executive Assistant
1. Article Addressed to:
Mr. Craig Smith
DeKalb Township
Road & Bridge District
2323 S. Fourth St.
DeKalb, IL 60115

9590 9402 4247 8121 1403 65

2. Article Number (Transfer from service label)
7016 1370 0001 8111 9679

PS Form 3811, July 2015 PSN 7530-02-000-8058

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U.S. Postal Service®
CERTIFIED MAIL® RECEIPT
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Certified Mail Fee
$ 1.95

For delivery information, visit our website at www.usps.com

Excess Services & Fees (check box, and fee as appropriate)
☐ Return Receipt (hardcopy) $ 6.80
☐ Return Receipt (electronic) $ 6.80
☐ Certified Mail Restricted Delivery $ 4.70
☐ Certified Mail Restricted Delivery All $ 4.70
☐ Priority Mail Express ® $ 16.90
☐ Registered Mail™ Restricted Delivery $ 14.90
☐ Registered Mail Restricted Delivery $ 14.90
☐ Return Receipt for Merchandise $ 4.70
☐ Signature Confirmation™ Restricted Delivery $ 1.90
☐ Signature Confirmation™ $ 1.90

Postage
$ 3.95

Total Postage and Fees
$ 6.90

Sent To
DeKalb Township
975 N. Division Street
DeKalb, IL 60115

mailed 3/15/19
Township
Smith

PS Form 3811, April 2016 PSN 7530-02-000-8058
February 15, 2019

Mr. Robert Johnson, Chairman of the Board
Kishwaukee College
21193 Malta Road
Malta, Illinois 60150

Mr. Johnson,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

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Respectfully,

Ruth A. Scott
Executive Assistant
**SENDERS: COMPLETE THIS SECTION**

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. **Article Addressed to:**
   
   Mr. Robert Johnson  
   Kishwaukee College  
   21193 Malta Rd.  
   Malta, IL 60150

2. **Article Number (Transfer from service label):**
   
   7016 1370 0001 8111 9978

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  

   [X] Shelly Levine

B. Received by (Printed Name)  

   Shelly Levine

C. Date of Delivery

   [ ] Yes  
   [X] No

D. Is delivery address different from Item 1?  

   [ ] Yes  
   [ ] No

3. **Service Type**

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   - [ ] Adult Signature Restricted Delivery
   - [ ] Certified Mail®
   - [ ] Certified Mail® Restricted Delivery
   - [ ] Collect on Delivery
   - [ ] Collect on Delivery Restricted Delivery
   - [ ] Special Delivery
   - [ ] Special Delivery Restricted Delivery

**U.S. Postal Service™**

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For delivery information, visit our website at [www.usps.com](http://www.usps.com).

**Certified Mail Fee**

$0.00

**Extra Services & Fees (check box, add fee as appropriate)**

- [ ] Return Receipt (hardcopy)
- [ ] Return Receipt (electronic)
- [ ] Certified Mail Restricted Delivery
- [ ] Adult Signature Required
- [ ] Adult Signature Restricted Delivery

**Postage**

$0.00

**Total Postage and Fee**

$0.00

**Sent By**

Mr. Robert Johnson

**Address**

Kishwaukee College  
21193 Malta Rd.  
Malta, IL 60150

**Return Receipt**

- [ ] Yes
- [ ] No

**Return Receipt For Instructions**

**Mailing Date**

2/15/19

**PS Form 3811, April 2018; 302-00-000-9053**
February 15, 2019

Ms. Amy Doll, Executive Director  
DeKalb Park District  
1403 Sycamore Road  
DeKalb, Illinois 60115

Ms. Doll,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

• **Ordinance 2018-073** Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

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Respectfully,

[Signature]

Ruth A. Scott  
Executive Assistant
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**Sent To:**

Street and Apt. No., or P.O. Box No.

**Mail Date:** 2/15/19
Track Another Package +

Tracking Number: 70161370000181119990

Your item was delivered to an individual at the address at 3:05 pm on February 19, 2019 in DEKALB, IL 60115.

☑ Delivered
February 19, 2019 at 3:05 pm
Delivered, Left with Individual
DEKALB, IL 60115

See Less ▲

Can’t find what you’re looking for?
Go to our FAQs section to find answers to your tracking questions.

FAQs (https://www.usps.com/faqs/uspstracking-faqs.htm)
February 15, 2019

Mr. Mark Eddington, District Manager
Kishwaukee Water Reclamation District
303 Hollister Avenue
DeKalb, Illinois 60115

Mr. Eddington,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

• Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

• Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

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Respectfully,

Ruth A. Scott
Executive Assistant
Tracking Number: 70161370000181119983

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

In-Transit
February 22, 2019
In Transit to Next Facility

Text & Email Updates

Select what types of updates you'd like to receive and how. Send me a notification for:

Text

☐ All Below Updates

Email

☐ Expected Delivery Updates

☐ Day of Delivery Updates

☐ Package Delivered

☐ Available for Pickup

☐ Delivery Exception Updates

☐ Package In-Transit Updates
February 15, 2019

Mr. Hays, Owner
Barb City Bagels
118 E. Lincoln Highway
DeKalb, Illinois 60115

Mr. Hays,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

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Please don’t hesitate to contact me by phone at (815) 748-2090 or via email at ruth.scott@cityofdekab.com if I can be of further assistance.

Respectfully,

Ruth A. Scott
Executive Assistant
<table>
<thead>
<tr>
<th>SENDER: COMPLETE THIS SECTION</th>
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<tbody>
<tr>
<td>Complete items 1, 2, and 3.</td>
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<tr>
<td>Print your name and address on the reverse so that we can return the card to you.</td>
</tr>
<tr>
<td>Attach this card to the back of the mailpiece, or on the front if space permits.</td>
</tr>
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1. Article Addressed to:
   Mr. Tim Hays
   Barb City Bagels
   118 E. Lincoln Hwy.
   DeKalb, IL 60115

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<tr>
<td>B. Received by (Printed Name) [Printed Name]</td>
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<tr>
<td>C. Date of Delivery [Date]</td>
</tr>
<tr>
<td>D. Is delivery address different from item 1? [Yes]</td>
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<td>If YES, enter delivery address below: [No]</td>
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Barb City Bagel
8/15/19

PS Form 3811, April 2015 PSN 7630-02-000-0053

See reverse for instructions.
February 15, 2019

Ms. Emily Faulkner, Director
DeKalb Public Library
309 Oak Street
DeKalb, Illinois 60115

Ms. Faulkner,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

The City is required to provide copies of each ordinance to the Joint Review Board, each taxing district, and anyone listed on the interested parties registry, no later than 10 days after the date of adoption. Therefore, enclosed please find a copy of each of the above ordinances in their entirety.

Please don’t hesitate to contact me by phone at (815) 748-2090 or via email at ruth.scott@cityofdekalb.com if I can be of further assistance.

Respectfully,

Ruth A. Scott
Executive Assistant
**U.S. Postal Service™ CERTIFIED MAIL® RECEIPT**

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**Library Faulkner**

**Library Faulkner**

**Library Faulkner**
February 15, 2019

Mr. Terry Hannan, Superintendent
DeKalb County Forest Preserve
200 N. Main Street
Sycamore, Illinois 60178

Mr. Hannan,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- **Ordinance 2018-073** Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- **Ordinance 2018-074** Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

The City is required to provide copies of each ordinance to the Joint Review Board, each taxing district, and anyone listed on the interested parties registry, no later than 10 days after of the date of adoption. Therefore, enclosed please find a copy of each of the above ordinances in their entirety.

Please don’t hesitate to contact me by phone at (815) 748-2090 or via email at ruth.scott@cityofdekalb.com if I can be of further assistance.

Respectfully,

Ruth A. Scott
Executive Assistant
February 15, 2019

Mr. Thomas J. Overton
450 W. Lincoln Highway
DeKalb, Illinois 60115

Mr. Overton,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

The City is required to provide copies of each ordinance to the Joint Review Board, each taxing district, and anyone listed on the interested parties registry, no later than 10 days after the date of adoption. Therefore, enclosed please find a copy of each of the above ordinances in their entirety.

Please don't hesitate to contact me by phone at (815) 748-2090 or via email at ruth.scott@cityofdekalb.com if I can be of further assistance.

Respectfully,

Ruth A. Scott
Executive Assistant
Mr. Thomas J. Overton
450 W. Lincoln Hwy.
DeKalb, IL 60115
February 15, 2019

Mr. John Laskowski
1540 Farmstead Lane
DeKalb, Illinois 60115

Mr. Laskowski,

On February 11, 2019, the City Council of the City of DeKalb passed the following ordinances:

- Ordinance 2018-073 Adopting an Amendment to the City of DeKalb Central Area Tax Increment Financing District.

- Ordinance 2018-074 Adopting an Amendment to the City of DeKalb Tax Increment Financing District No. 2.

The City is required to provide copies of each ordinance to the Joint Review Board, each taxing district, and anyone listed on the interested parties registry, no later than 10 days after the date of adoption. Therefore, enclosed please find a copy of each of the above ordinances in their entirety.

Please don’t hesitate to contact me by phone at (815) 748-2090 or via email at ruth.scott@cityofdekalb.com if I can be of further assistance.

Respectfully,

Ruth A. Scott
Executive Assistant
Mr. John Laskowski
1540 Farmstead Ln.
DeKalb, IL 60115

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PS Form 3811, July 2015 PSN 7530-02-000-6053

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7/15/19

Laskowski

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PS Form 3811, April 2018 - rev. 4/1/2017

Modified for Restricted Mail
July 8, 2019

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

Dear Local Government Division:

The City of DeKalb was in compliance with the Tax Increment Allocation Redevelopment Act for its Central Area TIF district for Fiscal Year 2018.

Sincerely,

[Signature]

Jerry Smith
Mayor
July 9, 2019

Attachment C

Illinois Comptroller- Local Government Division
James R. Thompson Center
100 W. Randolph Street, Suite 15-1500
Chicago, IL 60601-3252

Re: City of DeKalb
   Central Area Tax Increment Financing District

Dear Comptroller:

Please be advised that this office has served as the Corporate Attorney for the City of DeKalb since June 1, 2019. I have reviewed the annual tax increment finance report for the fiscal year ending December 31, 2018 for the City of DeKalb’s Central Area Tax Increment Financing District. Although I have not conducted an audit of the contents of the report, I believe that the report is in compliance with the reporting requirements of the Tax Increment Allocation Redevelopment Act.

Very truly yours,

John F. Donahue
FY2018 Central Area TIF District Activities Statement

Reporting Period: January 1, 2018 – December 31, 2018

Project Summaries

Cornerstone DeKalb – Assembly and redevelopment of four properties along East Lincoln Highway and First Street, including 112 East Lincoln Highway, 118 East Lincoln Highway, 122 East Lincoln Highway, 124 East Lincoln Highway, and 122 South First Street. The City provided a $3 million TIF incentive to a private developer to assist in the acquisition and demolition of the existing buildings, as well as the planning and site preparation for a four-story mixed-use building. When completed, the building will hold three commercial spaces on the first floor, and 51 single-bedroom residential units on the floors above. The total project cost is estimated at $7 million.

230 East Lincoln Highway – The building located at 230 East Lincoln Highway was purchased by the owner of a local technology company called Sundog IT. The owner was interested in a building that could provide future space for the growth of his company but could be subdivided and rented out until that space was needed. The owner also had a desire to relocate his business to the downtown area of the City. The City provided a $468,282 TIF incentive to assist in the comprehensive rehabilitation of the building. The total project cost was approximately $1.47 million. In addition to the renovation of the space, a new façade was installed, as well as an elevator to meet current accessibility standards.

Plaza DeKalb – Assembly and redevelopment of another four properties along East Lincoln Highway, including 203 East Lincoln Highway, 209 East Lincoln Highway, 223 East Lincoln Highway, and 229 East Lincoln Highway. The building located at 203 East Lincoln Highway will be partially demolished and redeveloped into a four-story mixed-use building. A specialty grocery store is proposed to be on the first floor and 21 new residential units will be on the three floors above. The building to the immediate east (209 East Lincoln Highway) will be partially demolished and converted into a four-season dining room on the first floor, with an open-air patio above. The patio will be for the exclusive use of the residents of the new apartments. The two most easterly buildings will be rehabilitated, with the four second-floor residential units being converted into two larger two-bedroom apartments. The City provided a $1.9 million incentive that is being matched by another $4.1 million in private investment.

Forge Brewhouse – A brewery that was located along Route 64 and Airport Road in Sycamore was in need of additional space for the production of their beer. The separate space from their restaurant would allow them to begin distributing their product throughout the region. The owner’s located space at 216 North Sixth Street that was favorable to moving their production operation in a timely manner and also provided for the option to expand into a larger space in the future, if needed. The City approved a $17,063 TIF incentive to assist in the build out of their production space and a small tasting room that is open to the public. The total cost of the project is estimated to be $50,000.
DeKalb Taylor Municipal Airport Strategic Plan – The City engaged the services of Volaire Aviation Inc. to assist in the development of a strategic plan for the City’s airport. The consultant worked with the Airport Advisory Committee to develop a plan that recommends different strategies that will result in the airport becoming self-sustainable. The final plan was presented to City Council in 2018.

Egyptian Theatre Improvements – The City has historically supported Preservation of the Egyptian Theatre in making capital improvements to the historic theatre through TIF. Over the reporting period, the City provided $100,000 for the following:

- Stage Rigging Repair
- Boiler Repair
- LED Lighting Upgrades
- Installation of Fall Restraint System
- Replace Lighting Truss/Raceway
- Plaster Repairs
- Façade Repairs

Additionally, further improvements were agreed upon in December of 2018. These improvements would address the lack of air conditioning within the building which makes holding events over the summer a challenge. The plans for the renovations would also include modern restroom facilities, guest services areas and hospitality areas, the inclusion of provisions to serve food and beverages, renovation required to improve access to the Theatre to persons with disabilities and related improvements. Total TIF incentive for these improvements is $2.5 million.

211 N. First Street – The owners of a historic home located at 211 N. First Street were granted TIF funds in an amount not to exceed $98,700 for purposes of renovating this historic building. The building will be converted into mixed-use space that will include office space and one residential unit.

Lovell’s Tire – The owners of property located at 402 and 424 E. Lincoln Highway and 120 S. Fourth Street entered into an agreement with the City to improve the property to maintain and expand its utility for use in vehicle repair. Funds would be used to improve the parking lot at the mentioned properties. Additionally, as a component of the agreement, the owners of the property also agreed to improve the right of way which would result in new curb, gutter, and sidewalk improvements on the property.

Hometown Bar & Grill – The owners of the property located at 241 East Lincoln Highway entered into an agreement to receive funds to finance renovations at the property location. Funds in an amount not to exceed $167,616 would be granted to the property owners. This renovation of the original property as well as the additional property will nearly double the floor plan of Hometown which will allow for more patrons and visitors. The second floor of the property will be used for residential space.

Win Aviation – The owners of the property at 2890 Pleasant Street entered into an agreement to grant TIF funds in an amount not to exceed $235,000 for purposes of redeveloping the property. The property would be redeveloped into an airport maintenance facility. Items that will be addressed in this redevelopment are:

- Hydraulic hanger door
- Concrete floor with radiant heating
- Window and roof repair
- Building of new offices, part storage, and part quarantine area
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 2018-081

AUTHORIZING AN AMENDMENT TO ORDINANCE 2017-011 TO ADD ADDITIONAL SERVICE FACILITIES TO THE LIST OF PERMITTED COMMERCIAL USES IN ARTICLE II.C OF THE ORDINANCE UP TO 2,000 SQUARE FEET AND TO INCREASE THE MAXIMUM SQUARE FOOTAGE ALLOWED FOR "PROFESSIONAL SERVICE OFFICES" FROM 1,000 SQUARE FEET TO 2,000 SQUARE FEET (106, 112, 118 AND 124 E. LINCOLN HIGHWAY, AND 122 S. FIRST STREET, DEKALB, ILLINOIS) (CORNERSTONE DEKALB).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 13th day of November 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 29th day of November 2018.

LYNN A. FAZEKAS, City Clerk

Prepared by and Return to:

City Clerk’s Office
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
ORDINANCE 2018-081       PASSED: NOVEMBER 13, 2018

AUTHORIZED AN AMENDMENT TO ORDINANCE 2017-011 TO ADD ADDITIONAL SERVICE FACILITIES TO THE LIST OF PERMITTED COMMERCIAL USES IN ARTICLE II.C OF THE ORDINANCE UP TO 2,000 SQUARE FEET AND TO INCREASE THE MAXIMUM SQUARE FOOTAGE ALLOWED FOR "PROFESSIONAL SERVICE OFFICES" FROM 1,000 SQUARE FEET TO 2,000 SQUARE FEET (106, 112, 118 AND 124 E. LINCOLN HIGHWAY, AND 122 S. FIRST STREET, DEKALB, ILLINOIS) (CORNERSTONE DEKALB).

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

WHEREAS, the City has previously approved Ordinance 2017-011, approving Planned Development – Commercial ("PD-C") zoning and a certain agreement for the property described therein and commonly referred to as "Cornerstone"; and

WHEREAS, pursuant to public notice and hearing, the City's Planning and Zoning Commission have made a positive recommendation to approve an amendment to the PD-C zoning and the Development Agreement for Cornerstone, to provide for the change in zoning standards contained herein; and

WHEREAS, the City Council expressly finds that the foregoing amendment is appropriate, meets all legally required standards, is subject to consideration following the provision of all required public notice and due process, and is agreeable to the City as an amendment of the Development Agreement;

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

SECTION 1. Amendment Authorized.

The City Council of the City of DeKalb hereby adopts the following amendment to the PD-C zoning and Development Agreement for Cornerstone.

1. Article II(C) of the Development Agreement shall be read to be amended so as to include "Services facilities including barber shops, beauty shops, nail salons, copying services, artists' studios, photographers, tailors, music and dance instruction, suntan parlors, travel agencies and other similar service facilities with determination of what constitutes a similar service facility being made by the City Manager. Notwithstanding the foregoing, no more than 2,000 square feet of available commercial square footage on the Property shall be permitted to be utilized for this purpose." This description shall be included as a permitted use enumerated as permitted use number 4 in Article II(C).
2. Article II(C) of the Development Agreement shall be read to be amended so as to increase from 1,000 square feet to 2,000 square feet the amount of space that shall be permitted to be utilized for Professional Services Offices.

3. Notwithstanding the foregoing, Article II(E) and all other portions of the Property (as described in the Development Agreement) shall remain in full force and effect.

4. This Ordinance shall be appended to the Development Agreement and incorporated by reference as if set forth fully therein.

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 authority of the City Council be published in pamphlet form.


ATTEST:

LYNN A. FAZEKAS, City Clerk
TERRY SMITH, Mayor
C. Permitted Commercial Uses:

There shall be no permitted commercial uses on the second or higher floors of the Building, and there shall be no permitted home occupation use of the residential components of the Building. Within the non-residential portions of the first floor of the Building and any portion of the basement of the Building allocated to supporting such non-residential areas, the permitted commercial uses shall be exclusively limited to the following:

1) Retail Uses. Purely Retail uses shall be permitted unless otherwise prohibited or limited. Minor, indoor incidental services shall be permitted as a component of Retail uses (e.g. sale of computers with incidental computer servicing, jewelry store providing incidental jeweler services).

2) Restaurants and retail food establishments, including fast-food, sit-down or other similar establishments and also including bars that maintain service of food. In association with such use, the Owner shall be permitted to establish and maintain outdoor seating areas in accordance with any approved Final Plans.

3) Professional Service Offices, such as medical offices for licensed doctors or chiropractors, urgent care, dental office, legal office, optometrist/ophthalmologist, accountant, or other similar professional service-based offices (with the determination of what constitutes a similar professional office being made by the City Manager). Notwithstanding the foregoing, no more than 24,000 square feet of the available commercial square footage on the Property shall be permitted to be utilized for this purpose.

4) Services facilities including barber shops, beauty shops, nail salons, copying services, artists’ studios, photographers, tailors, music and dance instruction, suntan parlors, travel agencies, and other similar service facilities with determination of what constitutes a similar service facility being made by the City Manager. Notwithstanding the foregoing, no more than 2,000 square feet of the available commercial square footage on the Property shall be permitted to be utilized for this purpose.
ORDINANCE 2017-011    PASSED: FEBRUARY 27, 2017

APPROVING A REZONING FROM CENTRAL BUSINESS DISTRICT (CBD) TO PLANNED DEVELOPMENT-COMMERCIAL (PD-C) ZONING AND APPROVING A DEVELOPMENT AGREEMENT WITH CORNERSTONE DEKALB, LLC FOR PROPERTY LOCATED ON THE SOUTHEAST CORNER OF 1ST STREET AND LINCOLN HIGHWAY.

WHEREAS, the City of DeKalb is a home rule municipality with the power and authority conferred upon it by the Illinois Municipal Code and the Constitution of the State of Illinois; and

WHEREAS, the City is in receipt of an application from Cornerstone DeKalb, LLC ("Developer") requesting a rezoning of the property located on the southeast corner of 1st Street and Lincoln Highway, as legally described in the attached Exhibit A ("Property"), and approvals necessary to demolish existing improvements and construct a mixed use building with non-residential uses on the first floor, and 51 luxury one-bedroom apartments on floor two through four ("the Project"); and

WHEREAS, the City and Developer seek to enter into a development agreement for the Project for purposes of providing approvals of a concept plan and outlining procedures required for obtaining final approvals necessary prior to construction; and

WHEREAS, the City and Developer have conducted all required public hearings before the Planning and Zoning Commission of the City of DeKalb and the City Council of the City of DeKalb for both the adoption of zoning amendments for the Property and for the adoption of a development agreement, and have otherwise satisfied all conditions precedent to the adoption of this Ordinance; and

WHEREAS, the City Council adopts the findings of fact of the Planning and Zoning Commission of the City of DeKalb attached hereto as Exhibit B, finds that the proposed rezoning is in conformance with the applicable zoning factors contained therein, and finds that approval of this Ordinance, with the corresponding approval of an amendment to the zoning for the Property and the approval of an amended annexation agreement, is in the public interest and promotes the public health, safety and welfare;

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

Section 1. Rezoning Authorized: The City Council of the City of DeKalb hereby approves a rezoning for the Property from the CBD zoning district to the PD-C zoning district, consistent with the terms and conditions of the Development Agreement attached hereto and approved herein as Exhibit C ("the Agreement"), and subject to the approval of final plans consistent with the Agreement.
Section 2. Development Agreement Approved: The City Council of the City of DeKalb hereby approves of the Agreement, and authorizes and directs the Mayor of the City of DeKalb to execute the Agreement, subject to such changes as shall be acceptable to him with the recommendation of City Staff. Thereafter, City staff is authorized and directed to take all actions as shall be required by said Development Agreement, including but not limited to the payment of the Phase 1 Incentive payments on an as-incurred basis, without requirement of any further or additional approval from City Council.

Section 3. Recording Directed: After execution by all parties, this Ordinance and the Agreement shall be recorded in the DeKalb County Recorder’s Office.

Section 4. All ordinances or portions thereof in conflict with this ordinance, are hereby repealed.

Section 5. 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 6. This Ordinance shall be in full force and effect after passage and publication pursuant to law. Publication date: February 28, 2017. Effective date: March 9, 2017.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 27th day of February, 2017 and approved by me as Mayor on the same day. Passed on First Reading by an 8-0 roll call vote. Aye: Jacobson, Finucane, Marquardt, Snow, Noreiko, Baker, Faivre, Rey. Waiver of Second Reading passed by an 8-0 roll call vote. Aye: Jacobson, Finucane, Marquardt, Snow, Noreiko, Baker, Faivre, Rey. Waiver of Second Reading passed by an 8-0 roll call vote.

ATTEST:

[Signatures]

JENNIFER JEEP JOHNSON, City Clerk

JOHN A. REY, Mayor
Exhibit A

112 E. Lincoln Highway: LOTS 2 AND 3 (EXCEPT THE EASTERLY 4 FEET THEREOF OF SAID LOT 3) IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23 ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

118 E. Lincoln Highway: THE EASTERLY 4 FEET OF LOT 3; ALL OF LOT 4; AND THE WESTERLY 12.4 FEET OF LOT 5, ALL IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23, ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

122 E. Lincoln Highway: THE EAST 14.6 FEET OF LOT 5 AND THE WEST 1.4 FEET OF LOT 6 OF RUBY'S SUBDIVISION OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED ON OCTOBER 29, 1907, IN BOOK "D" OF PLATS, PAGE 23, SITUATED IN THE COUNTY OF DEKALB, STATE OF ILLINOIS.

124 E. Lincoln Highway: LOT 6 (EXCEPT THE EAST 4 FEET THEREOF AND EXCEPT THE WEST 1.4 FEET THEREOF) OF RUBY'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 29, 1907 IN BOOK "D" OF PLATS, PAGE 23, OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, IN DEKALB COUNTY, ILLINOIS.

122 S. First Street: PART OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF RUBY'S SUBDIVISION OF A PART OF THE WEST ½ OF BLOCK 2, IN THE CITY OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 1 AND THE PROLONGATION OF SAID NORTH LINE 200 FEET, THENCE SOUTHERLY AND PARALLEL TO THE WESTERLY LINE OF SAID LOT 1, 70 FEET, THENCE WESTERLY IN A STRAIGHT LINE TO A POINT ON THE WEST LINE OF SAID LOT 1, 70 FEET SOUTHERLY OF THE POINT OF BEGINNING; THENCE NORTHERLY AND ALONG THE WEST LINE OF SAID LOT 1, 70 FEET TO THE POINT OF BEGINNING.

THE SUBJECT PROPERTY ALSO INCLUDES THE ALLEY ADJOINING THE PROPERTIES LISTED ABOVE.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-22-282-001, 08-22-282-002, 08-22-282-003, 08-22-282-004 and 08-22-282-007 and the alley adjoining the parcels. The subject property is located at 112, 118, 122 and 124 E. Lincoln Highway and 122 S. First St., DeKalb, IL, and generally located at the southeast corner of E. Lincoln Highway and S. First St.
EXHIBIT B

Findings of Fact

1. The proposed rezoning conforms to the Comprehensive Plan, or conditions have changed to warrant the need for different types of land uses in that area. The proposed rezoning is appropriate considering the length of time the property has been vacant, as originally zoned, and taking into account the surrounding areas trend in development.

The 2005 Comprehensive Plan recommends the subject site for commercial use. In addition, the proposed project is in conformance with many of the recommendations outlined in the 2007 Downtown Revitalization Plan, the 2011 Design Guidelines, and the 2013 DeKalb City Center Plan. Mixed use buildings with commercial uses on the first floor are recommended and encouraged on the western edge of the CBD in the Plans. Staff believes that the proposed development meets the intent of the City’s Comprehensive Planning Documents.

The building at 112 and 118 Lincoln Highway have been vacant for several years and given the current condition of the building it is likely that the City will inevitably incur a cost of remediation and demolition of these two buildings if the redevelopment is not allowed. The result would be two more properties off the tax rolls next to already underperforming properties. The proposed rezoning request will allow the redevelopment of the site that will spur additional development in the downtown area.

2. The proposed rezoning conforms to the intent and purpose of the Unified Development Ordinance.

The intent and purpose of the Planned Development zoning district states:

The purpose of the Planned Development Districts is to provide a means of achieving greater flexibility in development of land in a manner not always possible in conventional zoning districts; to encourage a more imaginative and innovative design of projects; to promote a more desirable community environment; and to retain maximum control over both the design and future operation of the development.

The rezoning of the subject property provides the opportunity to more directly shape the development, use and appearance of this property in accordance with the City’s design criteria and conformance with the Comprehensive Plan. The physical boundaries of the property and densities required for the site make this site a challenging property to redevelop. The Planned Development allows the developer and the City the flexibility to agree to a development plan and standards that seek relief from the Unified Development Ordinance regarding minimum lot size, residential density and site coverage for a Planned Development. The proposed rezoning request, exceptions to the UDO and concept plan
will allow the redevelopment of the site into mixed-use project that will spur additional development in the surrounding area.

3. The proposed rezoning will not have a significantly detrimental effect on the long-range development of adjacent properties or adjacent land uses.

The proposed rezoning should not have a detrimental effect on the adjacent properties or land uses as it entitles the subject property to a re-use of the property that is complementary with the adjacent area. The PD-C zoning provides the mechanism to provide imaginative and innovative design that will have a positive effect on the surrounding area while providing relief to the applicant allowing the redevelopment of the subject property. The proposed rezoning request and concept plan will allow the redevelopment of a highly visible corner in the downtown into a mixed-use development that will generate new business opportunities and support existing commerce in the Central Business District, while spurring increased property values and other development opportunities.

4. The proposed rezoning constitutes an expansion of an existing zoning district that, due to the lack of undeveloped land, can no longer meet the demand for the intended land uses.

The subject property is currently zoned "CBD" Central Business District. Rezoning the property to "PD-C" will allow for a well-designed project. The rezoning will allow for flexibility by the applicant to redevelop the property in a manner that will complement the surrounding neighborhood in terms of size, scale and density.

5. Adequate public facilities and services exist or can be provided.

Adequate public services can be provided to the subject property. The developer is responsible for necessary utility improvements, which can be readily made. The subject property lies within adequate service areas for other City services, such as police and fire protection. Vacation of part of an existing alley is required and existing overhead utilities will need to be relocated underground.
Exhibit C

Development Agreement
Prepared By and Return To
City of DeKalb
ATTN: City Attorney
200 S. Fourth Street
DeKalb, IL 60115

CORNERSTONE DEKALB
PLANNED REDEVELOPMENT AGREEMENT
CITY OF DEKALB
RECITALS

ARTICLE I: INCORPORATION OF RECITALS

ARTICLE II: ZONING OF THE PROPERTY
A. Zoning Applicability:
B. Permitted Residential Uses:
C. Permitted Commercial Uses:
D. Conversion to Hotel:
E. Prohibited Uses:
F. Special Uses:
G. Building Related Provisions:
H. Property Related Provisions:
I. Parking Provisions:
J. Permitted Outdoor Storage:
K. Setbacks, Bulk Restrictions and Building Lines:
L. Rezoning of Property:
M. First Street Improvements and Maintenance:
N. Failure to Close:

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:
A. Owner’s Responsibility to Maintain:
B. Backup Special Service Area:
C. Excavation and Grading:
D. Owner Surety:
E. Security for Public Improvements:
F. Acceptance of Public Improvements and Maintenance Bond for Public Improvements:
G. Stop Work Orders:
H. Compliance with City Ordinances and Applicable Regulations:
I. Site Control:
J. Building Codes:
K. Fire Suppression / Alarm:

ARTICLE IV: PROJECT STAGING:

ARTICLE V: INFRASTRUCTURE:
A. Water Mains and Potable Water Supply:
B. Storm Water Retention, Facilities and Improvements:
C. Sanitary Sewers:
D. Utility Connections:
E. Grant of Easements / Right of Way:

ARTICLE VI: CONTINUATION OF CURRENT USES:

ARTICLE VII: FEES AND CONTRIBUTIONS:
A. Specified Fees:
B. Fees Specifically and Uniquely Attributable:
C. Owner Responsibility for Costs:

ARTICLE VIII: DEVELOPMENT INCENTIVE:
A. Necessity of Incentive:
B. Development Incentive Defined:
C. Definition of Eligible Costs: ................................................................. 24
D. Payment of Development Incentive: ..................................................... 25
E. Forgiveness of Development Incentive: ............................................... 27
F. Limitation of Liability: ................................................................... 28

ARTICLE IX. OPERATION OF THE PROPERTY: ........................................ 29
A. Acknowledgment of Application of Operational Standards: .......... 29
B. Operation and Lease Provisions: ....................................................... 29
C. Public Safety Regulations: Trespass/Patrol Agreement: ................. 29
D. Knox Boxes: .................................................................................. 30
E. Crime Free Housing and Inspection Coordination: ....................... 30
F. Common Area Surveillance: ............................................................. 31
G. Tenant Notification: ....................................................................... 31
H. Notification Regarding Affordable Housing Status or Related Agreements: ................................................................. 31

ARTICLE X: MUTUAL ASSISTANCE: ...................................................... 32

ARTICLE XI: REMEDIES: .................................................................... 32
A. Failure to Construct: ................................................................. 32
B. Breach Generally: .......................................................................... 33

ARTICLE XII: TERM: ............................................................................. 34

ARTICLE XIII: MISCELLANEOUS: ....................................................... 34
A. Amendment: .................................................................................. 34
B. Severability: .................................................................................. 34
C. Entire Agreement: ........................................................................... 34
D. Successors and Assigns: ................................................................. 34
E. Notices: .......................................................................................... 35
F. Time of Essence: ............................................................................ 36
G. Indemnification: .............................................................................. 36
H. Exhibits: ........................................................................................ 37
I. Venue: ............................................................................................ 37
J. Survival of Provisions: ...................................................................... 38

Exhibit A: Legal Description ................................................................. 41

Group Exhibit B: Plans ............................................................................ 42
Exhibit C: No Trespass / Patrol Agreement ........................................ 43
Exhibit D: Traffic Enforcement Agreement ........................................ 45
Exhibit E: Project Cost Documentation Requirements .......................... 47

Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage ................................................................. 48
Exhibit G: Waiver of Objection to Special Service Area ........................ 65
This Planned Development Agreement (the "Agreement") is made and entered the 28th day of February, 2017 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and Cornerstone DeKalb, 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 or contract purchaser of record of approximately 0.85 contiguous acres of real property situated at the southeast intersection of First Street and Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property".

B. The Property is comprised of five separate parcel numbers comprising four separate buildings. Several of the buildings are in an advanced state of deterioration or decay, and at least one of the buildings is presently the subject of a City-initiated lawsuit seeking demolition or remediation. Collectively, the Property has declined in equalized assessed valuation during the preceding thirty years, despite the existence of a Tax Increment Financing District ("TIF District") covering the property for said period. The City has made extensive investment in the public infrastructure through use of the TIF District over that period. The Owner has acquired the contractual right to purchase the Property and each parcel therein, and proposes to create an assemblage of parcels under common ownership, with the intention of redeveloping the Property as a mixed-use, commercial and residential development in accordance with this Agreement. The Property is proposed to be developed in accordance with the plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate the construction of a building upon the Property ("the Building"), and provide preliminary architectural and elevation information.

C. The Parties acknowledge that the housing density contemplated by the Property exceeds the present density permitted under the Central Business District zoning classification from the City of DeKalb, and that thus the only way of accommodating the proposed development would be to utilize Planned Development-Commercial ("PD-C") zoning. The Parties further acknowledge that use of PD-C zoning requires a development agreement to provide definition of the terms and requirements of the zoning district, and that this Agreement has been entered into to provide such definition. The Parties acknowledge that this Agreement contemplates collaborative, joint use of existing City parking facilities adjacent to the Property and the construction of new parking facilities to serve the Property, and if the collaborative use parking facilities were included in the density calculation, the Property would be within the density limits permitted by City Code.

D. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

E. The City acknowledges that the Owner's proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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 rezone the Property as PD-C, and that the City's agreement to rezone the Property 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.

F. The City acknowledges and the Owner agrees that the PD-C, as provided under the City of DeKalb Unified Development Ordinance (the "UDO") and this Agreement, will be the most appropriate zoning classifications for the development of the Property.

G. Pursuant to notice, as required by statute and ordinance, public hearings were held by the City's Planning and Zoning Commission on the requested zoning of the Property, and the findings of fact and recommendations made by said body relative to such requests have been forwarded to the Corporate Authorities.

H. All other and further notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement and the rezoning of the Property 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.

I. The Corporate Authorities have duly considered all necessary matters to enter into this Agreement, have considered the recommendations of the City's Planning and Zoning Commission in connection with the proposed zoning of the Property 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 I, 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: ZONING OF THE PROPERTY**

A. **Zoning Applicability:**

The Parties acknowledge and agree that the zoning imposed hereunder comprises the City's determination of the zoning classification that is appropriate for the property pursuant to applicable law and the related zoning factors that the City is required to apply, and also constitutes the agreed upon zoning and minimum standards for the Property pursuant to this Agreement. The Parties acknowledge that the City is, through this Agreement, providing a substantial financial incentive for the development of the Property, and that the bargained for consideration received by the City under this Agreement expressly includes the zoning restrictions contained herein, inclusive of the full detail described in this Agreement. It is the Parties' intention that all requirements contained herein shall be maintained in existence for the full term of this Agreement, unless modified in accordance with this Agreement. The Owner, on its own behalf and on behalf of any successor owners, inhabitants, third party beneficiaries or others, is intentionally agreeing to and accepting the limitations described herein in exchange for receiving the benefits described herein.

B. **Permitted Residential Uses:**

The allocation or ratio of different types of dwelling units (e.g. the number of each type of one-bedroom unit, or any proposed change in the number of units, number of bedrooms per unit or any other
similar change) permitted for the property under the PD-C zoning described above shall be as approved in this Agreement, subject to any changes allowed by the City, with approval of such changes being in the sole, reasonable discretion of the City. Review and approval/denial of any such changes proposed by the Owner shall be treated as a major amendment to the proposed development, and shall follow the provisions of the UDO with a staff review and recommendation, Planning and Zoning Commission review and recommendation, and City Council review and approval/denial. The following residential uses shall be permitted in accordance with the enumerated standards:

1) Premium one-bedroom residential apartments with full kitchen and bathrooms, with a total of 51 residential units (17 per floor), with the sizes of such units being in substantial compliance with the Plans. These unit counts shall not be altered without the express approval of the City Council. The Owner shall be entitled to maintain up to 51 units on the Property, which comprises 0.85 acres (MOL), generating a net density of 60 dwelling units/acre. This density and unit configuration shall operate as a limitation on the density of all residential use of the Property, in the aggregate.

2) The one-bedroom residential apartments shall be finished and maintained with Premium Finishes as defined herein, with such requirements to include the following minimum standards within the residential units:
   a. Premium flooring such as hardwood, tile or similar coverings within the residential units.
   b. Solid-surface, non-laminate countertops.
   c. In-room washer/dryer for clothes.
   d. In-room kitchen with refrigerator, oven/stove, microwave, and dishwasher.
   e. Building-integrated HVAC systems with individual control by unit. This provision shall be interpreted to prohibit the use of “PTAC” or other similar individual unit HVAC systems or other HVAC systems that require protrusions from the exterior walls of the facility on a per-unit basis.
   f. Full furnishings including beds, tables, chairs, dressers, closet organizers, couches and seating areas.

Compliance with these standards shall be determined by the Community Development Director, whose approval shall not be unreasonably withheld or conditioned.

3) The Owner shall provide and maintain a facility for on-site management of the Property and the residential uses therein, substantially as described in the Plans. The Owner shall further provide and maintain the other residential amenities described in the Plans, including but not limited to:
   a. A private lobby for entrance to the residential units, with such lobby and related hallway spanning the full depth of the building proposed to be constructed, permitting access from the front or rear of the Property.
   b. A private elevator serving the residential uses only.
   c. A meeting room adjacent to the management office substantially as depicted in the Plans.
   d. A workout/fitness room on the first floor, substantially as depicted in the plans, equipped and maintained with good quality exercise equipment for use by the residential patrons and their invitees.
   e. A social gathering room on the first floor for use by the residential patrons and their invitees, substantially as depicted on the Plans, equipped and maintained with seating areas and recreational facilities to permit its use.
   f. A business room on the first floor for use by the residential patrons and their invitees, substantially as depicted on the Plans, equipped and maintained with seating areas and appropriate facilities to permit its use.
g. Storage areas shall be provided in the basement of the Building for use by the residential tenants.

h. The Owner may establish outdoor recreational facilities for such residential uses (e.g. common outdoor seating areas, grill areas, etc.) in compliance with any approved Final Plans.

4) The Owner acknowledges that the density contemplated by the development of the Property exceeds the density which otherwise would be permissible in the absence of PD-C zoning designation, and in order to provide a facility that addresses public welfare concerns that would otherwise be raised by the contemplated density, the Owner agrees and acknowledges that, except during reasonable periods of repair (during which Owner shall actively work in good faith to repair and restore the amenities), it shall maintain as operational, fully functional and in good condition the building amenities contemplated by the Plans and this Agreement at all times that the Property is in operation for the purposes contemplated by the PD-C zoning.

C. Permitted Commercial Uses:

There shall be no permitted commercial uses on the second or higher floors of the Building, and there shall be no permitted home occupation use of the residential components of the Building. Within the non-residential portions of the first floor of the Building and any portion of the basement of the Building allocated to supporting such non-residential areas, the permitted commercial uses shall be exclusively limited to the following:

1) Retail Uses. Purely Retail uses shall be permitted unless otherwise prohibited or limited. Minor, indoor incidental services shall be permitted as a component of Retail uses (e.g. sale of computers with incidental computer servicing, jewelry store providing incidental jewelery services).

2) Restaurants and retail food establishments, including fast-food, sit-down or other similar establishments and also including bars that maintain service of food. In association with such use, the Owner shall be permitted to establish and maintain outdoor seating areas in accordance with any approved Final Plans.

3) Professional Service Offices, such as medical offices for licensed doctors or chiropractors, urgent care, dental office, legal office, optometrist/ophthalmologist, accountant, or other similar professional service-based offices (with the determination of what constitutes a similar professional office being made by the City Manager). Notwithstanding the foregoing, no more than 1,000 square feet of the available commercial square footage on the Property shall be permitted to be utilized for this purpose.

D. Conversion to Hotel:

The Parties agree and acknowledge that the residential component of the Property is being constructed in such a fashion as to permit its conversion from a residential use to a boutique hotel/extended stay property should future community need require such use as determined by Owner. Owner shall be permitted, at its discretion, to convert the residential areas from residential use to hotel use without requiring any rezoning or other approval of the City, provided that:

1) Owner continues to comply with the minimum requirements described in II(B)(1) through (3) (and related subsections), with the conversion of the amenities from residential to hotel use, including but not limited to construction and maintenance of the specified areas, and provision of common area access and patrol.

2) The facility is comprised and operated in such a fashion as to be obligated to collect and remit hotel tax to the City of DeKalb under then-current ordinances and regulations.

3) The facility complies with all then-applicable requirements with respect to hotel licensure and inspection.
E. **Prohibited Uses:**

None of the following uses shall be allowed in or on the Property:

1) Any use which is not expressly authorized as a Permitted or Special Use.
2) Any residential use other than standalone residential apartments as contemplated above (and more specifically, any use which would constitute a “rooming house” or dormitory under applicable City Ordinances, or which contemplates the use of shared bathroom or kitchen facilities, shall be prohibited).
3) Community residences.
4) Group homes.
5) Parking lots, as a principal use (and more specifically, any lease, rental or otherwise offering use of on-site parking by any party other than a resident or employee of the Property).
6) Outdoor storage of any form not expressly authorized herein.
7) Sales or construction trailers, intermodal shipping containers, van trailers or similar items used for storage or office purposes, temporary structures or similar appurtenances used for office, work or storage purposes. Any such item shall be deemed to be used for office, work or storage purposes if it remains on the Property in one exterior location for more than twenty-four (24) hours at any given time. Notwithstanding the foregoing, this Section shall not apply during any time when there is a building or demolition permit outstanding.
8) Adult oriented uses; adult bookstores or other establishment displaying, leasing, trading, or selling pornographic materials or any similar use as defined in the UDO, whether as a principal use or accessory to an allowed principal use (the foregoing not prohibiting a general audiences bookstore with not more than 1% of its merchandise being adult-oriented).
9) Animal boarding.
10) Fire, bankruptcy sale, wholesale, overstock auction house or their equivalent (except that a Court-Ordered bankruptcy sale of less than thirty days duration shall be permitted).
11) Massage parlor or other similar massage establishment.
12) "Head shop", marijuana dispensary, hookah bars, or establishments that specialize primarily in the sale of tobacco, tobacco paraphernalia, glass pipes, implements utilized to burn or concentrate a substance for the purpose of permitting the smoke, fumes or vapor therefrom to be inhaled, or drug paraphernalia.
13) Cemeteries and mausoleums.
14) Funeral homes and mortuaries.
15) Automobile, truck, motorcycle, ATV, motor-scooter or motor vehicle/recreational vehicle/implement repair, service, sales, rentals, parts or components sales or installation, or maintenance.
16) Contractor offices associated with onsite storage of vehicles, supplies or equipment, building material or equipment sales, building or equipment service or maintenance offices, or the equivalent (except that temporary contractor offices present during demolition or construction activities on the Property shall be permitted).
17) Warehouses, whether accessory to a retail use, or self-service storage.
18) Tattoo parlor, massage parlor, psychic reading / tarot card shop.
19) Church or religious uses.
20) Gas or fuel station or any form of car wash or auto detailing center.
21) A dollar store or a discount department store or wholesale establishment.
22) A second-hand store.
23) A cash for gold store.
24) A full service, FDIC-insured bank, credit union, retail bank, consumer banking institution or savings and loan.
25) Currency exchange, money wiring, check cashing facility or equivalent (as a primary use).
26) Auto title loan or post-dated check or payday loan facility or equivalent, unless associated with a full-service federally-insured bank, credit union or savings and loan.
27) Pawn shops.
28) Fitness clubs or workout facilities (other than as permitted subordinate to the residential use described above).
29) Drive-thru facilities.

F. Special Uses:
Any special use contemplated for the Property shall require the amendment of this Agreement.

G. Building Related Provisions:
Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the zoning relief granted herein.

1) The Parties acknowledge that at the time of approval of this Agreement, the City has only reviewed architectural elevations showing two sides of the Building. Owner agrees and acknowledges that the Building shall be designed with “four sided architecture”, meaning that all sides of the building shall feature the same building materials and architectural improvements. Preliminary details of the architectural theme, inclusive of architectural elevations, has been provided as part of the Plans. All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, which contemplate replacing existing building materials with like-kind materials of similar appearance and quality, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans. The exterior design, elevations, appearance, dimensions and building materials proposed for any structure or sign proposed to be built on the Property which does not directly comply with these requirements shall be subject to separate review and approval by the City Council, in its reasonable discretion. Following the installation of such materials, the Owner shall maintain such materials (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 zoning permissions granted herein (to establish a high-density residential development) 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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of the zoning authorization provided under the PD-C designation contemplated herein.

a. The Parties acknowledge that it is intended that Owner shall be permitted to deviate from “four sided architecture” in the area of the alley to be located on the east side of the Building, so as to provide for the appropriate design of portions of the Building
b. The Parties further acknowledge that the elevations of the building shall be modified to include a decorative element at the top of the elevation.

2) Any future proposal to remodel any portion of the Property which would: a) change the number of units or bedrooms at the Property; or, b) add additional or revised structures, outdoor signage, facilities or reductions in landscaping shall be subject to review and approval by the City Manager, or at the Manager’s discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City.

3) The final plans for the Building shall be required to provide a consistent standard for any lighting, awnings or signage proposed to be installed on the Building. All lighting, awnings and signage shall be installed and thereafter maintained in accordance with these standards unless strict compliance is waived by the Community Development Director, it being the intention of the Parties that the signage and awnings on the Building shall be of a common design and character so as to promote a cohesive appearance of the Building.

4) The Owner acknowledges the City’s request to modify the northwestern corner of the building to recess the entrance to the commercial facility at said location, so as to provide a greater setback from the street intersection. Owner shall comply with said request and modify the plans accordingly, unless the City agrees to approve final plans not requiring such compliance.

5) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aid in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

6) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Building or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the proposed walkway at the east side of the Property and/or parking areas), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

H. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the zoning relief granted herein.

1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within the Building, Owner shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Owner shall provide building lighting and street lighting on streets adjacent to the Property based upon a consistent standard adopted at the time of final plan approval, acceptable to
Owner and the City, and shall thereafter maintain lights in such locations in compliance with the adopted standards. For any public streetlights installed in accordance with this standard, following construction of the project and acceptance of public improvements, the obligation to maintain and operate such lights shall be the responsibility of the City.

4) The final plans shall feature improvements (such as bollards or curbing) to prohibit any vehicular use of the proposed eastern walkway on the Property and shall feature lighting acceptable to the Parties for the same area.

5) The existing above-ground electrical installations on the Property shall be replaced with buried electrical service. The Owner shall reasonably cooperate with any effort of the City to provide for the burial of other nearby electrical service if desired by the City, provided that Owner shall only be required to bear the cost of burial of electrical lines located on the Property or the portion of the alley to be vacated as described herein.

6) The Parties acknowledge that the Property is presently bisected by a City-owned public alley. The City agrees that it shall vacate the portion of such alley which is bordered on both sides by property to be owned by Owner, included within the Property, at the time of final plan approval. Upon vacation of such alley, ownership of said area shall transfer to Owner. In exchange for this relief, Owner agrees to comply with the parking standards described in (1) below.

7) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

I. Parking Provisions:

1) As a component of the development of the Property, Owner shall demolish the building commonly referred to as 122 S. First Street ("the South Building"), and such portion of the Property, which portion shall be specifically defined in the Parking Lot Agreement referenced herein and shall not include any portion of the Property intended to be used for the other purposes set forth in the Plans, shall be reconfigured into a parking area and drive aisle. The design and orientation of the parking and drive aisle shall be in a configuration reasonably acceptable to the City and Owner, and shall provide for public access through the Property, from the existing City parking lot west to First Street, as a replacement for the access presently granted by the alley proposed to be vacated. Such parking area shall be constructed in accordance with the final plans, which plans shall be prepared in accordance with these requirements. The parties understand and agree that said demolition and reconfiguration shall not occur until the tenancies of the current tenants of said South Building are rightfully or voluntarily terminated or to expire pursuant to the terms thereof.

2) The Parties acknowledge that the development of the Property is anticipated to generate roughly 40 new, private parking spaces. The southern end of the Property is surrounded by City-owned public parking areas. At the time of final plan approval, the City and Owner shall enter into a Parking Lot Agreement reasonably acceptable to each party, which shall be recorded against the Property and the City-owned parking lot, providing for the following conditions:

a. The Parking Lot Agreement shall provide any terms agreed to by Owner and the City relating to reservation of spaces in an existing public parking lot for use by the occupants of the Building. Any such terms shall be based upon the Owner's provision of public parking spaces in the new parking area to be constructed, in the event that Owner and City determine it is more advantageous to provide public parking in closer proximity to the Building and existing commercial enterprises, and to reserve parking for Building residents at a more distant location.
b. The Parking Lot Agreement shall provide the City with a no-cost option to acquire that portion of the Property comprising the current public alley and the South Building ("the Future Parking Area"), with such option having a duration of fifty years. At any point during such term, the City may exercise the option to acquire the Future Parking Area, but only for the purpose of constructing a multi-level public parking structure on the Future Parking Area and all or some portion of the public parking lot(s) contiguous or adjacent thereto. In the event that the City does proceed with the construction of such a parking structure, the Parking Lot Agreement shall provide that during construction, Owner shall be afforded a reserved number of parking spaces equal to the new spaces provided by Owner within the Future Parking Area (the "New Parking Spaces") in accordance with the approved final plans, in another City public parking lot in the vicinity of the Property during construction of the parking structure. The Parking Lot Agreement shall also provide that upon completion of the parking structure, the City shall convey to the Owner, by deed, easement, agreement or license (and at no cost to Owner), the right to use a number of parking spaces within the parking structure that is equal to the number of New Parking Spaces generated by Owner in constructing the project on the Property. In other words, Owner would provide the City with the property, the City would provide temporary parking facilities for Owner during construction, and following construction the City would provide Owner with permanent rights to use a portion of the parking structure. The number of New Parking Spaces shall be as identified in the final plans and the Parking Lot Agreement.

c. The Parking Lot Agreement may memorialize the terms, if any, relating to future construction of the parking lot. Said provisions may provide for the at-grade or above-ground direct connection between the future parking structure and the Building on terms and conditions mutually acceptable to the Parties.

3) The Parties agree that the development of the project is proposed to be staged so as to permit construction of the Building prior to demolition of the existing South Building, so as to create the ability of one or more existing tenants of the South Building to relocate their operations or for their leases to be rightfully or voluntarily terminated or expire pursuant to the terms thereof. Accordingly, Owner shall be permitted to obtain a final certificate of occupancy for the Building prior to demolition of the South Building and prior to construction of the New Parking Spaces and completion of improvements required in compliance with the final plans, provided that Owner posts a letter of credit or other security reasonably acceptable to the City securing the costs of demolishing and remediating the South Building, constructing the New Parking Spaces and otherwise completing improvements required in accordance with the final plans. Said security shall be in an amount not to exceed one hundred and ten percent (110%) of the engineer's estimate of probable cost of demolishing and remediating the South Building, and the cost of constructing the new parking area in accordance with the final plans. In lieu of posting a letter of credit or other security, the Parties may agree to withhold a portion of the Phase 2 Incentive in an amount equal to the otherwise required security.

4) The Owner shall be responsible for installing, and for thereafter maintaining as operational and functional, all parking lot and common area lighting contemplated by the Plans or the final plans or as otherwise required by this Agreement on the Property. Lighting through the property shall be uniform and meet the currently applicable standards. A photometric plan shall be provided and approved with the final plans, subject to compliance with applicable code (unless standards are altered with approval of the City). Owner shall also provide building-mounted lighting along Lincoln Highway and First Street, in form and content reasonably acceptable to the Parties.

5) The Owner and City shall enter into a separate written agreement providing for traffic law enforcement on all private drives and areas of the Property within ninety (90) days after the last date of payment of any portion of the Phase 2 Incentive, in a form acceptable to the City,
and such agreement shall be recorded against the Property at the Owner’s expense. Such agreement shall be substantially in the form attached hereto as Exhibit D. All residential visitors’ parking shall be regulated with passes or by other means acceptable to the City, and shall be for a duration of three (3) days or less. The Owner shall adopt and enforce restrictions prohibiting the parking of inoperable, unregistered, unlicensed or uninsured vehicles on any portion of the Property at any time. The traffic enforcement agreement shall expressly grant the City the right but not the obligation to enforce such restrictions.

6) At the time of submission of the final plans, the Owner shall provide a revised plan showing the location, design, lighting and orientation of bike racks and bicycle parking areas, which bicycle parking area design shall be subject to review and reasonable approval by the Community Development Director.

7) The Owner shall issue parking passes (both resident and guest), in a form and fashion reasonably acceptable to the Chief of Police, which are high-visibility in nature and which are required to be prominently displayed so as to be visible from a passing car patrolling the parking lot.

8) During the construction of the project on the Property, the City shall reasonably coordinate parking activities of contractors and workers with Owner, and shall permit the Owner to allow such parties to park in the City-owned public parking lot located immediately south of the Railroad Tracks along 1st Street.

9) Following the issuance of a final certificate of occupancy and both prior to and after the demolition of the South Building, the City shall provide a process by which residential occupants of the Property can apply for resident parking permits in City-owned public parking lots, on the same terms and conditions as other Central Business District residential occupants.

J.  Permitted Outdoor Storage:

Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted on the Property in accordance with the approved final plans, provided that all such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services as contemplated by the Plans. Any proposed expansion or alteration of the outdoor rubbish disposal facilities and their related landscaping/screening shall be subject to prior review and reasonable approval by the City Council to confirm compliance with this section. No other outdoor storage shall be permitted, and no storage of dumpsters or garbage or recycling containers shall be permitted outside of the walled garbage enclosure. The outdoor trash facilities shall be constructed in accordance with the final plans, and shall be constructed of masonry or another similar, weather-resistant material acceptable to the City. Once constructed, the trash facilities shall be maintained at all times in good repair, and the Owner shall take all steps as shall be required to ensure that the main entry gates to the trash facilities are kept closed at all times when the facilities are not actively being serviced by a garbage truck.

The Parties acknowledge that at the time of final plan approval, the Owner and City shall come to terms regarding long-term garbage service to the Property, either individually or in collaboration with other area businesses and properties, and further agree that the final plans shall accommodate such final garbage layout and provide all required amenities to further the same.

K.  Setbacks, Bulk Restrictions and Building Lines:

1.  Setbacks, building lines, floor area ratios, building dimension limitations, height restrictions and other similar lot/building size/shape restrictions and regulations shall meet those standards as set forth in the UDO unless otherwise approved as part of this Agreement. This Agreement shall expressly serve as the approval of the dimensions of the Property contemplated by the Plans (after such Plans are modified to comply herewith) and final dimensions shall be as provided in the final plans as approved.
2. The Parties acknowledge that at the time of approval of the Final Plans, the Owner shall provide a Final Plat that divides the Property into one or more parcels in a format that is mutually acceptable to the Parties, which approval shall not be unreasonably withheld or conditioned.

L. Rezoning of Property:

The Parties agree that, for a period of fifty (50) years from Closing, the Property shall not be rezoned to any zoning other than that imposed under this Agreement without the approval of the City and the Owner, with such rezoning requiring consent from the City in the sole and absolute discretion of the City and Owner without regard to statutory or common law zoning requisites and the agreement of the City and the Owner to an amendment of this Agreement on terms and conditions mutually acceptable to the City and the Owner, and further agree that the approvals described in this Agreement are based upon the City and Owner’s agreement with the zoning imposed under this Agreement. The Parties further agree that in the event the Owner seeks a rezoning or alteration of the zoning standards applicable to the Property, any provisions in the UDO contemplating a defined time period for review, comment or approval of a zoning application shall be deemed waived. Following that initial fifty year term, the Property may be rezoned in accordance with the then-current practices and procedures applicable to rezoning requests.

M. First Street Improvements and Maintenance:

The Owner agrees to cooperate with the City in the City’s process of reviewing and approving amendments to the First Street right of way adjacent to the Property, in an effort to create a more pedestrian/bike friendly approach to the Property. Owner shall reasonably provide all necessary easements, sidewalks and other improvements required to facilitate such construction, and shall permit public access to said improvements via public sidewalks dedicated for public use. Owner shall construct such improvements as shall be required pursuant to the final plans. Owner shall also be responsible for snow removal/deicing on the sidewalks and pathways immediately adjacent to the Property (including the First Street sidewalk, Lincoln Highway sidewalk and the pedestrian walkway east of the Building).

N. Failure to Close:

The Parties acknowledge that the Owner is the owner of record of one of the parcels comprising the Property and the contract purchaser of the balance of the parcels. In the event that the Owner fails to acquire and close upon all of the parcels within one hundred and eighty (180) days of the date of this Agreement, the City and Owner shall renegotiate this Agreement and the terms of repayment of any portion of the City incentive paid prior to said date or, failing the same, the City may declare a default and exercise any rights contained herein. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Owner is, through no fault of the Owner’s, unable to close on a property and is working in good faith to complete such transaction.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner’s Responsibility to Maintain:

The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots, detention or stormwater facilities, or other improvements within the Property and for maintaining all buildings on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property’s compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements, pathways and amenities as depicted in the approved final plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.
B. **Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the "Common Facilities Maintenance"). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement ("Common Facilities Maintenance Easement") over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200¢ per $100).

Approval of this Agreement shall be deemed to constitute consent to the City’s establishment of a special service area as herein described.

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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G, within ninety (90) days of the date of closing upon the last of the parcels comprising the Property.

C. **Excavation and Grading:**

1) In order to provide adequate assurance of performance and installation and maintenance of erosion control measures, this Agreement shall serve as the Owner’s pledge to comply with all applicable codes and regulations. This pledge shall be secured by the Owner Surety as described below.
2) Prior to the start of any grading or development work on the Property, the Owner shall provide documentation, in form and content acceptable to the City (and additionally acceptable to DeKalb County if DeKalb County requests any such documentation), indicating that there are no pending IEPA investigations or environmental contamination issues with the Property (other than those to be remediated during the course of demolition).

D. Owner Surety:

1) The Parties acknowledge that pursuant to the City’s customary requirements and the applicable provisions of City Code, there are obligations herein that would be required to be secured through the posting of a letter of credit, cash escrow, bond or other security. As the City is providing the Owner with a substantial economic incentive under the terms of this Agreement, the City is agreeing to waive the requirement of posting certain security, where this Agreement indicates that the process in question is secured by the Owner Surety prior to payment of the Phase 2 Incentive. The Owner Surety shall be as defined in this section.

2) The Owner, in order to induce the City to waive the application of requirements of posting security, pledges that it shall comply with applicable requirements and shall pay all sums necessary to comply with the requirements and construct required improvements in compliance with the approved final plans, and pledges its full faith and credit in order to comply with the same. In the event that the Owner fails to comply with a requirement secured by the Owner Surety, the City may: 1) issue a written demand that Owner comply with the applicable requirement or construct a specified improvement, which Owner shall comply with; 2) require Owner to post a letter of credit, cash escrow or bond in form and content acceptable to the City, in an amount not less than one hundred and twenty percent (120%) of the cost of the improvement or obligation at issue; 3) withhold the payment of any incentive due under this Agreement; 4) withhold or condition the issuance of any approval, permit or certificate due under this Agreement; 5) incur the expense in question and deduct or credit such expense against amounts otherwise due to the Owner under the City incentive described herein; or, 6) pursue such other legal or equitable remedy as may be available.

3) Prior to payment of the Phase 2 Incentive as described herein, the City and Owner shall evaluate all outstanding items which are secured by the Owner Surety, including but not limited to any public improvements or any maintenance bond applicable during a maintenance period on a public improvement. Prior to payment of the Phase Two Incentive, Owner shall either provide Replacement Security acceptable to the City or shall agree to the escrow of a portion of the Phase Two Incentive in an amount equal to one hundred twenty percent (120%) of the cost of the outstanding items.

a. If the Owner is required to provide Replacement Security under this subsection, the Owner shall provide such security to the City in the form of cash, irrevocable letters of credit or performance bonds. Bonds and letters of credit shall be in a form reasonably approved by the City Attorney and be issued by an entity reasonably approved by the City Manager or designee from a bank or financial institution located in the United States of America. Any bonds required under City Code or this Agreement shall be from a company licensed to do business in the State of Illinois. Any Letters of Credit required under City Code or this Agreement shall be from a financial institution reasonably acceptable to the City Manager (or designee), and the Owner shall provide such information or documentation as to the status of the proposed financial institution as the City Manager (or designee) shall reasonably require, to demonstrate their creditworthiness and stability. The amount of security posted with the City shall at all time equal one hundred twenty percent (120%) of the cost of completing those required
public improvements not yet completed at the time of the City’s implementation of this provision. The City Council shall authorize the reduction of such security from time to time, but no more than once every one hundred and eighty (180) days, as related offsite work or public improvements within the Property are completed and reasonably approved by the City Engineer and prior to their acceptance of such improvements by the City. If the Replacement Security is for a Maintenance Bond, said bond shall remain in place for an 18 month period from date of acceptance by the City. Said maintenance bond shall be equivalent to twenty percent (20%) of the value of the improvement constructed, and shall be in the form of a cash escrow, letter of credit, or other security acceptable in form and content to the City.

E. Security for Public Improvements:

In the event that the Owner constructs any public improvements (inclusive of improvements within or adjacent to a public right of way), then the provisions of this Agreement pertaining to such public improvements shall be invoked. Security to be provided by the Owner for the completion of the public improvements within or adjacent to the Property or related off-site improvements, if any, shall be provided prior to the commencement of construction on the Property or right of way and shall be in accordance with the terms of this Agreement and applicable City ordinances, as modified by this Agreement. The Owner shall provide its Owner Surety to secure such obligation.

F. Acceptance of Public Improvements and Maintenance Bond for Public Improvements:

Upon completion of public improvements and acceptance by the City, the Owner shall provide a signed bill of sale for any items of personal property to be transferred to the City, and shall execute all documentation customarily required by the City to denote acceptance and transfer of ownership. Upon acceptance of any public improvement by the City as described above, Owner shall be entitled to a corresponding release or reduction of any required security, bond or letter of credit. For an 18 month period following acceptance of any public improvement, the Owner shall guarantee the workmanship of any public improvements constructed, and shall be responsible for the performance of any repairs or remediation required on such public improvements, as reasonably determined by the City Engineer, to return them to a condition in which they would be appropriate for initial acceptance by the City, including the repair of any ordinary wear and tear on the aforesaid improvements or the repair of any broken or damaged improvements. To secure the performance of this obligation, the Owner shall provide Owner Surety until payment of the Phase Two Incentive as described above.

G. Stop Work Orders:

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.

H. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

I. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, Owner shall provide the Owner Surety in a form consistent with the Owner Surety referenced hereinabove. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke the Owner Surety. Owner shall, within 15 business days following written notice from the City, pay all such costs.

J. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

K. Fire Suppression / Alarm:

The Owner shall install a full fire alarm and fire suppression system in compliance with applicable code requirements and shall, except during reasonable periods of maintenance, thereafter keep such systems in service, operational and in good repair.
ARTICLE IV: PROJECT STAGING:

The Parties acknowledge that the construction of the project upon the Property shall be staged, and further acknowledge that all public hearings required to grant the zoning relief contemplated herein have already been conducted. The Parties further acknowledge that the timeline contained in this Agreement may be extended by the City Council from time to time without requiring an amendment of this Agreement. No public hearing shall be required for approval of the final plans, in accordance with this Agreement.

1) The Owner shall complete the acquisition of all parcels comprising the Property as soon as possible.

2) The Parties acknowledge that the South Building shall remain in use pending completion of the construction of the Building on the Property and pending the date of rightful and/or voluntary termination of the subject leases.

3) The Owner shall proceed to expeditiously remediate and demolish all other structures (other than the South Building) on the Property as quickly as possible after purchasing the same. Said work shall include the safe abandonment of existing utility connections in accordance with the requirements of the utility providing such service; no existing utility connections shall be reused unless reasonably acceptable to the utility providing said utility service.

   a. Demolition shall be performed in accordance with the applicable laws and regulations, and
      the conditions (if any) imposed under the terms of the City Demolition Permit issued. At
      any time after approval of this Agreement, the City shall issue a demolition permit upon
      the request of Owner, memorializing all such conditions, subject to payment of the
      demolition permit fee.

4) At such time as Owner has acquired ownership of all portions of the Property, Owner shall,
   simultaneous with initiation of demolition, work in collaboration with the City to submit final plans
   for review and approval by the City.

   a. Proposed final plans shall be subject to review and revision in collaboration with City staff,
      and shall be required to be in substantial conformity with the Plans attached hereto.
      Deviation from the Plans shall be permitted where reasonably acceptable to the City and
      where resulting in an improvement to the Property. Upon approval of the final plans by
      City staff, such final plans shall be forwarded to the City Council for review and approval,
      which approval shall not require any additional public hearing. Proposed final plans shall
      be submitted for review by City staff within sixty (60) days of the date of acquisition of
      the last of the parcels comprising the Property, and the Owner and City shall in good faith
      endeavor to complete revision of said final plans, if any, as expeditiously as reasonably
      possible. The City shall not unreasonably withhold or condition approval of the final plans,
      provided that they are in substantial conformance with the concept plans and the conditions
      and restrictions contained in this Agreement.

   b. The final plat shall be subject to review and approval by the Planning and Zoning
      Commission, and then by the City Council, pursuant to City Code. The conditions of
      approval of the final plat may include a timeline for final staff approval of the final plat
      and/or vacation of the alley right of way as contemplated in this Agreement, and may
      provide for the completion of certain public improvements or utility upgrades prior to the
      date of final approval of the final plat or alley vacation.

5) Upon completion of demolition of all buildings on the Property other than the South Building and
   approval of the final plans by the City Council, Owner shall expeditiously seek and apply for
   building permits and shall undertake construction of the Building.

6) Owner shall complete construction of the Building within eighteen (18) months of the date of
   approval of the final plans by City Council.

7) Upon issuance of a final certificate of occupancy for the Building, Owner may provide for
   relocation of any tenants remaining in the South Building. As soon as the South Building is vacated
(and not later than twenty-four (24) months after the date of approval of the final plans by City Council or the rightful and/or voluntary termination of the subject leases, whichever is later), the Owner shall demolish the South Building.

8) Immediately following demolition of the South Building, weather permitting, the Owner shall commence construction of the proposed parking lot facility at said location, which shall occur not later than thirty-six (36) months after the date of approval of final plans or the rightful or voluntary termination of the subject leases, whichever is later.

**ARTICLE V: INFRASTRUCTURE:**

**A. Water Mains and Potable Water Supply:**

The Property is currently serviced by an existing connection to the City’s potable water system. The Owner shall have the right to connect to and use such system and mains upon payment of the costs of connecting to the City’s water mains and the costs of any water meters or related devices. Owner shall not be required to pay tap-on, connection or water capital fees. 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. Storm Water Retention, Facilities and Improvements:**

Except with respect to existing improvements, which the City acknowledges are compliant with current regulations, the Owner shall provide all necessary storm sewers, detention systems and compensatory storage in compliance with the UDO, the existing flood plain ordinance of the City and all other applicable laws and regulations, as modified or amended pursuant to the terms of this Agreement including all storm water calculations prepared by a licensed Illinois engineer. The Owner shall provide for the insurance, real estate taxes and maintenance of any Owner-constructed, on-site Retention/Detention areas including but not limited to mowing and landscape maintenance, regular litter pickup, flume repairs and underground pipe cleaning or repairs. The Owner agrees to follow DeKalb County and City of DeKalb stormwater release rate regulations as amended from time to time, and any other applicable ordinances, statutes or regulations in effect at the time of development. The storm water facilities and combined storm water control and detention system shall be constructed in accordance with specifications as required by the City Engineer.

**C. Sanitary Sewers:**

The City shall cooperate with the Owner and execute all applications, permit requests and other documents required to obtain sanitary sewage treatment service from the DeKalb Sanitary District in order to allow the Owner’s connection to the existing and future sanitary sewer lines installed on the interior and exterior of the Property. The Owner shall pay to the requisite governmental entity their respective shares of all permits, inspection and tap on fees that are required at the time of connection to such sanitary sewer system. It shall be the Owner’s responsibility to contact the DeKalb Sanitary District to ascertain the status of and make the appropriate contributions toward any existing recapture agreements pertaining to sanitary sewer lines, lift stations or other sanitary system infrastructure, or contributions, accommodations, or agreements regarding the oversizing of sanitary sewer lines or other sanitary system improvements required
by the DeKalb Sanitary District. No separate sanitary sewer fees are due to the City, except for standard building permits, connection and inspection fees, and any fees collected by the City on behalf of the DeKalb Sanitary District payable City-wide as a condition to connection to and the use of the system by all properties.

D. Utility Connections:

The installation of the necessary and appropriate on-site electric, natural gas, cable, television, telephone facilities, and future internet access facilities (when available) to the Property shall be by underground installation and pursuant to the requirements of such utility companies or pursuant to the agreement of the City with such entities and at no cost to the City. The City agrees to cooperate with the Owner to permit the extension of all such utilities along existing public right-of-ways and/or City owned property and otherwise allow the extension of all necessary utilities to the Property, provided, however, that the City’s agreement to cooperate with the Owner to allow the extension of utilities to the Property shall in no way relieve the Owner of its obligations to obtain any and all easements and permits necessary to do so, at Owner’s sole cost and expense.

E. 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 VI: CONTINUATION OF CURRENT USES:

The zoning provided herein is expressly conditioned upon the Owner’s completion of the improvements contemplated herein, as required by this Agreement and as described by the Plans. In reviewing the Development Agreement, the City has given due consideration to the continuation of such current uses. Accordingly, and notwithstanding any provision of the City Code, the UDO, or any other code, ordinance or regulation, now in effect or adopted during the term of this Agreement, and notwithstanding the City’s zoning of the Property pursuant to the terms hereof, but subject to the express terms of this Agreement specifically relating thereto, the current uses of the Property shall be permitted to continue as provided herein. Such uses shall be permitted to continue on the Property for a period of twenty-four (24) months from the date of approval of the final plans and shall thereafter be prohibited, except that they shall be continued under the terms of this Agreement if the improvements required herein are completed. This Article shall not be interpreted to allow the expansion of the existing uses, or increase the intensity or scope of any nonconforming use. The Property shall continue to be maintained in accordance with all City property maintenance regulations. Notwithstanding the foregoing, nothing herein shall be deemed to limit the continued use of the South Property and the tenancies thereof through the rightful or natural termination of the leases.
ARTICLE VII: FEES AND CONTRIBUTIONS:

A. Specified Fees:

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.

1. School Impact Fees: The Parties acknowledge that the Property is contemplated pursuant to the terms of this Agreement, to be utilized in a fashion that does not invoke the payment of impact fees. However, the Parties agree and acknowledge that should the Property be used in a fashion inconsistent with the terms of this Agreement at a future date and should the Property thus trigger any obligation of the then-current impact fee ordinances or agreements in effect, the Property shall then be subject to the payment of such fees and this Agreement shall not preclude such fees.

2. Building Permit and Plan Review Fees: The Parties acknowledge that the Property is subject to building permit fees and planning, zoning and engineering review fees as proposed to be developed and constructed. The Owner shall pay all such fees, which may be incorporated into the Owner’s reimbursement request as a component of the Phase 1 or Phase 2 Development Incentive.

3. Park District and Sanitary District Impact Fees: The Parties acknowledge that they shall collaborate in good faith regarding the applicability and payment of impact or connection fees to the DeKalb Park District and DeKalb Sanitary District, and shall comply with any legal requirements ultimately applicable to the Property at the time of final plat approval or thereafter.

B. 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.

C. 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 including but not limited to the Owner Surety. 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:
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 Development.

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 VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that the Property, viewed as a whole, has declined in value over the preceding thirty (30) years, notwithstanding the existence of a TIF District intended to improve property valuation. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Owner is undertaking a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate substantial new revenues for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce in the City’s Central Business District and other areas. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not acquire the properties, would not demolish and remediate unsafe and environmentally contaminated buildings, and would not undertake the project. In such event, the City would be compelled to expend significant public funds for demolition, remediation and restoration, and such efforts would result in several parcels among the Property becoming vacant, publicly owned land that would not generate any property tax (or resulting TIF increment) to benefit any taxing district. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive.

B. Development Incentive Defined:

The Owner commits that it shall invest not less than Seven Million Dollars ($7,000,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of Three Million Dollars ($3,000,000), payable through two phases as described herein ("the Development Incentive"). In the event that Owner fails to incur the minimum Project Completion Costs of $7,000,000, then the Development Incentive shall be reduced prorata, in proportion to the reduction in Project Completion Costs (i.e. a 10% reduction in Project Completion Costs below the minimum threshold defined herein shall cause a 10% reduction in the Development Incentive).

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the Building and the parking area to be constructed at the location of the current South Building, incurred after the date of approval of this Agreement. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim
financing and construction bridge loan interest costs; legal and other professional fees; management fees not to exceed twelve percent (12%) of total actual project costs; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of furniture for the fully furnished residential apartments; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to site assembly and acquisition costs, demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. The mortgage shall be recorded against the existing parcel in the Property that Owner owns, and shall subsequently be recorded against each remaining parcel comprising the Property at the time of purchase, to include and be a valid first lien against each such parcel. Said documents shall secure the payment of up to the full Phase 1 Incentive as described below, and shall contemplate and secure further advances up to that amount.

2. The approval of this Agreement shall constitute the full and final approval of the payment of a Phase 1 Incentive in the amount of One and One Half Million Dollars ($1,500,000). This sum shall be payable on an as-incurred basis towards TIF Eligible Costs incurred prior to the approval of the final plans, including but not limited to property acquisition costs, demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.

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 E. For payment of property acquisition costs at a real property closing, the City staff shall be authorized to make direct payment to the title company or escrow office processing the closing. Such payments, as time-sensitive payments, shall be processed in accordance with the established closing schedule for an individual real estate closing. For payment of other TIF Eligible Costs such as professional fees or related expenses, such payments shall be made on a monthly basis, again in accordance with Exhibit E. At the time of payment, Owner shall provide the City with satisfactory evidence of title and, at any closing consummated through a title company, shall provide the City with a lender's policy of title insurance.

b. The City's intention in providing direct payment of such expenditures, including property acquisition costs, is to secure a valid first mortgage on all properties comprising the Property, free and clear of any other superior liens or encumbrances other than property taxes (which Owner shall be obligated to pay under the terms of the Mortgage) and the
Owner agrees to cooperate with such process and to preserve the City's valid standing as first lienholder. In the event that the Owner fails to complete the project or build the Building within the timeline described herein, the City shall be entitled to foreclose upon said first lien status and to acquire the entirety of the Property through a judicial foreclosure, or through a deed in lieu of foreclosure.

c. Within ninety (90) days of the date of final plan approval, Owner shall submit to the City all invoices and expenses requested to be included in the Phase 1 Incentive, along with the documentation required under Exhibit E, and the City shall pay such expenses in accordance with the provisions outlined above, up to the maximum amount of the Phase 1 Incentive. Any expenses in excess of that maximum amount shall be carried forward to the Phase 2 Incentive, unless the City Council authorizes earlier payment of the same.

3. Following the time of approval of the final plans, it is contemplated that Owner shall transition from City-funded payment of expenditures to private construction financing and/or a bridge loan. After the date of final plan approval, the City Manager shall be authorized to and shall reasonably sign and execute upon Owner's request any agreement or document required to subordinate the City's first lien (as described above) to Owner's private financing of the project, and the City shall so subordinate its lien for any financing required by Owner for completion of the improvement of the Property and construction of the Building and related improvements or refinancing of the same upon the request of the Owner.

4. At such time as the Owner obtains a final certificate of occupancy for the Building, it is contemplated that the Owner will transition from construction financing to permanent financing. For purposes of this Agreement, a final certificate of occupancy shall apply at such time as the City issues a final certificate of occupancy certifying the Building as habitable, without regard to the completion of the demolition of the South Building or completion of the parking lot. At such time, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the Phase 2 Incentive, which shall consist of the payment of TIF Eligible Expenses up to the full Development Incentive of Three Million Dollars ($3,000,000) (i.e. if the Phase 1 Incentive reaches the full $1,500,000, then the Phase 2 Incentive shall be at least $1,500,000. If the Phase 1 Incentive is only $1,300,000, then the Phase 2 Incentive shall be $1,700,000). The Phase 2 Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Owner’s permanent financing, and any subsequent private financing obtained by the Owner. After approval of the final plans, no further City Council approval of the Phase 2 Incentive shall be required, and City staff shall take all such actions as shall be necessary to effectuate such payment.

a. In the event that the Project Completion Costs do not include $3,000,000 of TIF Eligible Expenses, then the City shall pay the Phase 2 Incentive in an amount equal to the total of all TIF Eligible Expenses less the Phase 1 Incentive. The remaining balance between the total Phase 1 and Phase 2 Incentives and $3,000,000 shall be deemed the Carryover Incentive (i.e. if the Phase 1 Incentive equals $1,500,000 and the total TIF Eligible Costs equal $2,800,000, then the Phase 2 Incentive shall equal $1,300,000 and the Carryover Incentive shall equal $200,000).

b. The Carryover Incentive, if any, shall be payable solely from sales tax, restaurant and bar tax and hotel/motel tax generated on the Property on or after the date of the final certificate of occupancy. The Carryover Incentive shall be payable on an as-generated basis based
upon amounts actually received by the City. The Owner acknowledges that the City receives periodic payments of the taxes described in this subsection, and the City shall forward payments towards the Carryover Incentive within sixty (60) days of the date of receipt of such proceeds.

5. As noted in Section II(I)(3) above, the project may be staged in such a fashion that the South Building remains standing at the time of issuance of a final certificate of occupancy for the primary building on the Property. In the event that the TIF eligible project costs have not met or exceeded the $3,000,000 Development Incentive contemplated herein, the Parties may agree to defer the payment of a portion of the Phase 2 Incentive equal to the 110% amount described in Section II(I)(3) until the date upon which the demolition and remediation of the South Building and the completion of the parking area contemplated for that location is completed in accordance with the Final Plans. At such date as the City approves of said demolition/remediation/construction in accordance with the Final Plans, the Owner shall submit documentation of project cost in accordance with this Agreement and shall thereafter be eligible for payment of the final portion of the Development Incentive in accordance with the provisions of this Agreement. In such event, the timeline for initiation of repayment / forgiveness of the Development Incentive shall be triggered based upon the date of payment of the final portion of the Phase 2 Development Incentive.

E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive, payable through the generation of revenues from the development of the Property after the date of final plan approval.

1. Calculation of Property Tax Generated During Term of TIF District: The Parties agree that the equalized assessed valuation of the parcels comprising the Property as of the date of creation of the TIF District (and from which the TIF increment is calculated) is $274,877 (“the Base TIF Valuation”). The Parties also acknowledge that for the remaining duration of the TIF District, new increment generated by the development of the Property shall be payable into the TIF. Accordingly, for the remaining years of the TIF District, one hundred percent of the TIF increment generated from the Property, based upon the increase in equalized assessed valuation over the Base TIF Valuation, shall be included as payment towards the forgiveness of the Development Incentive. Owner shall receive a 100% credit for all new increment generated in the TIF District during the remaining years of the TIF District without any regard to surplus declarations or intergovernmental agreements affecting the distribution of such TIF increment.

2. Calculation of Property Tax Generated After Term of TIF District: The Parties agree that the present day equalized assessed valuation of the parcels comprising the Property as of the date of this Agreement, based upon 2015 taxes payable in 2016, is $245,396 (the “Present Valuation”). Based upon the Present Valuation and application of the City’s property tax rate for 2015, payable in 2016, and without regard to the TIF District, the City and all other affected taxing districts would have received $32,627.51 in total property tax from the Property for the aforesaid tax year (the “Base Property Tax”). In the first year that the City does not receive TIF Increment from the TIF District, and in each subsequent year until the loan is fully forgiven or the end of the Forgiveness Period as defined herein, Owner shall receive a credit for any New Property Tax Revenue from the Property in excess of the Base Property Tax. For purposes of this Agreement, the “New Property Tax Revenue” shall be defined as the positive amount, if any, received as actual property tax revenue from the Property in excess of the Base Property Tax, based upon increases in the then-current assessed valuation of the Property and/or increases in the affected taxing districts’ property tax rates, or a combination thereof. The City shall calculate the total property tax received by all affected taxing districts and shall compare said amount against the Base Property Tax. The difference, defined herein as the
New Property Tax Revenue, shall be credited 100% against the Development Incentive. It is
the intention of the Parties to credit all new TIF increment generated from the Property against
the Development Incentive (during the term of the City's now-presently existing TIF
Districts), and to credit all new property tax generated to all affected taxing districts against
the Development incentive (after the term of the City's now-presently existing TIF Districts).

3. Calculation of Sales Tax, Restaurant and Bar Tax and Hotel-Motel Tax: One hundred percent
of all sales tax, restaurant and bar tax and hotel-motel tax generated from the Property after the
date of issuance of the final certificate of occupancy and which is actually received by the City
(either through direct collection by the City or through payments from any state agency
engaged in collecting such taxes) shall be credited against the Development Incentive until the
loan is fully forgiven or the end of the Forgiveness Period as defined herein. Owner shall
receive a credit for all such tax generated from the Property, without regard to the retention of
existing, current tenants of any portion of the Property in the Building.

4. The Forgiveness Period shall be for a period of thirty (30) years, commencing upon the date of
payment of the Phase 2 Incentive (or the date of payment of the last portion thereof), and
concluding on the date which is the thirtieth anniversary of said date. Notwithstanding the
foregoing, all revenues which count towards the forgiveness of the development incentive as
provided herein, which are generated on or after the date of issuance of a final certificate of
occupancy for the Building, shall be credited against the Development Incentive, even if such
revenues accrue prior to the start of the thirty-year forgiveness period.

The total of new revenue credits as calculated under the preceding Sections VIII(E)(1), (2) and (3) shall
collectively comprise the Incentive Repayment. If, upon conclusion of the Forgiveness Period, the
Incentive Repayment has failed to equal the total of the Development Incentive paid under this Agreement,
then the remaining balance shall not be forgiven and shall be a debt due and owing to the City requiring
repayment within one hundred twenty (120) days of Owner's receipt of written notice of same from the
City. The City may, at such point, enforce its right of repayment by virtue of a contract action seeking
damages for violation of this Agreement (if Owner refuses to pay upon demand), may initiate an action for
foreclosure of the City's mortgage(s), or may pursue such other legal or equitable remedies as may exist.

F. Limitation of Liability:

The Parties acknowledge that the City's liability to pay the Development Incentive shall be
expressly limited to funds available to the City in the City's Special Tax Allocation Fund, which Fund
has as its sole source of revenue incremental taxes collected in the City's TIF Districts. With regard
to forgiveness of a portion of the Development Incentive under subsection VIII(E)(3) above, the
sole source of funds for such forgiveness shall consist of revenues actually received by the City as
defined above (with regard to subsections VIII(E)(1) and (3), and revenues actually received by
the City and other affected taxing districts (with regard to subsection VIII(E)(2)). Owner may not
compel any exercise of taxing authority by the City to make payments provided for hereunder. The
provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party
within the meaning of any constitutional or statutory provision, except to the extent required to
permit enforcement of the City's rights under the corporate undertaking, promissory note and
mortgage required herein. To the extent required by law, for each year during the term of this
Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy
its obligations hereunder. Such appropriation shall be a part of City's annual budget adopted in
accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make
any appropriation necessary for the year that the Agreement is entered into by means of a budget
amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions
as in effect now and as hereafter amended.
ARTICLE IX. OPERATION OF THE PROPERTY:

A. Acknowledgment of Application of Operational Standards:
   The Parties acknowledge and agree that the provisions of this Article IX relating to the operation of the Property following its rezoning and redevelopment are critical and integral to the zoning standards provided for herein. The Owner agrees and acknowledges to comply with the following standards and requirements, and acknowledges that they have been drafted to address the public safety concerns otherwise arising out of the operation of a development with a zoning density that exceeds the density otherwise contemplated by permissible zoning allowances.

B. Operation and Lease Provisions:
   In consideration of the provisions herein and in order to construct and maintain a development of the quality intended by the Owners and expected by the City, the Owners agree to secure, through covenants, operational policies or other means acceptable to the City, to provide management of the Property that will comport with the following standards, subject to applicable superior governmental mandates:

   1. Any unit rented shall have a written lease that shall include a Crime Free Housing Lease Addendum in the format then-currently approved by the City.
   2. Any person living in any rental unit, except for children under the age of eighteen (18), must be a party to the lease and must sign the lease.
   3. A thorough criminal background check and other screening shall be implemented to all prospective tenants where permitted by law, a thorough credit check shall be implemented to all lease guarantors where permitted by law, and the Owner shall, to the fullest extent permissible under the applicable laws, make responsible tenant approval decisions based upon such information.
   4. Each individual unit shall satisfy all restrictions on consanguinity imposed under applicable City Codes or Ordinances.

   Owner agrees and acknowledges that it believes each of the foregoing conditions are fully in accordance with all applicable superior governmental mandates, and that it intends to enforce such requirements based upon current law. The Owner shall utilize appropriate measures to restrict access to the full-depth lobby, residential common areas of the Building and basement of the Building, so as to provide for the security of the premises. The Owner shall implement access controls so as to ensure that, at minimum, the common areas are secure from public access between the hours of 10:00pm until 6:00am.

   The Owner shall provide not less than monthly cleaning services to each residential unit within the Building, and shall make monthly entrance into each unit to confirm compliance with all lease provisions and applicable restrictions. The Owner shall maintain a log of such cleanings completed, and shall provide the same to the City upon request.

   Owner shall either manage the Property itself, or shall utilize a professional property manager for the purpose of managing the Property, and shall ensure that the Building and Property are maintained and utilized in accordance with all applicable codes and regulations.

C. Public Safety Regulations: Trespass/Patrol Agreement:
   The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached
hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the apartment buildings in each phase of the Property (including but not limited to the common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

D. Knox Boxes:

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.

E. Crime Free Housing and Inspection Coordination:

The Owner acknowledges that the City operates a Crime Free Housing Program requiring property lessors to register with the City and to undertake certain training and notification requirements. Owner agrees to comply with the then-current requirements of such a program, unless Owner reasonably demonstrates that its property manager has already completed such training and/or program. Further, the Parties acknowledge that the Crime Free Housing Program generally contemplates exterior inspections of properties to confirm compliance with applicable City Codes. Given the density of residential development contemplated for the Property, the Owner agrees that it shall coordinate and permit an annual inspection of the entirety of the Property by such personnel as the City shall reasonably designate, shall thereafter promptly remediate any violations observed during such inspections, and shall permit reasonable reinspection to confirm that all violations have been corrected. The Owner shall also grant consent to the City to inspect the Property at any time the City receives a complaint from any third party regarding an alleged violation of applicable codes or regulations. Nothing herein shall prohibit the Owner from objecting to the existence of any alleged violation as noted by the City, as provided by law.

Inspections pursuant to this consent may be conducted by the City Police Department, Building, Public Works, or Fire Department staff, City Manager, or City Attorney, for purposes of determining compliance with the provisions of City Code, or for purposes of determining compliance with any other applicable code or regulation. The consent for inspection shall extend to any portion of the premises other than to an individual, presently leased residential space to which the Owner cannot unilaterally consent.

The Owner shall also, at any time that a given individual residential unit is not presently leased to a third party, grant the City reasonable access to such residential units for purposes of inspecting the same and verifying compliance with all City Codes. The Owner shall pay all fees associated with any generally applicable current or future inspection or registration program utilized by the City for commercial or residential rental properties. In the event that the City at any time terminates its Crime Free Housing Program or inspection protocol, the Property shall nonetheless continue to be inspection provisions otherwise provided by relevant City Code. With regard to individual residential units leased to third parties (i.e. tenants), the Owner shall utilize its best efforts to secure lawful access to the individual units for
purposes of the inspection contemplated herein, but the Parties acknowledge the rights of individual tenants with regard to their occupancy of an individual unit.

F. **Common Area Surveillance:**

The Parties acknowledge that the Owner maintains or prospectively shall 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 agrees to provide to the City a connection and inter-link to any cameras so installed, so that the City can remotely monitor such common area surveillance videos from the City Police Department. The Owner shall be responsible for providing and maintaining all technology required to 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, 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. All security cameras and security equipment in place on the Property shall be maintained in good and fully-operable condition.

G. **Tenant Notification:**

The Parties acknowledge that, because of the density of this development, the Parties have agreed upon a proactive public safety policy to maintain a high-quality and safe development, and to prevent public safety concerns that could otherwise arise. The Owner shall provide each tenant or prospective tenant with a notice in a form acceptable to the City advising such tenants of the provisions of this Agreement pertaining to City of DeKalb involvement in policing common areas of the Property or otherwise inspecting or monitoring the Property.

H. **Notification Regarding Affordable Housing Status or Related Agreements:**

The Parties acknowledge that the Property is not anticipated to be utilized as affordable or subsidized housing, based upon the significant current supply of such housing within the community. Pursuant to applicable laws, this Agreement shall not prohibit such use. However, the Parties acknowledge that use of the Property as affordable or subsidized housing may have an impact on the services provided by the City and City-supported agencies or the demand for services. The Parties acknowledge that the City would require time to be able to arrange for and provide such services through itself or City-supported agencies. Accordingly, not less than six (6) months before the date on which any agreement relating to any portion of the Property and affecting or pertaining to its use as affordable housing under federal or state laws (e.g. LIHPHA agreements, HAP agreements, vouchers and other similar agreements) is proposed to be entered into, to be renewed or to be renegotiated, and not less than six (6) months before the Owner enters into any new or renewal agreement or terminates an existing agreement affecting or pertaining to the use of any portion of the Property as affordable housing under federal or state law, Owner shall provide the City with written notice of such agreement or circumstance.

I. **Conflict with Federal Law and Regulations:**

In the event that any provision of this Agreement conflicts with applicable federal laws or regulations, including those pertaining to affordable housing, the City and Owner recognize that the federal law shall supersede local regulation to the extent required under federal law. Nothing in this Agreement shall be construed in a fashion that violates any federal statute governing affordable housing. Notwithstanding the foregoing, the Owner and City agree and acknowledge that they have reviewed and negotiated the terms of this Agreement with great care and precision, and both agree and covenant that they believe in good faith that the terms hereof are in compliance with all applicable laws. In the event that a
federal law supersedes any provision hereof, the Parties agree that they shall negotiate in good faith to approve an amendment to this Agreement that complies with the applicable federal law, and which accomplishes the objective of the term of this Agreement which violates federal law.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the acquisition, demolition and remediation of existing structures and for the construction of new buildings and improvements. Those timelines may be extended by the City Council, with agreement of the Owner, from time to time by resolution, without requiring an amendment of this Agreement, for good cause shown by Owner, in the Council’s discretion. The Parties acknowledge that this Agreement is structured with a forgivable incentive, forgiven through the generation of property and sales tax revenue from the Property. The Parties also acknowledge that there is an existing TIF District with a limited number of years remaining on its term, and during the term of that TIF District, the forgiveness of the Development Incentive is greatly expedited due to the generation of TIF increment that is credited against the Development Incentive. Accordingly, the Parties acknowledge that the failure of the Owner to comply with the timeline indicated herein, even if consented to by the City, will be at the Owner’s peril, as it may jeopardize the project’s ability to generate adequate revenues that are credited to Owner under this Agreement, and may thus generate an obligation for Owner to repay a portion of the Development Incentive to the City.

2. In the event that Owner, through its fault, fails to acquire all of the parcels comprising the Property, the City may exercise the remedies described herein (foreclosure, suit for damages, deed in lieu of foreclosure or other remedies permitted by law) to recover the properties that were acquired and/or pursue damages for breach of contract.

   a. Owner shall provide the City with written notice upon its successful closure of a real estate transaction, wherein ownership of any portion of the Property shall be transferred entirely from the current ownership to Owner. This transaction and notice shall occur within the timelines described in this Agreement (unless otherwise extended by mutual, written agreement of the City and Owner). It is the Owner and the City’s express and joint agreement that this Agreement and the incentives offered and zoning imposed hereunder is expressly intended to be contingent upon the Owner taking ownership of the Property, and that if the change in ownership does not occur, this rezoning shall be subject to revocation consistent with the process outlined herein. The Parties agree that this Agreement and the approvals, incentives and zoning conferred hereunder is subject to limits on transfer or assignment as provided in Section XIII(D)(2) below, and that this zoning shall be subject to revocation if the Owner fails to becomes the actual owner of the entirety of the Property.
3. In the event that Owner fails to construct the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

4. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in substantial compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45) 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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

The violation of any provision of this Agreement may be deemed by the City to be a violation of the PD-C zoning contemplated herein, which may be prosecuted in the fashion of any other violation of the City's Uniform Development Ordinance, or may be grounds for initiation of a proceeding under Article XIII (K) hereto.
ARTICLE XII: TERM:

The Parties acknowledge that this Agreement has been negotiated in furtherance of the designation of the Property with PD-C zoning that authorizes the high density contemplated herein. The Parties also acknowledge that this Agreement memorializes a Development Incentive with a repayment term of up to thirty (30) years from the date of final plan approval. Accordingly, except as otherwise provided herein, it is the intention of the Parties to maintain this Agreement in full force and effect for the full duration of the time that the Property maintains PD-R zoning and, to the fullest extent of the law, the Parties intend that this Agreement not terminate unless and until the Parties agree to amend this Agreement.

In the event that the law requires any lesser term for this Agreement, then this Agreement shall remain in full force and effect for the maximum duration permitted by law, and in the event that any applicable law requires the specification of a duration, such duration shall be not less than fifty (50) years.

ARTICLE XIII: MISCELLANEOUS:

A. Amendment:

This Agreement, and the exhibits attached hereto, may be amended only by mutual consent of the City and Owner of an affected Parcel, by adoption of an ordinance 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 zoning of the Property is ruled invalid, in whole or in part, the Corporate Authorities, 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, lessees, 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. This Agreement may be assigned 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
potion 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 Building is constructed and issued a final certificate of occupancy, the South Building is
demolished, and all of the improvements described in the approved final plans have been
constructed. 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.

   a. The Owner may request that the City pay a portion of the Phase 1 Incentive directly to a
      third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly
disclaim any third party beneficiaries and expressly disclaim the right of any third party to
pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability
or damage pursuant to this Agreement.

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:

City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2060
Email: Annemarie.gaura@cityofdekalb.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:
Cornerstone DeKalb, LLC
c/o John Pappas, Member/Manager
3 Fairway Circle
DeKalb, IL 60115

With a Copy To:
Mark P. Doherty
The Doherty Law Firm, LLC
125 North First Street
DeKalb, IL 60115
Email: mark@dohertylawfirm.com

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:**
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 insured without right of subrogation.

The Parties acknowledge that this Agreement contemplates the payment, including direct payment, of expenses associated with the redevelopment of the Property under the Phase 1 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.

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

Exhibit A: Legal Description
Group Exhibit B: Plans
Exhibit C: No-Trespass / Patrol Agreement
Exhibit D: Traffic Enforcement Agreement
Exhibit E: Project Cost Documentation Requirements
Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage
Exhibit G: Waiver of Objection to Special Service Area

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. Revocation of Zoning and Termination of Planned Development Agreement:
In the event that the Owner: 1) fails to complete the transaction or fails to provide the notice required herein; 2) notifies the City that it is not going to complete the transaction; or, 3) otherwise violates the terms of this Agreement, the City shall issue a written notice to Owner. Said notice shall indicate that the City shall terminate the Agreement in accordance with this provision, after affording the Owner an opportunity to present evidence as to why the Agreement has not been violated, in a due process hearing before an officer mutually agreeable by Owner and the City, conducted in the same fashion as a hearing to revoke a Special Use. After the conduct of such hearing, and provided said officer agrees, the City shall be authorized and entitled to terminate this Agreement, at which time the Property shall be converted back to its previous status as Central Business District zoning, the right to payment of any further portion of the Development Incentive shall terminate, and the City shall record a notice of such zoning change against the Property. The Owner and City have devised and agreed to the process contained herein so as to afford the Owner with a due process proceeding and so as to avoid an unlawful zoning reversion.
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 DEKALB, an Illinois Municipal Corporation

By: John Rey, Mayor

Attest: City Clerk
2/23/17

OWNER:

CORNERSTONE DEKALB, LLC, an Illinois Limited Liability Company

By: [Signature]

Attest: [Signature]

OFFICIAL SEAL
RACHEL PACEY
Notary Public - State of Illinois
My Commission Expires Mar 28, 2017
The subject property is legally described as:

112 E. Lincoln Highway: LOTS 2 AND 3 (EXCEPT THE EASTERLY 4 FEET THEREOF OF SAID LOT 3) IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23 ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

118 E. Lincoln Highway: THE EASTERLY 4 FEET OF LOT 3; ALL OF LOT 4; AND THE WESTERLY 12.4 FEET OF LOT 5, ALL IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23, ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

122 E. Lincoln Highway: THE EAST 14.6 FEET OF LOT 5 AND THE WEST 1.4 FEET OF LOT 6 OF RUBY'S SUBDIVISION OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED ON OCTOBER 29, 1907, IN BOOK "D" OF PLATS, PAGE 23, SITUATED IN THE COUNTY OF DEKALB, STATE OF ILLINOIS.

124 E. Lincoln Highway: LOT 6 (EXCEPT THE EAST 4 FEET THEREOF AND EXCEPT THE WEST 1.4 FEET THEREOF) OF RUBY'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 29, 1907 IN BOOK "D" OF PLATS, PAGE 23, OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, IN DEKALB COUNTY, ILLINOIS.

122 S. First Street: PART OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF RUBY'S SUBDIVISION OF A PART OF THE WEST ½ OF BLOCK 2, IN THE CITY OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 1 AND THE PROLONGATION OF SAID NORTH LINE 200 FEET, THENCE SOUTHERLY AND PARALLEL TO THE WESTERLY LINE OF SAID LOT 1, 70 FEET, THENCE WESTERLY IN A STRAIGHT LINE TO A POINT ON THE WEST LINE OF SAID LOT 1, 70 FEET SOUTHERLY OF THE POINT OF BEGINNING; THENCE NORTHERLY AND ALONG THE WEST LINE OF SAID LOT 1, 70 FEET TO THE POINT OF BEGINNING.

THE SUBJECT PROPERTY ALSO INCLUDES THE ALLEY ADJOINING THE PROPERTIES LISTED ABOVE.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-22-282-001, 08-22-282-002, 08-22-282-003, 08-22-282-004 and 08-22-282-007 and the alley adjoining the parcels. The subject property is located at 112, 118, 122 and 124 E. Lincoln Highway and 122 S. First St., DeKalb, IL., and generally located at the southeast corner of E. Lincoln Highway and S. First St.
Group Exhibit B: Plans

(Attached, with page numbering separately tracked from the pages of this Agreement, but incorporated herein by reference.)
Exhibit 1

NORTH ELEVATION

WEST ELEVATION
TYPICAL TYPE 1 APT.
1 BR. - 795 SF.

TYPICAL TYPE 2 APT.
1 BR. - 645 SF.

TYPICAL UPPER LEVEL PLAN
3650 SQFT. EACH UPPER FLOOR - 46950 SQFT.
11 ONE BEDROOM APARTMENTS EACH FLOOR - 81 UNITS
Exhibit C: No Trespass / Patrol Agreement

Common Area Patrol / No-Trespass Enforcement Agreement

Property Address: 12, 18, 24 E. Lincoln Hwy and 122 S. First St, Dekalb, IL, 60115

Commonly Known As: Cornerstone DeKalb

Property Owner: Cornerstone DeKalb, LLC

Contact #: John Pappas, 815-970-0905

Property Manager: Rory Heidi Skora

Contact #: 815-751-4171

24 Hour Contact #: John Pappas, 815-970-0905

This Common Area Patrol / No-Trespass Enforcement Agreement ("Agreement") is entered into by and between the Owner of the Property identified above ("Owner" and "the Property") and the City of DeKalb ("City"). Under the terms of this Agreement, the Owner expressly authorizes and requests that the City utilize its Police Department and City Employees to undertake the following actions:

- **No-Trespass Warnings and Arrests:** The Owner appoints the City of DeKalb, its employees and agents, as an agent of the Owner, authorized and requested to undertake any actions which the Owner could lawfully take with regard to persons unlawfully present relative to no-trespassing laws and ordinances on any public or private area of the Property. The City's personnel shall be deemed to be representatives of the Owner for purposes of enforcing no-trespass laws and ordinances and signing and testifying with regard to related complaints only. This includes providing no-trespass warnings, verbal or written, to any person on the Property other than a tenant of the Property. The City shall also be authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated such a no-trespass warning, or who remains on the Property after being asked to leave. The City has the complete authority to enforce any State Statute or City Ordinance relating to trespass. The City shall maintain accurate records of all persons who have been advised not to trespass on the Property and shall provide a copy of the same to Owner upon request.

- **Patrol Common Areas:** The City, its employees and agents are authorized and requested to enter into any common area of the Property that is accessible either to the public or to tenants of the Premises, including parking lots, open spaces, common hallways, gathering areas, or other similar common areas of the Property, for purposes of patrolling, observing, and enforcing the Codes and Ordinances of the City of DeKalb or any applicable State Statutes. For purposes of this Agreement and any charges arising out of the City's activities on the Property, the City and its personnel shall be deemed to have been invited upon the common areas of the Property. Notwithstanding the foregoing, this shall not constitute authority for the City to enter into tenant private areas (e.g. individual tenant apartments or individual tenant businesses) without required legal authority (such as a search warrant, probable cause, exigent circumstances, etc. where required). The City is authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated a State Statute or City Ordinance.
Report Cars for Relocation: Owner employs the entity described at signs posted at the Property for purposes of relocating unlawfully parked cars from the Property (and Owner shall maintain such postings in accordance with City Code). The City is authorized and requested to contact the tow relocator to report any vehicles on the Property that appear to be unlawfully parked, so that said vehicles may be towed in accordance with applicable regulations.

Provisions of Development Agreement: Owner shall further permit and consents to the conduct of any access or inspection authorized under the terms of any Development Agreement entered into by Owner and the City which is recorded against the Property of public record.

The Owner agrees that, if necessary, Owner or its authorized representative shall appear at any trial or proceeding arising out of the performance of this Agreement. Owner further acknowledges that the City shall not have any duty to patrol the Property, and that the Owner is responsible for the condition and monitoring of its Property. The City is not undertaking any special relationship with or obligation to Owner, other than the authority to enter the Property’s common areas, and to take the actions outlined above. The City is not an agent or representative of the Owner for any purpose other than having authority to provide warnings or direct persons to leave the Property, and for serving as complaining witness and for signing complaints for legal violations occurring on the Property.

The City agrees that it shall provide notice to the Owner of any legal violations occurring on the Property upon request, and also in accordance with the requirements of City Code.

Owner shall post appropriate signage on the Property advising that its common areas, including but not limited to parking lots and open areas, are posted for No Trespassing, and appropriate signage advising of any parking restrictions for vehicles in its parking lots. Owner is encouraged to post additional signage advising that the Police Department may engage in regular patrols of common areas.

This Agreement shall remain in full force and effect until terminated in writing by either party. Notices shall be delivered to Owner at the address listed above, or to the City at 200 S. Fourth Street, DeKalb, Illinois, 60115, Attention City Attorney.

Agreed this ___ day of March, 2017.

Owner or Representative:

City of DeKalb:
WHEREAS, Cornerstone DeKalb, LLC, its affiliates or subsidiaries (hereinafter collectively “OWNER”), is the Owner of a certain commercial or residential facility, or other facility as described in the Illinois Vehicle Code identified below, and named or identified as “Cornerstone DeKalb”; and,

WHEREAS, the OWNER and the CITY are desirous of protecting the public health, welfare and safety by the regulation of vehicles in those areas of the COMPLEX which have not been dedicated to the CITY and are intended for public use; and

WHEREAS, it is intended by the parties that this Agreement should apply to any property in the COMPLEX where a question may arise as to whether any particular portion of the COMPLEX which is intended to be or become public property through dedication or otherwise, has been so dedicated, or to any portion which is to remain private property but available for general public use; and

WHEREAS, the CITY has the authority to contract with the OWNER to provide such regulation under the provisions of §11-209 of the Illinois Vehicle Code (625 ILCS 5/11-209);

IT IS THEREFORE AGREED by and between the OWNER and the CITY, in consideration of the public health, welfare and safety, as follows:

1. That the CITY is empowered to accomplish all or any part of the provisions enumerated in the above referenced statutory provision, including, but not limited to the following, within the COMPLEX:

   A. Erect traffic regulatory signs, parking, including handicapped parking, and all other traffic control signs.

   B. Regulate the turning of vehicles or restrict vehicle types.

   C. Regulate pedestrian crosswalks within parking lots.

   D. Designate one-way traffic lanes.

   E. Establish and regulate loading zones.

   F. Regulate stopping, standing or parking in specified areas of lots.

   G. Designate fire lanes and safety zones.

   H. Provide for removal and storage of vehicles during public emergencies, or of abandoned vehicles, and the payment of reasonable charges therefor.

   I. Provide for cost sharing of planning, installation and maintenance of traffic regulations.
J. Contract for or provide by ordinance, resolution or other official action of the CITY, reasonable additional rules.

2. That the cost of the planning, installation and maintenance of parking and traffic regulations, markings, signs, striping and painting pursuant to this Agreement, and pursuant to the Development Agreement between the parties and the subdivision control ordinance of the CITY, shall be borne by the OWNER. OWNER shall be responsible for maintaining all traffic control measures and markings within the Property in good condition.

3. This Agreement shall be effective and enforceable three days after it has been recorded in the Office of the Recorder of Deeds of the county in which the COMPLEX is located and shall continue to be in full force and effect for a period of twenty years, except that after one year from the effective date of this Agreement, either party may cancel this Agreement upon sixty days' written notice to the other party.

EXECUTED this _____ day of March, 2017.

CITY OF DEKALB
DEKALB COUNTY, ILLINOIS

By: [Signature]
Mayor

[Seal]

OWNER

By: [Signature]
Exhibit E: 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.
  - If property acquisition is included in the project costs, the third section must include a copy of the closing statement and deed for the property.
  - 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.
COMPANY UNDERTAKING
for
CORNERSTONE DEKALB, LLC

WHEREAS, the company known as Cornerstone DeKalb, 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 28th day of February 2017, 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 Cornerstone DeKalb Planned Redevelopment 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 Redevelopment 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) “Redevelopment Agreement” shall mean that certain Cornerstone DeKalb Planned Redevelopment 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 aforesaid 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 Redevelopment 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 Redevelopment 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 Redevelopment 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 Redevelopment 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 diligent 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 hereunder, 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 Redevelopment 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 subsequently invalidated, 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:

[Signature]

John Pappas
Member
Cornerstone Development, LLC
The property tax identification numbers are: PINs) 08-22-282-001, 08-22-282-002, 08-22-282-003, 08-22-282-004 and 08-22-282-007 and the alley adjoining the parcels. The subject property is located at 112, 118, 122 and 124 E. Lincoln Highway and 122 S. First St., Dekalb, IL, and generally located at the southeast corner of E. Lincoln Highway and S. First St.

The Subject Property is legally described as follows:

112 E. Lincoln Highway: LOTS 2 AND 3 (EXCEPT THE EASTERLY 4 FEET THEREOF OF SAID LOT 3) IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23 ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

118 E. Lincoln Highway: THE EASTERLY 4 FEET OF LOT 3; ALL OF LOT 4; AND THE WESTERLY 12.4 FEET OF LOT 5, ALL IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23, ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

122 E. Lincoln Highway: THE EAST 14.6 FEET OF LOT 5 AND THE WEST 1.4 FEET OF LOT 6 OF RUBY'S SUBDIVISION OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED ON OCTOBER 29, 1907, IN BOOK "D" OF PLATS, PAGE 23, SITUATED IN THE COUNTY OF DEKALB, STATE OF ILLINOIS.

124 E. Lincoln Highway: LOT 6 (EXCEPT THE EAST 4 FEET THEREOF AND EXCEPT THE WEST 1.4 FEET THEREOF) OF RUBY'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 29, 1907 IN BOOK "D" OF PLATS, PAGE 23, OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, IN DEKALB COUNTY, ILLINOIS.

122 S. First Street: PART OF THE EAST ¾ OF THE NORTHEAST ¼ OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF RUBY'S SUBDIVISION OF A PART OF THE WEST ¾ OF BLOCK 2, IN THE CITY OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23; THEN EASTERLY ALONG THE NORTH LINE OF SAID LOT 1 AND THE PROLONGATION OF SAID NORTH LINE 200 FEET, THENCE SOUTHERLY AND PARALLEL TO THE WESTERLY LINE OF SAID LOT 1, 70 FEET, THENCE WESTERLY IN A STRAIGHT LINE TO A POINT ON THE WEST LINE OF SAID LOT 1, 70 FEET SOUTHERLY OF THE POINT OF BEGINNING; THENCE NORTHERLY AND ALONG THE WEST LINE OF SAID LOT 1, 70 FEET TO THE POINT OF BEGINNING.

THE SUBJECT PROPERTY ALSO INCLUDES THE ALLEY ADJOINING THE PROPERTIES LISTED ABOVE.

THIS IS NOT A HOMESTEAD PROPERTY
DeKalb, Illinois

On [date], for value received, Cornerstone DeKalb, 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 THREE MILLION DOLLARS ($3,000,000.00) (the "Face Value"). Repayment hereof shall be subject to the terms and conditions of that certain Cornerstone Planned Redevelopment Agreement by and between said Cornerstone DeKalb, LLC, and the City of DeKalb, executed on February 28, 2017, relating to the development of the property commonly 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 Redevelopment Agreement, and shall include a reduction of the balance due equal to sales and property tax revenues generated consistent with said Redevelopment 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 Redevelopment 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 Development 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 Redevelopment Agreement.

Cornerstone DeKalb, LLC

By: ____________________________

John Pappas, Member
The Property is legally described as follows:

The property tax identification numbers are: PINs) 08-22-282-001, 08-22-282-002, 08-22-282-003, 08-22-282-004 and 08-22-282-007 and the alley adjoining the parcels. The subject property is located at 112, 118, 122 and 124 E. Lincoln Highway and 122 S. First St., DeKalb, IL, and generally located at the southeast corner of E. Lincoln Highway and S. First St.

The Subject Property is legally described as follows:

112 E. Lincoln Highway: LOTS 2 AND 3 (EXCEPT THE EASTERLY 4 FEET THEREOF OF SAID LOT 3) IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23 ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

118 E. Lincoln Highway: THE EASTERLY 4 FEET OF LOT 3; ALL OF LOT 4; AND THE WESTERLY 12.4 FEET OF LOT 5, ALL IN RUBY'S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23, ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

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124 E. Lincoln Highway: LOT 6 (EXCEPT THE EAST 4 FEET THEREOF AND EXCEPT THE WEST 1.4 FEET THEREOF) OF RUBY'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 29, 1907 IN BOOK "D" OF PLATS, PAGE 23, OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, IN DEKALB COUNTY, ILLINOIS.

122 S. First Street: PART OF THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF RUBY'S SUBDIVISION OF A PART OF THE WEST ½ OF BLOCK 2, IN THE CITY OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 1 AND THE PROLONGATION OF SAID NORTH LINE 200 FEET, THENCE SOUTHERLY AND PARALLEL TO THE WESTERLY LINE OF SAID LOT 1, 70 FEET, THENCE WESTERLY IN A STRAIGHT LINE TO A POINT ON THE WEST LINE OF SAID LOT 1, 70 FEET SOUTHERLY OF THE POINT OF BEGINNING; THENCE NORTHERLY AND ALONG THE WEST LINE OF SAID LOT 1, 70 FEET TO THE POINT OF BEGINNING.

THE SUBJECT PROPERTY ALSO INCLUDES THE ALLEY ADJOINING THE PROPERTIES LISTED ABOVE.

THIS IS NOT A HOMESTEAD PROPERTY
MORTGAGE

Prepared by:
City Clerk
City of DeKalb
200 S Fourth St.
DeKalb, IL 60115
RETURN TO:
City Clerk
City of DeKalb
200 S. Fourth Street
DeKalb IL 60115

Future Advances Mortgage
Maximum Value: $3,000,000.00

THIS MORTGAGE, dated this 1st day of March, 2017 by Cornerstone DeKalb, LLC ("Mortgagor"), WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of Three Million Dollars ($3,000,000.00) 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 Cornerstone Planned Redevelopment Agreement executed on March 1, 2017 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:

Lot 6 (except the East 4 feet thereof and except the West 1.4 feet thereof) of Ruby’s Subdivision, according to the plat thereof recorded October 29, 1907 in Book "D" of Plats, Page 23, of a portion of Block 2 of the Original Village (now City) of DeKalb, in DeKalb County, Illinois.

The property or its address is commonly known as 124 E. LINCOLN HWY., DEKalB, IL 60115. The property tax identification number is: 08-22-282-004

AND

The property or its address is commonly known as 122 E. LINCOLN HWY., DEKalB, IL 60115. The property tax identification number is: 08-22-282-003

The East 14.6 feet of Lot 5 and the West 1.4 feet of Lot 6 of Ruby’s Subdivision of a portion of Block 2 of the Original Village (now City) of DeKalb, according to the plat thereof recorded on October 29, 1907, in Book "D" of Plats, page 23, situated in the County of DeKalb, State of Illinois.

which is referred to herein 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 lessee 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 $3,000,000.00, AND IS CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN CORNERSTONE PLANNED REDEVELOPMENT AGREEMENT ("REDEVELOPMENT 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 REDEVELOPMENT 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 REDEVELOPMENT AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE REDEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO REPAYMENT OF A DEVELOPMENT INCENTIVE AND THE OBLIGATION TO SECURE THE OWNER ESCROW (AS BOTH TERMS ARE DEFINED IN THE DEVELOPMENT 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 Redevelopment 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 Redevelopment 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 Redevelopment Agreement and all extensions, renewals, modifications or substitutions thereof to Cornerstone DeKalb, LLC, with a note amount of $3,000,000.00 (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 Redevelopment 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 Redevelopment 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 Redevelopment 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, Mortgagee 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 Mortgagor 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 OR 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, Mortgagee 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 Mortgagee 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. Mortgagee, 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 agreement s 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 Mortgagee, 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) Mortgagee 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, then 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.

Cornerstone DeKalb, LLC

By:  ____________________________
John Pappas, Member

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 John Pappas, authorized Member of Cornerstone DeKalb, 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 1st day of March, 2017

____________________________
Notary Public

OFFICIAL SEAL
SUSAN M JOHNSON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 08/01/19
EXHIBIT 1
Legal Description

The property or its address is commonly known as 124 E. LINCOLN HWY., DEKALB, IL 60115. The property tax identification numbers are: 08-22-282-004

Lot 6 (except the East 4 feet thereof and except the West 1.4 feet thereof) of Ruby's Subdivision, according to the plat thereof recorded October 29, 1907 in Book "D" of Plats, Page 23, of a portion of Block 2 of the Original Village (now City) of DeKalb, in DeKalb County, Illinois.

THIS IS NOT A HOMESTEAD PROPERTY

AND

The property or its address is commonly known as 122 E. LINCOLN HWY., DEKALB, IL 60115. The property tax identification numbers are: 08-22-282-003

The East 14.6 feet of Lot 5 and the West 1.4 feet of Lot 6 of Ruby's Subdivision of a portion of Block 2 of the Original Village (now City) of DeKalb, according to the plat thereof recorded on October 29, 1907, in Book "D" of Plats, page 23, situated in the County of DeKalb, State of Illinois.

THIS IS NOT A HOMESTEAD PROPERTY
SUPPLEMENT TO MORTGAGE

2017002904
DOUGLAS J. JOHNSON
RECORDER - DEKALB COUNTY, IL
RECORDED: 3/30/2017 09:52 AM
REC FEE: 56.00 RHSPS FEE: 9.00

PAGES: 3

© 17©w 17© 60357 w©k
SUPPLEMENT TO MORTGAGE

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

Supplement to Future Advances Mortgage dated March 1, 2017, and recorded by the DeKalb County Recorder on March 1, 2017, known as Document No. 2017001828 (Maximum Value: $3,000,000.00)

THIS SUPPLEMENT TO MORTGAGE, dated this 28th day of March, 2017, by Cornerstone DeKalb, LLC ("Mortgagor"), WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of Three Million Dollars ($3,000,000.00) payable to the City of DeKalb ("Mortgagee"), dated March 1, 2017, 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 Cornerstone Planned Redevelopment Agreement executed on February 28, 2017 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:

PART OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF RUBY’S SUBDIVISION OF A PART OF THE WEST 1/2 OF BLOCK 2, IN THE CITY OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 1 AND THE PROLONGATION OF SAID NORTH LINE 200 FEET; THENCE SOUTHERLY AND PARALLEL TO THE WESTERLY LINE OF SAID LOT 1, 70 FEET; THENCE WESTERLY IN A STRAIGHT LINE TO A POINT ON THE WEST LINE OF SAID LOT 1, 70 FEET SOUTHERLY OF THE POINT OF BEGINNING; THENCE NORTHERLY AND ALONG THE WEST LINE OF SAID LOT 1, 70 FEET TO THE POINT OF BEGINNING.

THIS IS NOT HOMESTEAD PROPERTY

The property or its address is commonly known as: 122 S. FIRST ST., DEKALB, IL 60115.

PROPERTY INDEX NO.: 08-22-282-007

IN WITNESS WHEREOF, Mortgagor has executed this Supplement to Mortgage the day and year first above written.

CORNERSTONE DEKALB, LLC

By: [Signature]

JOHN PAPPAS, Member
STATE OF ILLINOIS  ) ss
 ) COUNTY OF DEKALB  )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John Pappas, authorized Member of Cornerstone DeKalb, 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 28th day of March, 2017.

[Signature]

OFFICIAL SEAL
LEA ROSIER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/03/17

NOTARY PUBLIC
Exhibit G: Waiver of Objection to Special Service Area

STATE OF ILLINOIS
COUNTY OF DEKALB

Waiver of Objection to Special Service Area

NOW COMES the affiant, Cornerstone DeKalb, LLC by and through its Member/Manager, John Pappas, 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 [see attached], legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a mixed-use Planned Development.

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 backup source of funding to maintain common, private improvements located on and/or servicing the property. 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 Landowner 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 landowners 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]
SUBSCRIBED AND SWORN

before me this 8th day of

March, 2017

NOTARY PUBLIC

"OFFICIAL SEAL"
RUTH A. SCOTT
Notary Public, State of Illinois
NOTARY ID 803785
My Commission Expires 6/24/18
The subject property is legally described as:

112 E. Lincoln Highway: LOTS 2 AND 3 (EXCEPT THE EASTERLY 4 FEET THEREOF OF SAID LOT 3) IN RUBY’S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “D” OF PLATS, PAGE 23 ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

118 E. Lincoln Highway: THE EASTERLY 4 FEET OF LOT 3; ALL OF LOT 4; AND THE WESTERLY 12.4 FEET OF LOT 5, ALL IN RUBY’S SUBDIVISION OF A PART OF BLOCK 2 IN THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “D” OF PLATS, PAGE 23, ON OCTOBER 29, 1907, IN DEKALB COUNTY, ILLINOIS.

122 E. Lincoln Highway: THE EAST 14.6 FEET OF LOT 5 AND THE WEST 1.4 FEET OF LOT 6 OF RUBY’S SUBDIVISION OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED ON OCTOBER 29, 1907, IN BOOK “D” OF PLATS, PAGE 23, SITUATED IN THE COUNTY OF DEKALB, STATE OF ILLINOIS.

124 E. Lincoln Highway: LOT 6 (EXCEPT THE EAST 4 FEET THEREOF AND EXCEPT THE WEST 1.4 FEET THEREOF) OF RUBY’S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 29, 1907 IN BOOK “D” OF PLATS, PAGE 23, OF A PORTION OF BLOCK 2 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, IN DEKALB COUNTY, ILLINOIS.

122 S. First Street: PART OF THE EAST ¼ OF THE NORTHEAST ¼ OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF LOT 1 OF RUBY’S SUBDIVISION OF A PART OF THE WEST ¼ OF BLOCK 2, IN THE CITY OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 23; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 1 AND THE PROLONGATION OF SAID NORTH LINE 200 FEET, THENCE SOUTHERLY AND PARALLEL TO THE WESTERLY LINE OF SAID LOT 1, 70 FEET, THENCE WESTERLY IN A STRAIGHT LINE TO A POINT ON THE WEST LINE OF SAID LOT 1, 70 FEET SOUTHERLY OF THE POINT OF BEGINNING; THENCE NORTHERLY AND ALONG THE WEST LINE OF SAID LOT 1, 70 FEET TO THE POINT OF BEGINNING.

THE SUBJECT PROPERTY ALSO INCLUDES THE ALLEY ADJOINING THE PROPERTIES LISTED ABOVE.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-22-282-001, 08-22-282-002, 08-22-282-003, 08-22-282-004 and 08-22-282-007 and the alley adjoining the parcels. The subject property is located at 112, 118, 122 and 124 E. Lincoln Highway and 122 S. First St., DeKalb, IL, and generally located at the southeast corner of E. Lincoln Highway and S. First St.
The purpose of the formation of special service area in general is to authorize the maintenance, repair, regular care, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, pruning and trimming of trees and bushes, removal and replacement of diseased or dead landscape materials, aeration of stormwater basins, maintenance of underground stormwater facilities, the repair and replacement of monument signs, storm water detention basins, storm sewers and related areas and appurtenances, culverts, drains, ditches and tiles, landscape buffers and related areas and appurtenances, in the special service area, as well as the provision of snow removal services on public sidewalks along or within the area all in accordance with the final engineering plan and final plat of subdivision for the Area, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. Notwithstanding the foregoing, taxes shall not be levied hereunder and said Area shall be “dormant”, and shall take effect only if the applicable required owners association, condominium association or property owner fails to maintain, repair or replace the aforesaid required items and the City chooses to assume some or all of said responsibilities.

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.
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 2018-081

AUTHORIZING AN AMENDMENT TO ORDINANCE 2017-011 TO ADD ADDITIONAL SERVICE FACILITIES TO THE LIST OF PERMITTED COMMERCIAL USES IN ARTICLE II.C OF THE ORDINANCE UP TO 2,000 SQUARE FEET AND TO INCREASE THE MAXIMUM SQUARE FOOTAGE ALLOWED FOR "PROFESSIONAL SERVICE OFFICES" FROM 1,000 SQUARE FEET TO 2,000 SQUARE FEET (106, 112, 118 AND 124 E. LINCOLN HIGHWAY, AND 122 S. FIRST STREET, DEKALB, ILLINOIS) (CORNERSTONE DEKALB).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 13th day of November 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 29th day of November 2018.

LYNN A. FAZEKAS, City Clerk

Prepared by and Return to:

City Clerk’s Office
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
ORDINANCE 2018-081           PASSED: NOVEMBER 13, 2018

AUTHORIZED AN AMENDMENT TO ORDINANCE 2017-011 TO ADD ADDITIONAL SERVICE FACILITIES TO THE LIST OF PERMITTED COMMERCIAL USES IN ARTICLE II.C OF THE ORDINANCE UP TO 2,000 SQUARE FEET AND TO INCREASE THE MAXIMUM SQUARE FOOTAGE ALLOWED FOR "PROFESSIONAL SERVICE OFFICES" FROM 1,000 SQUARE FEET TO 2,000 SQUARE FEET (106, 112, 118 AND 124 E. LINCOLN HIGHWAY, AND 122 S. FIRST STREET, DEKALB, ILLINOIS) (CORNERSTONE DEKALB).

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

WHEREAS, the City has previously approved Ordinance 2017-011, approving Planned Development – Commercial ("PD-C") zoning and a certain agreement for the property described therein and commonly referred to as "Cornerstone"; and

WHEREAS, pursuant to public notice and hearing, the City's Planning and Zoning Commission have made a positive recommendation to approve an amendment to the PD-C zoning and the Development Agreement for Cornerstone, to provide for the change in zoning standards contained herein; and

WHEREAS, the City Council expressly finds that the foregoing amendment is appropriate, meets all legally required standards, is subject to consideration following the provision of all required public notice and due process, and is agreeable to the City as an amendment of the Development Agreement;

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

SECTION 1. Amendment Authorized.

The City Council of the City of DeKalb hereby adopts the following amendment to the PD-C zoning and Development Agreement for Cornerstone.

1. Article II(C) of the Development Agreement shall be read to be amended so as to include "Services facilities including barber shops, beauty shops, nail salons, copying services, artists' studios, photographers, tailors, music and dance instruction, suntan parlors, travel agencies and other similar service facilities with determination of what constitutes a similar service facility being made by the City Manager. Notwithstanding the foregoing, no more than 2,000 square feet of available commercial square footage on the Property shall be permitted to be utilized for this purpose." This description shall be included as a permitted use enumerated as permitted use number 4 in Article II(C).
2. Article II(C) of the Development Agreement shall be read to be amended so as to increase from 1,000 square feet to 2,000 square feet the amount of space that shall be permitted to be utilized for Professional Services Offices.

3. Notwithstanding the foregoing, Article II(E) and all other portions of the Property (as described in the Development Agreement) shall remain in full force and effect.

4. This Ordinance shall be appended to the Development Agreement and incorporated by reference as if set forth fully therein.

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 authority of the City Council be published in pamphlet form.


ATTEST:

LYNN A. FAZEKAS, City Clerk

TERRY SMITH, Mayor
C. Permitted Commercial Uses:

There shall be no permitted commercial uses on the second or higher floors of the Building, and there shall be no permitted home occupation use of the residential components of the Building. Within the non-residential portions of the first floor of the Building and any portion of the basement of the Building allocated to supporting such non-residential areas, the permitted commercial uses shall be exclusively limited to the following:

1) Retail Uses. Purely Retail uses shall be permitted unless otherwise prohibited or limited. Minor, indoor incidental services shall be permitted as a component of Retail uses (e.g. sale of computers with incidental computer servicing, jewelry store providing incidental jeweler services).

2) Restaurants and retail food establishments, including fast-food, sit-down or other similar establishments and also including bars that maintain service of food. In association with such use, the Owner shall be permitted to establish and maintain outdoor seating areas in accordance with any approved Final Plans.

3) Professional Service Offices, such as medical offices for licensed doctors or chiropractors, urgent care, dental office, legal office, optometrist/ophthalmologist, accountant, or other similar professional service-based offices (with the determination of what constitutes a similar professional office being made by the City Manager). Notwithstanding the foregoing, no more than 24,000 square feet of the available commercial square footage on the Property shall be permitted to be utilized for this purpose.

4) Services facilities including barber shops, beauty shops, nail salons, copying services, artists’ studios, photographers, tailors, music and dance instruction, suntan parlors, travel agencies, and other similar service facilities with determination of what constitutes a similar service facility being made by the City Manager. Notwithstanding the foregoing, no more than 2,000 square feet of the available commercial square footage on the Property shall be permitted to be utilized for this purpose.
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 2018-082

AUTHORIZING AN AMENDMENT TO ORDINANCE 2017-036 TO ALLOW ADDITIONAL SERVICE FACILITIES TO THE LIST OF PERMITTED COMMERCIAL USES IN ARTICLE II.C OF THE ORDINANCE UP TO 2,000 SQUARE FEET AND TO INCREASE THE MAXIMUM SQUARE FOOTAGE ALLOWED FOR "PROFESSIONAL SERVICE OFFICES" FROM 1,000 SQUARE FEET TO 2,000 SQUARE FEET (203, 209, 223 AND 229 E. LINCOLN HIGHWAY, DEKALB, ILLINOIS) (PLAZA DEKALB).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 13th day of November 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 29th day of November 2018.

LYNN A. FAZEKAS, City Clerk

Prepared by and Return to:

City Clerk's Office
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
ORDINANCE 2018-082                         PASSED: NOVEMBER 13, 2018

AUTHORIZED AN AMENDMENT TO ORDINANCE 2017-036 TO ALLOW ADDITIONAL SERVICE FACILITIES TO THE LIST OF PERMITTED COMMERCIAL USES IN ARTICLE II.C OF THE ORDINANCE UP TO 2,000 SQUARE FEET AND TO INCREASE THE MAXIMUM SQUARE FOOTAGE ALLOWED FOR "PROFESSIONAL SERVICE OFFICES" FROM 1,000 SQUARE FEET TO 2,000 SQUARE FEET (203, 209, 223 AND 229 E. LINCOLN HIGHWAY, DEKALB, ILLINOIS) (PLAZA DEKALB).

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

WHEREAS, the City has previously approved Ordinance 2017-036, approving Planned Development – Commercial ("PD-C") zoning and a certain agreement for the property described therein and commonly referred to as "Plaza DeKalb"; and

WHEREAS, pursuant to public notice and hearing, the City’s Planning and Zoning Commission have made a positive recommendation to approve an amendment to the PD-C zoning and the Development Agreement for Plaza DeKalb, to provide for the change in zoning standards contained herein; and

WHEREAS, the City Council further finds that the amendment in the development timeline as contemplated herein is necessary and appropriate; and

WHEREAS, the City Council expressly finds that the foregoing amendment is appropriate, meets all legally required standards, is subject to consideration following the provision of all required public notice and due process, and is agreeable to the City as an amendment of the Development Agreement;

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

SECTION 1. Amendment Authorized.

The City Council of the City of DeKalb hereby adopts the following amendment to the PD-C zoning and Development Agreement for Plaza DeKalb.

1. Article II(C) of the Development Agreement shall be read to be amended so as to include "Services facilities including barber shops, beauty shops, nail salons, copying services, artists' studios, photographers, tailors, music and dance instruction, suntan parlors, travel agencies and other similar service facilities with determination of what constitutes a similar service facility being made by the City Manager. Notwithstanding the foregoing, no more than 2,000 square feet of available commercial square footage on the Property shall be permitted to be utilized for this purpose." This description
shall be included as a permitted use enumerated as permitted use number 5 in Article II(C).

2. Article II(C) of the Development Agreement shall be read to be amended so as to increase from 1,000 square feet to 2,000 square feet the amount of space that shall be permitted to be utilized for Professional Services Offices.

3. Notwithstanding the foregoing, Article II(E) and all other portions of the Property (as described in the Development Agreement) shall remain in full force and effect.

4. Article IV(7) of the Development Agreement shall be amended as follows: "Owner shall complete all construction on the Property within eighteen (18) months of the date of approval of the final plans by City Council by not later than December 31, 2019." Any other reference in the Development Agreement contemplating completion of the construction on the Property within an 18-month timeline shall be similarly extended to December 31, 2019.

5. This Ordinance shall be appended to the Development Agreement and incorporated by reference as if set forth fully therein.

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 authority of the City Council be published in pamphlet form.


ATTEST:

LYNN A. FAZEKAS, City Clerk

JERRY SMITH, Mayor
C. Permitted Commercial Uses:

There shall be no permitted commercial uses on the second or higher floors of any buildings on the Property, and there shall be no permitted home occupation use of the residential components on the Property. Within the non-residential portions of the first floor of the buildings on the Property and any basement allocated to supporting such non-residential areas, the permitted commercial uses shall be exclusively limited to the following:

1) Retail Uses. Purely Retail uses shall be permitted unless otherwise prohibited or limited. Minor, indoor incidental services shall be permitted as a component of Retail uses (e.g. sale of computers with incidental computer servicing, jewelry store providing incidental jeweler services).

2) Grocery stores, restaurants and retail food establishments, including fast-food, sit-down or other similar establishments and also including bars that maintain service of food. In association with such use, the Owner shall be permitted to establish and maintain outdoor seating areas in accordance with any approved Final Plans.

3) Professional Service Offices, such as medical offices for licensed doctors or chiropractors, urgent care, dental office, legal office, optometrist/ophthalmologist, accountant, or other similar professional service-based offices (with the determination of what constitutes a similar professional office being made by the City Manager). Notwithstanding the foregoing, no more than 24,000 square feet of the available commercial square footage on the Property shall be permitted to be utilized for this purpose.

4) Services facilities including barber shops, beauty shops, nail salons, copying services, artists' studios, photographers, tailors, music and dance instruction, suntan parlors, travel agencies, and other similar service facilities with determination of what constitutes a similar service facility being made by the City Manager. Notwithstanding the foregoing, no more than 2,000 square feet of available commercial square footage on the Property shall be permitted to be utilize for this purpose.

5) The Property shall have a covered patio area in accordance with the Plans. Said covered patio may be utilized by one or more commercial tenants within the Property. Provided that the establishments obtain and maintain appropriate liquor licenses pursuant to City Code, the covered patio area may be included in the permitted area for service/consumption of alcoholic beverages by multiple tenants, if desired.
I, RUTH A. SCOTT, do hereby certify that I am the duly appointed Deputy 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 2017-036

APPROVING A REZONING FROM CENTRAL BUSINESS DISTRICT (CBD) TO PLANNED DEVELOPMENT COMMERCIAL (PD-C), APPROVAL OF A CONCEPT PLAN, AND APPROVING A DEVELOPMENT AGREEMENT WITH PLAZA DEKALB, LLC FOR PROPERTY LOCATED ON THE NORTHEAST CORNER OF 2ND STREET AND LINCOLN HIGHWAY, DEKALB, ILLINOIS.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois on the 14th day of August, 2017, and the original is now on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 15th day of August, 2017.

RUTH A. SCOTT, Deputy City Clerk

Prepared by and return to:
Deputy City Clerk Ruth Scott
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
ORDINANCE 2017-036    PASSED: AUGUST 14, 2017

APPROVING A REZONING FROM CENTRAL BUSINESS DISTRICT (CBD) TO PLANNED DEVELOPMENT COMMERCIAL (PD-C), APPROVAL OF A CONCEPT PLAN, AND APPROVING A DEVELOPMENT AGREEMENT WITH PLAZA DEKALB, LLC FOR PROPERTY LOCATED ON THE NORTHEAST CORNER OF 2ND STREET AND LINCOLN HIGHWAY, DEKALB, ILLINOIS.

WHEREAS, the City of DeKalb is a home rule municipality with the power and authority conferred upon it by the Illinois Municipal Code and the Constitution of the State of Illinois; and

WHEREAS, the City is in receipt of an application from Plaza DeKalb, LLC ("Developer") requesting a rezoning of the property located on the northeast corner of 2nd Street and Lincoln Highway, as legally described in the attached Exhibit A ("Property"), and approvals necessary to construct a new three-story addition over an existing one-story building, demolition of one building and renovation on two buildings, with commercial uses on the first floor, and no more than 23 apartment units on the upper floors ("the Project"); and

WHEREAS, the City and Developer seek to enter into a development agreement for the Project for purposes of providing approvals of a concept plan and outlining procedures required for obtaining final approvals necessary prior to construction; and

WHEREAS, the City and Developer have conducted all required public hearings before the Planning and Zoning Commission of the City of DeKalb and the City Council of the City of DeKalb for both the adoption of zoning amendments for the Property and for the adoption of a development agreement, and have otherwise satisfied all conditions precedent to the adoption of this Ordinance; and

WHEREAS, the City Council adopts the findings of fact of the Planning and Zoning Commission of the City of DeKalb attached hereto as Exhibit B, finds that the proposed rezoning is in conformance with the applicable zoning factors contained therein, and finds that approval of this Ordinance, with the corresponding approval of an amendment to the zoning for the Property is in the public interest and promotes the public health, safety and welfare.

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

Section 1. Rezoning Authorized: The City Council of the City of DeKalb hereby approves a rezoning for the Property from the CBD zoning district to the PD-C zoning district, consistent with the terms and conditions of the Development Agreement attached hereto and approved herein as Exhibit C ("the Agreement"), and subject to the approval
of final plans consistent with the Agreement.

Section 2. Development Agreement Approved: The City Council of the City of DeKalb hereby approves the Agreement, and authorizes and directs the Mayor of the City of DeKalb to execute the Agreement, subject to such changes as shall be acceptable to him with the recommendation of City Staff. Thereafter, City staff is authorized and directed to take all actions as shall be required by said Development Agreement.

Section 3. Recording Directed: After execution by all parties, this Ordinance and the Agreement shall be recorded in the DeKalb County Recorder’s Office.

Section 4. All ordinances or portions thereof in conflict with this ordinance, are hereby repealed.

Section 5. 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 6. This Ordinance shall be in full force and effect after passage and publication pursuant to law. Publication date: August 15, 2017. Effective date: August 24, 2017.


ATTEST:

RUTH A. SCOTT, Deputy City Clerk

JERRY SMITH, Mayor
Exhibit A


THE EAST 20 FEET OF LOT 54 (EXCEPT THE SOUTH 12 FEET THEREOF AND EXCEPT THE NORTH 35.12 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK'S SUBDIVISION OF BLOCK 12 IN THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, SITUATED IN DEKALB COUNTY, ILLINOIS: THE SOUTH 125 FEET OF LOT 56 (EXCEPT THE SOUTHERLY 6 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, OF THE COUNTY CLERK'S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 55 (EXCEPT THE SOUTHERLY 6 FEET), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK'S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-23-159-035, 08-23-159-046, 08-23-159-050, and 08-23-159-051. The subject property is located at 124 N. 2nd Street, 203 E. Lincoln Highway, 209 E. Lincoln Highway, 223 E. Lincoln Highway, and 229 E. Lincoln Highway, DeKalb, Illinois, and generally located at the northeast corner of E. Lincoln Highway and N. Second Street, DeKalb, Illinois.
Exhibit B

Findings of Fact

1. The proposed rezoning conforms to the Comprehensive Plan, or conditions have changed to warrant the need for different types of land uses in that area. The proposed rezoning is appropriate considering the length of time the property has been vacant, as originally zoned, and taking into account the surrounding areas trend in development.

The 2005 Comprehensive Plan recommends the subject site for commercial use. In addition, the proposed project is in conformance with many of the recommendations outlined in the 2007 Downtown Revitalization Plan, the 2011 Design Guidelines, and the 2013 DeKalb City Center Plan. Mixed use buildings with commercial uses on the first floor are recommended and encouraged in the CBD District in the Plans. Staff believes that the proposed development meets the intent of the City’s Comprehensive Planning Documents. The proposed rezoning request will allow the redevelopment of the site that will spur additional development in the downtown area and increase the day and nighttime population.

2. The proposed rezoning conforms to the intent and purpose of the Unified Development Ordinance.

The intent and purpose of the Planned Development zoning district states:

The purpose of the Planned Development Districts is to provide a means of achieving greater flexibility in development of land in a manner not always possible in conventional zoning districts; to encourage a more imaginative and innovative design of projects; to promote a more desirable community environment; and to retain maximum control over both the design and future operation of the development.

The rezoning of the subject property provides the opportunity to more directly shape the development, use and appearance of this property in accordance with the City's design criteria and conformance with the Comprehensive Plan. The physical boundaries of the property and densities required for the site make this site a challenging property to redevelop. The Planned Development allows the developer and the City the flexibility to agree to a development plan and standards that seek relief from the Unified Development Ordinance regarding minimum lot size, residential density and site coverage for a Planned Development. The proposed rezoning request, exceptions to the UDO and concept plan will allow the redevelopment of the site into a mixed-use project that will spur additional development in the surrounding area.
3. The proposed rezoning will not have a significantly detrimental effect on the long-range development of adjacent properties or adjacent land uses.

The proposed rezoning should not have a detrimental effect on the adjacent properties or land uses as it entitles the subject property to a re-use of the property that is complementary with the adjacent area. The PD-C zoning provides the mechanism to provide imaginative and innovative design that will have a positive effect on the surrounding area while providing relief to the applicant allowing the redevelopment of the subject property. The proposed rezoning request and concept plan will allow the redevelopment of a highly visible corner in the downtown into a mixed-use development that will generate new business opportunities and support existing commerce in the Central Business District, while spurring increased property values and other development opportunities.

4. The proposed rezoning constitutes an expansion of an existing zoning district that, due to the lack of undeveloped land, can no longer meet the demand for the intended land uses.

The subject property is currently zoned “CBD” Central Business District. Rezoning the property to “PD-C” will allow for a well-designed project. The rezoning will allow for flexibility by the applicant to redevelop the property in a manner that will complement the surrounding neighborhood in terms of size, scale and density.

5. Adequate public facilities and services exist or can be provided.

Adequate public services can be provided to the subject property. The developer is responsible for necessary utility improvements, which can be readily made. The subject property lies within adequate service areas for other City services, such as police and fire protection.
Exhibit C
Development Agreement
Prepared By and Return To
City of DeKalb
ATTN: City Attorney
200 S. Fourth Street
DeKalb, IL 60115

PLAZA DEKALB
PLANNED REDEVELOPMENT AGREEMENT
CITY OF DEKALB
ARTICLE I: INCORPORATION OF RECITALS ................................................................. 4

ARTICLE II: ZONING OF THE PROPERTY ............................................................... 6
  A. Zoning Applicability: ....................................................................................... 6
  B. Permitted Residential Uses: ........................................................................... 6
  C. Permitted Commercial Uses: .......................................................................... 7
  D. Prohibited Uses: .............................................................................................. 8
  E. Special Uses: .................................................................................................. 10
  F. Building Related Provisions: .......................................................................... 10
  G. Property Related Provisions: ......................................................................... 11
  H. Parking Provisions: ......................................................................................... 12
  I. Permitted Outdoor Storage: ............................................................................ 13
  J. Setbacks, Bulk Restrictions and Building Lines: ......................................... 13
  K. Rezoning of Property: ................................................................................... 13
  L. First Street Improvements and Maintenance: ............................................. 14
  M. Failure to Close: ............................................................................................ 14

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY: .... 14
  A. Owner’s Responsibility to Maintain: .............................................................. 14
  B. Backup Special Service Area: ....................................................................... 14
  C. Excavation and Grading: ............................................................................... 16
  D. Owner Surety: ................................................................................................ 16
  E. Security for Public Improvements: ................................................................. 17
  F. Acceptance of Public Improvements and Maintenance Bond for Public
     Improvements: ................................................................................................. 18
  G. Stop Work Orders: ......................................................................................... 18
  H. Compliance with City Ordinances and Applicable Regulations: .............. 18
  I. Site Control: .................................................................................................... 19
  J. Building Codes: ............................................................................................... 19
  K. Fire Suppression / Alarm: ............................................................................... 20

ARTICLE IV: PROJECT STAGING: ........................................................................... 20

ARTICLE V: INFRASTRUCTURE: ........................................................................ 21
  A. Water Mains and Potable Water Supply: ...................................................... 21
  B. Storm Water Retention, Facilities and Improvements: ............................... 21
  C. Sanitary Sewers: ............................................................................................ 22
  D. Utility Connections: ....................................................................................... 22
  E. Grant of Easements / Right of Way: ............................................................... 22

ARTICLE VI: CONTINUATION OF CURRENT USES: .......................................... 23

ARTICLE VII: FEES AND CONTRIBUTIONS: ....................................................... 23
  A. Specified Fees: ............................................................................................... 23
  B. Fees Specifically and Uniquely Attributable: ............................................... 24
  C. Owner Responsibility for Costs: ..................................................................... 24

ARTICLE VIII: DEVELOPMENT INCENTIVE: ..................................................... 26
This Planned Development Agreement (the "Agreement") is made and entered into on the 14th day of August, 2017, by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and Plaza DeKalb, LLC (the "Owner"). The City and the Owner are collectively referred to as "Parties" and individually referred to as a "Party."

RE C I T A L S

A. The Owner is the owner or contract purchaser of record of approximately .42 contiguous acres of real property situated at the northeast intersection of Second Street and Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property".

B. The Property is comprised of 4 separate parcel numbers comprising four separate buildings. One of the buildings is in an advanced state of deterioration. Collectively, the Property has declined in equalized assessed valuation during the preceding thirty years, despite the existence of a Tax Increment Financing District ("TIF District") covering the property for said period. The City has made extensive investment in the public infrastructure through use of the TIF District over that period. The Owner has acquired the contractual right to purchase the Property and each parcel therein, and proposes to create an assemblage of parcels under common ownership, with the intention of redeveloping the Property as a mixed-use, commercial and residential development in accordance with this Agreement. The Property is proposed to be developed in accordance with the plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate the construction of a three-story residential addition accommodating 18 one-bedroom, and 3 two-bedroom units over an existing one-story commercial building upon the Property located at 203 E. Lincoln ("the 203 Building"), demolition of the building at 209 E. Lincoln ("the Plaza"), and renovation of the buildings at 223 and 229 E. Lincoln to alter four existing apartment units into two, two-bedroom penthouse units above first floor commercial units ("the 223/229 Building").

C. The Parties acknowledge that the housing density contemplated by the Property exceeds the present density permitted under the Central Business District zoning classification from the City of DeKalb, and that thus the only way of accommodating the proposed development would be to utilize Planned Development-Commercial ("PD-C") zoning. The Parties further acknowledge that use of PD-C zoning requires a development agreement to provide definition of the terms and requirements of the zoning district, and that this Agreement has been entered into to provide such definition. The Parties acknowledge that this Agreement contemplates collaborative, joint use of existing City parking facilities adjacent to the Property. The Property is not required to be re-platted through the completion of this development.
D. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

E. The City acknowledges that the Owner’s proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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 rezone the Property as PD-C, and that the City’s agreement to rezone the Property 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.

F. The City acknowledges and the Owner agrees that the PD-C, as provided under the City of DeKalb Unified Development Ordinance (the “UDO”) and this Agreement, will be the most appropriate zoning classifications for the development of the Property.

G. Pursuant to notice, as required by statute and ordinance, public hearings were held by the City’s Planning and Zoning Commission on the requested zoning of the Property, and the findings of fact and recommendations made by said body relative to such requests have been forwarded to the Corporate Authorities.

H. All other and further notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement and the rezoning of the Property 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.

I. The Corporate Authorities have duly considered all necessary matters to enter into this Agreement, have considered the recommendations of the City’s Planning and Zoning Commission in connection with the proposed zoning of the Property 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 I, 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: ZONING OF THE PROPERTY

A. Zoning Applicability:

The Parties acknowledge and agree that the zoning imposed hereunder comprises the City's determination of the zoning classification that is appropriate for the property pursuant to applicable law and the related zoning factors that the City is required to apply, and also constitutes the agreed upon zoning and minimum standards for the Property pursuant to this Agreement. The Parties acknowledge that the City is, through this Agreement, providing a substantial financial incentive for the development of the Property, and that the bargained for consideration received by the City under this Agreement expressly includes the zoning restrictions contained herein, inclusive of the full detail described in this Agreement. It is the Parties' intention that all requirements contained herein shall be maintained in existence for the full term of this Agreement, unless modified in accordance with this Agreement. The Owner, on its own behalf and on behalf of any successor owners, inhabitants, third party beneficiaries or others, is intentionally agreeing to and accepting the limitations described herein in exchange for receiving the benefits described herein.

B. Permitted Residential Uses:

The allocation or ratio of different types of dwelling units (e.g. the number of each type of one-, and two bedroom units, or any proposed change in the number of units, number of bedrooms per unit or any other similar change) permitted for the property under the PD-C zoning described above shall be as approved in this Agreement, subject to any changes allowed by the City, with approval of such changes being in the sole, reasonable discretion of the City. Review and approval/denial of any such changes proposed by the Owner shall be treated as a major amendment to the proposed development, and shall follow the provisions of the UDO with a staff review and recommendation, Planning and Zoning Commission review and recommendation, and City Council review and approval/denial. The following residential uses shall be permitted in accordance with the enumerated standards:

1) Premium one-bedroom and two-bedroom residential apartments with full kitchen and bathrooms, with a total of 21 residential units (7 per floor) in the 203 Building, and two, two-bedroom penthouse units in the 223/229 Building, with the sizes of such units being in substantial compliance with the Plans. These unit counts shall not be altered without the express approval of the City Council. The Owner shall be entitled to maintain up to 23 units on the Property, which comprises 0.41 acres (MOL), generating a net density of 56 dwelling units/acre. This density and unit configuration shall operate as a limitation on the density of all residential use of the Property, in the aggregate.

2) The one-, and two bedroom residential apartments in the 203 Building and the 223/229 Building shall be finished and maintained with Premium Finishes as defined herein, with such requirements to include the following minimum standards within the residential units:
Page 7 of 80

a. Premium flooring such as hardwood, tile or similar coverings within the residential units.
b. Solid-surface, non-laminate countertops.
c. In-room washer/dryer for clothes.
d. In-room kitchen with refrigerator, oven/stove, microwave, and dishwasher.
e. Building-integrated HVAC systems with individual control by unit. This provision shall be interpreted to prohibit the use of "PTAC" or other similar individual unit HVAC systems or other HVAC systems that require protrusions from the exterior walls of the facility on a per-unit basis.

f. Full furnishings including beds, tables, chairs, dressers, closet organizers, couches and seating areas (within 203 Building only). Compliance with these standards shall be determined by the Community Development Director, whose approval shall not be unreasonably withheld or conditioned.

3) The Owner shall provide and maintain a facility for on-site management of the Property and the residential uses therein, substantially as described in the Plans. The Owner shall further provide and maintain the other residential amenities described in the Plans, including but not limited to:

   a. A private entrance to the residential units.
   b. A private elevator serving the residential uses in the 203 Building.
   c. A second floor patio, substantially as depicted on the Plans in the Plaza, equipped and maintained with seating areas and recreational facilities to permit its use. The Owner may establish outdoor recreational facilities for such residential uses (e.g. common outdoor seating areas, grill areas, etc.) in compliance with any approved Final Plans.
   d. A rear roof-top or constructed elevated deck for the penthouse units in the 223/229 Building.

4) The Owner acknowledges that the density contemplated by the development of the Property exceeds the density which otherwise would be permissible in the absence of PD-C zoning designation, and in order to provide a facility that addresses public welfare concerns that would otherwise be raised by the contemplated density, the Owner agrees and acknowledges that, except during reasonable periods of repair (during which Owner shall actively work in good faith to repair and restore the amenities), it shall maintain as operational, fully functional and in good condition the building amenities contemplated by the Plans and this Agreement at all times that the Property is in operation for the purposes contemplated by the PD-C zoning.

C. Permitted Commercial Uses:

There shall be no permitted commercial uses on the second or higher floors of any buildings on the Property, and there shall be no permitted home occupation use of the residential components on the Property. Within the non-residential portions of the first floor of the buildings on the Property and any basement allocated to supporting such non-
residential areas, the permitted commercial uses shall be exclusively limited to the following:

1) Retail Uses. Purely Retail uses shall be permitted unless otherwise prohibited or limited. Minor, indoor incidental services shall be permitted as a component of Retail uses (e.g. sale of computers with incidental computer servicing, jewelry store providing incidental jeweler services).

2) Grocery stores, restaurants and retail food establishments, including fast-food, sit-down or other similar establishments and also including bars that maintain service of food. In association with such use, the Owner shall be permitted to establish and maintain outdoor seating areas in accordance with any approved Final Plans.

3) Professional Service Offices, such as medical offices for licensed doctors or chiropractors, urgent care, dental office, legal office, optometrist/ophthalmologist, accountant, or other similar professional service-based offices (with the determination of what constitutes a similar professional office being made by the City Manager). Notwithstanding the foregoing, no more than 1,000 square feet of the available commercial square footage on the Property shall be permitted to be utilized for this purpose.

4) The Property shall have a covered patio area in accordance with the Plans. Said covered patio may be utilized by one or more commercial tenants within the Property. Provided that the establishments obtain and maintain appropriate liquor licenses pursuant to City Code, the covered patio area may be included in the permitted area for service/consumption of alcoholic beverages by multiple tenants, if desired.

D. Prohibited Uses:

None of the following uses shall be allowed in or on the Property:

1) Any use which is not expressly authorized as a Permitted or Special Use.
2) Any residential use other than standalone residential apartments as contemplated above (and more specifically, any use which would constitute a "rooming house" or dormitory under applicable City Ordinances, or which contemplates the use of shared bathroom or kitchen facilities, shall be prohibited).

3) Community residences.
4) Group homes.
5) Parking lots, as a principal use (and more specifically, any lease, rental or otherwise offering use of on-site parking by any party other than a resident or employee of the Property).
6) Outdoor storage of any form not expressly authorized herein.
7) Sales or construction trailers, intermodal shipping containers, van trailers or similar items used for storage or office purposes, temporary structures or similar appurtenances used for office, work or storage purposes. Any such item shall be deemed to be used for office, work or storage purposes if it
remains on the Property in one exterior location for more than twenty-four (24) hours at any given time. Notwithstanding the foregoing, this Section shall not apply during any time when there is a building or demolition permit outstanding.

8) Adult oriented uses; adult bookstores or other establishment displaying, leasing, trading, or selling pornographic materials or any similar use as defined in the UDO, whether as a principal use or accessory to an allowed principal use (the foregoing not prohibiting a general audiences bookstore with not more than 1% of its merchandise being adult-oriented).

9) Animal boarding.

10) Fire, bankruptcy sale, wholesale, overstock auction house or their equivalent (except that a Court-Ordered bankruptcy sale of less than thirty days duration shall be permitted).

11) Massage parlor or other similar massage establishment.

12) "Head shop", marijuana dispensary, hookah bars, or establishments that specialize primarily in the sale of tobacco, tobacco paraphernalia, glass pipes, implements utilized to burn or concentrate a substance for the purpose of permitting the smoke, fumes or vapor therefrom to be inhaled, or drug paraphernalia.

13) Cemeteries and mausoleums.

14) Funeral homes and mortuaries.

15) Automobile, truck, motorcycle, ATV, motor-scooter or motor vehicle/recreational vehicle/implement repair, service, sales, rentals, parts or components sales or installation, or maintenance.

16) Contractor offices associated with onsite storage of vehicles, supplies or equipment, building material or equipment sales, building or equipment service or maintenance offices, or the equivalent (except that temporary contractor offices present during demolition or construction activities on the Property shall be permitted).

17) Warehouses, whether accessory to a retail use, or self-service storage.

18) Tattoo parlor, massage parlor, psychic reading / tarot card shop.

19) Church or religious uses.

20) Gas or fuel station or any form of car wash or auto detailing center.

21) A dollar store or a discount department store or wholesale establishment.

22) A second-hand store.

23) A cash for gold store.

24) A full service, FDIC-insured bank, credit union, retail bank, consumer banking institution or savings and loan.

25) Currency exchange, money wiring, check cashing facility or equivalent (as a primary use).

26) Auto title loan or post-dated check or payday loan facility or equivalent.

27) Pawn shops.

28) Drive-thru facilities (provided however that drive-up / parcel pickup facilities shall be permitted in association with the operation of an on-site grocery store / food market).
E. Special Uses:

Any special use contemplated for the Property shall require the amendment of this Agreement.

F. Building Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the Property, as a condition of this Agreement and the incentives included herein, and as a component of the zoning relief granted herein.

1) Owner agrees and acknowledges that the Building shall be designed with "four sided architecture", meaning that all sides of the building shall feature the same building materials and architectural improvements. Preliminary details of the architectural theme, inclusive of architectural elevations, has been provided as part of the Plans. All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, which contemplate replacing existing building materials with like-kind materials of similar appearance and quality, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans. The exterior design, elevations, appearance, dimensions and building materials proposed for any structure or sign proposed to be built on the Property which does not directly comply with these requirements shall be subject to separate review and approval by the City Council, in its reasonable discretion. Following the installation of such materials, the Owner shall maintain such materials (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 zoning permissions granted herein (to establish a high-density residential development) 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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of the zoning authorization provided under the PD-C designation contemplated herein.

a. The Parties acknowledge that it is intended that Owner shall be permitted to remove the front façade bricks on the 223/229 Building and replace with "weathered" bricks that are different in color from the 203 Building. New commercial and second story windows shall be installed in the 223/229 Building and shall be similar in shape and form as the
existing arched openings. Second story windows shall be flanked with three keystone elements per window to match existing conditions, and similar brick patterns shall be used. The existing cornice at the top of the 223/229 Building shall be reused and may be painted to coordinate with the brick color. Other than stabilizing or sealing work, no modifications are expected on the east facing brick of the 223/229 Building.

b. The Parties acknowledge that it is intended that the Owner intends to utilize a different brick color on the 203 Building than the 223/229 Building. Additional stone work shall be utilized on the first floor in the sign frieze area along Lincoln Highway, and near the residential entrance on 2nd Street.

2) Any future proposal to remodel any portion of the Property which would: a) change the number of units or bedrooms at the Property; or, b) add additional or revised structures, outdoor signage, facilities or reductions in landscaping shall be subject to review and approval by the City Manager, or at the Manager’s discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City.

3) The final plans for the Building shall be required to provide a consistent standard for any lighting, awnings or signage proposed to be installed on the buildings on the Property. All lighting, awnings and signage shall be installed and thereafter maintained in accordance with these standards unless strict compliance is waived by the Community Development Director, it being the intention of the Parties that the signage and awnings on the Building shall be of a common design and character, so as to promote a cohesive appearance for the Property.

4) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, wireless internet access points or other similar and related equipment on the Property to permit the use of the Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the buildings on the Property.

5) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the proposed walkway at the east side of the Property and/or parking areas), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Property.

G. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Property, as a condition of this Agreement and the incentives included herein, and as a component of the zoning relief granted herein.
1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within building on the Property, Owner shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Owner shall provide building lighting and street lighting on streets adjacent to the Property based upon a consistent standard adopted at the time of final plan approval, acceptable to Owner and the City, and shall thereafter maintain lights in such locations in compliance with the adopted standards. For any public streetlights installed in accordance with this standard, following construction of the project and acceptance of public improvements, the obligation to maintain and operate such lights shall be the responsibility of the City.

4) The final plans shall maintain existing or provide new street furniture such as benches, kiosks, garbage receptacles, and landscape areas.

5) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

H. Parking Provisions:

1) The Parties acknowledge that off-street parking is not required in the Central Business District. Commercial patrons will utilize nearby on-street and public parking lot spaces. Owner will purchase parking passes from the City authorizing residents, business owners and employees to park in City owned lots, excluding the Van Buer and Embree lots. A Parking Agreement must be submitted and approved as part of final plans to be approved by the City Council specifying timing and location restrictions for residents, business owners and employees, and the annual fees required for parking passes. Generally, it is contemplated that the owner will distribute parking passes to residents, business owners and employees, and will specify in lease agreements that parking restrictions must be adhered to.

2) The Parties acknowledge that not more than two parking spaces on 2nd Street and/or in or along Palmer Court or in the Van Buer public lot will be designated for "grocery pick-up only", and shall be requested and approved as part of final plans to be approved by the City Council. It is the intent that these spaces may be occupied only while the driver is in the vehicle waiting for a grocery store employee to deliver purchased groceries to the vehicle.
I. **Permitted Outdoor Storage:**

Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted adjacent to the Property in accordance with the approved final plans, within the trash enclosure currently located within Van Buer Plaza or a replacement or supplemental enclosure approved by the City, provided that all such facilities shall be completely screened from view with a masonry enclosure constructed of materials and colors matching the principal building it services as contemplated by the Plans. Any proposed expansion or alteration of the outdoor rubbish disposal facilities and their related landscaping/screening shall be subject to prior review and reasonable approval by the City Manager to confirm compliance with this section. At the Manager's discretion, such determination may be referred to the City Council. No other outdoor storage shall be permitted, and no storage of dumpsters or garbage or recycling containers shall be permitted outside of the walled garbage enclosure. The outdoor trash facilities shall be constructed in accordance with the final plans, and shall be constructed of masonry or another similar, weather-resistant material acceptable to the City. Once constructed, the trash facilities shall be maintained at all times in good repair, and the Owner shall take all steps as shall be required to ensure that the main entry gates to the trash facilities are kept closed at all times when the facilities are not actively being serviced by a garbage truck.

The Parties acknowledge that at the time of final plan approval, the Owner and City shall come to terms regarding long-term garbage service to the Property, either individually or in collaboration with other area businesses and properties, and further agree that the final plans shall accommodate such final garbage layout and provide all required amenities to further the same.

J. **Setbacks, Bulk Restrictions and Building Lines:**

Setbacks, building lines, floor area ratios, building dimension limitations, height restrictions and other similar lot/building size/shape restrictions and regulations shall meet those standards as set forth in the UDO unless otherwise approved as part of this Agreement. This Agreement shall expressly serve as the approval of the dimensions of the Property contemplated by the Plans (after such Plans are modified to comply herewith) and final dimensions shall be as provided in the final plans as approved.

K. **Rezoning of Property:**

The Parties agree that, for a period of fifty (50) years from Closing, the Property shall not be rezoned to any zoning other than that imposed under this Agreement without the approval of the City and the Owner, with such rezoning requiring consent from the City in the sole and absolute discretion of the City and Owner without regard to statutory or common law zoning requisites and the agreement of the City and the Owner to an amendment of this Agreement on terms and conditions mutually acceptable to the City and the Owner, and further agree that the approvals described in this Agreement are based upon the City and Owner's agreement with the zoning imposed under this Agreement. The Parties further agree that in the event the Owner seeks a rezoning or
alteration of the zoning standards applicable to the Property, any provisions in the UDO contemplating a defined time period for review, comment or approval of a zoning application shall be deemed waived. Following that initial fifty-year term, the Property may be rezoned in accordance with the then-current practices and procedures applicable to rezoning requests.

L. Second Street Improvements and Maintenance:

The Owner agrees to cooperate with the City in the City’s process of reviewing and approving amendments to the Second Street right of way and alley adjacent to the Property, in an effort to create a more pedestrian/bike friendly approach to the Property. Owner shall reasonably provide all necessary easements, sidewalks and other improvements required to facilitate such construction, and shall permit public access to said improvements via public sidewalks dedicated for public use. Owner shall construct such improvements as shall be required pursuant to the final plans. Owner shall also be responsible for snow removal/deicing on the sidewalks and pathways immediately adjacent to the Property (including the Second Street sidewalk, Lincoln Highway sidewalk and the pedestrian walkway east of the Building).

M. Failure to Close:

The Parties acknowledge that the Owner is the contract purchaser of the Property. In the event that the Owner fails to acquire and close upon all of the parcels within one hundred and eighty (180) days of the date of this Agreement, the City and Owner shall renegotiate this Agreement and the terms of repayment of any portion of the City incentive paid prior to said date or, failing the same, the City may declare a default and exercise any rights contained herein. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Owner is, through no fault of the Owner’s, unable to close on a property and is working in good faith to complete such transaction.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner’s Responsibility to Maintain:

The Owner shall be responsible for the maintenance and care of any and all common areas or other improvements within the Property and for maintaining all buildings on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property’s compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements, pathways and amenities as depicted in the approved final plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. Backup 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 final plan
approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the "Common Facilities Maintenance"). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement ("Common Facilities Maintenance Easement") over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being $0.20 per $100.

Approval of this Agreement shall be deemed to constitute consent to the City’s establishment of a special service area as herein described.

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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G, within ninety (90) days of the date of closing upon the last of the parcels comprising the Property.
C. **Excavation and Grading:**

1) In order to provide adequate assurance of performance and installation and maintenance of erosion control measures, this Agreement shall serve as the Owner’s pledge to comply with all applicable codes and regulations. This pledge shall be secured by the Owner Surety as described below.

2) Prior to the start of any grading or development work on any portion of the Property, the Owner shall provide documentation, in form and content acceptable to the City (and additionally acceptable to DeKalb County if DeKalb County requests any such documentation), indicating that there are no pending IEPA investigations or environmental contamination issues with the parcels comprising the Property (other than those to be remediated during the course of demolition).

D. **Owner Surety:**

1) The Parties acknowledge that pursuant to the City’s customary requirements and the applicable provisions of City Code, there are obligations herein that would be required to be secured through the posting of a letter of credit, cash escrow, bond or other security. As the City is providing the Owner with a substantial economic incentive under the terms of this Agreement, the City is agreeing to waive the requirement of posting certain security, where this Agreement indicates that the process in question is secured by the Owner Surety prior to payment of the Phase 2 Incentive. The Owner Surety shall be as defined in this section.

2) The Owner, in order to induce the City to waive the application of requirements of posting security, pledges that it shall comply with applicable requirements and shall pay all sums necessary to comply with the requirements and construct required improvements in compliance with the approved final plans, and pledges its full faith and credit in order to comply with the same. In the event that the Owner fails to comply with a requirement secured by the Owner Surety, the City may: 1) issue a written demand that Owner comply with the applicable requirement or construct a specified improvement, which Owner shall comply with; 2) require Owner to post a letter of credit, cash escrow or bond in form and content acceptable to the City, in an amount not less than one hundred and twenty percent (120%) of the cost of the improvement or obligation at issue; 3) withhold the payment of any incentive due under this Agreement; 4) withhold or condition the issuance of any approval, permit or certificate due under this Agreement; 5) incur the expense in question and deduct or credit such expense against amounts otherwise due to the Owner under the City incentive described herein; or, 6) pursue such other legal or equitable remedy as may be available.

3) Prior to payment of the Phase 2 Incentive as described herein, the City and Owner shall evaluate all outstanding items which are secured by the Owner Surety, including but not limited to any public improvements or any
maintenance bond applicable during a maintenance period on a public improvement. Prior to payment of the Phase 2 Incentive, Owner shall either provide Replacement Security acceptable to the City or shall agree to the escrow of a portion of the Phase Two Incentive in an amount equal to one hundred twenty percent (120%) of the cost of the outstanding items.

a. If the Owner is required to provide Replacement Security under this subsection, the Owner shall provide such security to the City in the form of cash, irrevocable letters of credit or performance bonds. Bonds and letters of credit shall be in a form reasonably approved by the City Attorney and be issued by an entity reasonably approved by the City Manager or designee from a bank or financial institution located in the United States of America. Any bonds required under City Code or this Agreement shall be from a company licensed to do business in the State of Illinois. Any Letters of Credit required under City Code or this Agreement shall be from a financial institution reasonably acceptable to the City Manager (or designee), and the Owner shall provide such information or documentation as to the status of the proposed financial institution as the City Manager (or designee) shall reasonably require, to demonstrate their creditworthiness and stability. The amount of security posted with the City shall at all time equal one hundred twenty percent (120%) of the cost of completing those required public improvements not yet completed at the time of the City’s implementation of this provision. The City Council shall authorize the reduction of such security from time to time, but no more than once every one hundred and eighty (180) days, as related offsite work or public improvements within the Property are completed and reasonably approved by the City Engineer and prior to their acceptance of such improvements by the City. If the Replacement Security is for a Maintenance Bond, said bond shall remain in place for an 18 month period from date of acceptance by the City. Said maintenance bond shall be equivalent to twenty percent (20%) of the value of the improvement constructed, and shall be in the form of a cash escrow, letter of credit, or other security acceptable in form and content to the City.

E. Security for Public Improvements:

In the event that the Owner constructs any public improvements (inclusive of improvements within or adjacent to a public right of way), then the provisions of this Agreement pertaining to such public improvements shall be invoked. Security to be provided by the Owner for the completion of the public improvements within or adjacent to the Property or related off-site improvements, if any, shall be provided prior to the commencement of construction on the Property or right of way and shall be in accordance with the terms of this Agreement and applicable City ordinances, as modified by this Agreement. The Owner shall provide its Owner Surety to secure such obligation.
F. Acceptance of Public Improvements and Maintenance Bond for Public Improvements:

Upon completion of public improvements and acceptance by the City, the Owner shall provide a signed bill of sale for any items of personal property to be transferred to the City, and shall execute all documentation customarily required by the City to denote acceptance and transfer of ownership. Upon acceptance of any public improvement by the City as described above, Owner shall be entitled to a corresponding release or reduction of any required security, bond or letter of credit. For an 18 month period following acceptance of any public improvement, the Owner shall guarantee the workmanship of any public improvements constructed, and shall be responsible for the performance of any repairs or remediation required on such public improvements, as reasonably determined by the City Engineer, to return them to a condition in which they would be appropriate for initial acceptance by the City, including the repair of any ordinary wear and tear on the aforesaid improvements or the repair of any broken or damaged improvements. To secure the performance of this obligation, the Owner shall provide Owner Surety until payment of the Phase Two Incentive as described above.

G. Stop Work Orders:

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.

H. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner
and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

I. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, Owner shall provide the Owner Surety in a form consistent with the Owner Surety referenced hereinabove. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke the Owner Surety. Owner shall, within 15 business days following written notice from the City, pay all such costs.

J. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement. The Parties acknowledge that no buildings are to be constructed on the North Lot.
K. **Fire Suppression / Alarm:**

The Owner shall install a full fire alarm and fire suppression system in compliance with applicable code requirements and shall, except during reasonable periods of maintenance, thereafter keep such systems in service, operational and in good repair within the Building on the Property.

**ARTICLE IV: PROJECT STAGING:**

The Parties acknowledge that the construction of the project upon the Property shall be staged, and further acknowledge that all public hearings required to grant the zoning relief contemplated herein have already been conducted. The Parties further acknowledge that the timeline contained in this Agreement may be extended by the City Council from time to time without requiring an amendment of this Agreement. No public hearing shall be required for approval of the final plans, in accordance with this Agreement.

1) The Owner shall complete the acquisition of all parcels comprising the Property as soon as possible.

2) The Parties acknowledge that portions of the Property may remain in use pending completion of the renovation/construction on the Property, and pending the date of rightful and/or voluntary termination of the subject leases.

3) The Owner shall proceed to expeditiously remediate and/or demolish the Plaza Building as quickly as possible after purchasing the same. Said work shall include the safe abandonment of existing utility connections in accordance with the requirements of the utility providing such service; no existing utility connections shall be reused unless reasonably acceptable to the utility providing said utility service.

   a. Demolition shall be performed in accordance with the applicable laws and regulations, and the conditions (if any) imposed under the terms of the City Demolition Permit issued. At any time after approval of this Agreement, the City shall issue a demolition permit upon the request of Owner, memorializing all such conditions, subject to payment of the demolition permit fee.

4) The Parties acknowledge that exterior repairs to the roof and the front, Lincoln Highway elevation of the 223/229 Building, including removal of face brick on the front façade, and removal and replacement of windows on the front façade may begin pursuant to a properly issued building permit but prior to final approval by the City Council. Brick and window selection, and brick patterns used on the front façade shall be subject to the review and approval of the Community Development Director for conformance with existing conditions, which approval shall not be unreasonably withheld. The existing cornice shall remain in place or removed and replaced, and may be painted a color that is complimentary to the final brick color.

5) At such time as Owner has acquired ownership of all portions of the Property, Owner shall work in collaboration with the City to submit final plans for review and approval by the City.
a. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the Plans attached hereto. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. Upon approval of the final plans by City staff, such final plans shall be forwarded to the City Council for review and approval, which approval shall not require any additional public hearing. Proposed final plans shall be submitted for review by City staff within sixty (60) days of the date of acquisition of the last of the parcels comprising the Property, and the Owner and City shall in good faith endeavor to complete revision of said final plans, if any, as expeditiously as reasonably possible. The City shall not unreasonably withhold or condition approval of the final plans, provided that they are in substantial conformance with the concept plans and the conditions and restrictions contained in this Agreement.

6) Upon approval of the final plans by the City Council, Owner shall expeditiously seek and apply for building permits and shall undertake construction or renovation of the buildings on the Property,

7) Owner shall complete all construction on the Property within eighteen (18) months of the date of approval of the final plans by City Council.

ARTICLE V: INFRASTRUCTURE:

A. Water Mains and Potable Water Supply:

The Property is currently serviced by an existing connection to the City's potable water system. The Owner shall have the right to connect to and use such system and mains upon payment of the costs of connecting to the City's water mains and the costs of any water meters or related devices. Owner shall not be required to pay tap-on, connection or water capital fees. 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. Storm Water Retention, Facilities and Improvements:

Except with respect to existing improvements, which the City acknowledges are compliant with current regulations, the Owner shall provide all necessary storm sewers, detention systems and compensatory storage in compliance with the UDO, the existing flood plain ordinance of the City and all other applicable laws and regulations, as modified or amended pursuant to the terms of this Agreement including all storm water calculations prepared by a licensed Illinois engineer. The Owner shall provide for the insurance, real
estate taxes and maintenance of any Owner-constructed, on-site Retention/Detention areas including but not limited to mowing and landscape maintenance, regular litter pickup, flume repairs and underground pipe cleaning or repairs. The Owner agrees to follow DeKalb County and City of DeKalb stormwater release rate regulations as amended from time to time, and any other applicable ordinances, statutes or regulations in effect at the time of development. The storm water facilities and combined storm water control and detention system shall be constructed in accordance with specifications as required by the City Engineer.

C. **Sanitary Sewers:**

The City shall cooperate with the Owner and execute all applications, permit requests and other documents required to obtain sanitary sewage treatment service from the DeKalb Sanitary District in order to allow the Owner’s connection to the existing and future sanitary sewer lines installed on the interior and exterior of the Property. The Owner shall pay to the requisite governmental entity their respective shares of all permits, inspection and tap on fees that are required at the time of connection to such sanitary sewer system. It shall be the Owner’s responsibility to contact the DeKalb Sanitary District to ascertain the status of and make the appropriate contributions toward any existing recapture agreements pertaining to sanitary sewer lines, lift stations or other sanitary system infrastructure, or contributions, accommodations, or agreements regarding the oversizing of sanitary sewer lines or other sanitary system improvements required by the DeKalb Sanitary District. No separate sanitary sewer fees are due to the City, except for standard building permits, connection and inspection fees, and any fees collected by the City on behalf of the DeKalb Sanitary District payable City-wide as a condition to connection to and the use of the system by all properties.

D. **Utility Connections:**

The installation of the necessary and appropriate on-site electric, natural gas, cable, television, telephone facilities, and future internet access facilities (when available) to the Property shall be by underground installation and pursuant to the requirements of such utility companies or pursuant to the agreement of the City with such entities and at no cost to the City. The City agrees to cooperate with the Owner to permit the extension of all such utilities along existing public right-of-ways and/or City owned property and otherwise allow the extension of all necessary utilities to the Property, provided, however, that the City’s agreement to cooperate with the Owner to allow the extension of utilities to the Property shall in no way relieve the Owner of its obligations to obtain any and all easements and permits necessary to do so, at Owner’s sole cost and expense.

E. **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 VI: CONTINUATION OF CURRENT USES:

The zoning provided herein is expressly conditioned upon the Owner's completion of the improvements contemplated herein, as required by this Agreement and as described by the Plans. In reviewing the Development Agreement, the City has given due consideration to the continuation of such current uses. Accordingly, and notwithstanding any provision of the City Code, the UDO, or any other code, ordinance or regulation, now in effect or adopted during the term of this Agreement, and notwithstanding the City's zoning of the Property pursuant to the terms hereof, but subject to the express terms of this Agreement specifically relating thereto, the current uses of the Property shall be permitted to continue as provided herein. Such uses shall be permitted to continue on the Property for a period of twenty-four (24) months from the date of approval of the final plans and shall thereafter be prohibited, except that they shall be continued under the terms of this Agreement if the improvements required herein are completed. This Article shall not be interpreted to allow the expansion of the existing uses, or increase the intensity or scope of any nonconforming use. The Property shall continue to be maintained in accordance with all City property maintenance regulations. Notwithstanding the foregoing, nothing herein shall be deemed to limit the continued use of the South Property and the tenancies thereof through the rightful or natural termination of the leases.

ARTICLE VII: FEES AND CONTRIBUTIONS:

A. Specified Fees:

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.

1. School Impact, Park Impact and Sanitary District Impact Fees: The Parties acknowledge that the Property is contemplated pursuant to the terms of this Agreement, to be utilized in a fashion that does not invoke the payment of impact fees. However, the Parties agree and acknowledge that should the Property be used in a fashion inconsistent with the terms of this Agreement at a future date and should the Property thus trigger any obligation of the then-current impact fee ordinances or agreements in effect, the Property shall then be subject to the payment of such fees and this Agreement shall not preclude such fees.

2. Building Permit and Plan Review Fees: The Parties acknowledge that the Property is subject to building permit fees and planning, zoning and engineering review fees as proposed to be developed and constructed. The Owner shall
pay all such fees, which may be incorporated into the Owner's reimbursement request as a component of the Phase 1 or Phase 2 Development Incentive.

B. 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.

C. 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 including but not limited to the Owner Surety. 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 objection 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 Development.

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,
ARTICLE VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that the Property, viewed as a whole, has declined in value over the preceding thirty (30) years, notwithstanding the existence of a TIF District intended to improve property valuation. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Owner is undertaking a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate substantial new revenues for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce in the City’s Central Business District and other areas. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not acquire the properties, would not demolish and remediate unsafe and environmentally contaminated buildings, and would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive.

B. Development Incentive Defined:

The Owner commits that it shall invest not less than Six Million Dollars ($6,000,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of One Million Nine Hundred Thousand Dollars ($1,900,000), payable through two phases as described herein ("the Development Incentive"). In the event that Owner fails to incur the minimum Project Completion Costs of $6,000,000, then the Development Incentive shall be reduced pro-rata, in proportion to the reduction in Project Completion Costs (i.e. a 10% reduction in Project Completion Costs below the minimum threshold defined herein shall cause a 10% reduction in the Development Incentive).

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the buildings on the Property, incurred after the date of approval of this Agreement. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated
herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; management fees not to exceed twelve percent (12%) of total actual project costs; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of furniture for the fully furnished residential apartments; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Property and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to site assembly and acquisition costs, demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, costs associated with making permanent physical improvements to existing structures on the Property, and any other TIF eligible costs, whatsoever.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. The mortgage shall be recorded against the existing parcel in the Property that Owner owns, and shall subsequently be recorded against each remaining parcel comprising the Property at the time of purchase, to include and be a valid first lien against each such parcel. Said documents shall secure the payment of up to the full Phase 1 Incentive as described below, and shall contemplate and secure further advances up to that amount.

2. The approval of this Agreement shall constitute the full and final approval of the payment of a Phase 1 Incentive in the amount of Nine Hundred Fifty Thousand Dollars ($950,000). This sum shall be payable on an as-incurred basis towards TIF Eligible Costs incurred prior to the approval of the final plans, including but not limited to property acquisition costs, demolition and remediation costs, and professional fees associated with the design or engineering of the Property, or the project as a whole.
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 E. For payment of property acquisition costs at a real property closing, the City staff shall be authorized to make direct payment to the title company or escrow office processing the closing. Such payments, as time-sensitive payments, shall be processed in accordance with the established closing schedule for an individual real estate closing. For payment of other TIF Eligible Costs such as professional fees or related expenses, such payments shall be made on a monthly basis, again in accordance with Exhibit E. At the time of payment, Owner shall provide the City with satisfactory evidence of title and, at any closing consummated through a title company, shall provide the City with a lender's policy of title insurance.

b. The City's intention in providing direct payment of such expenditures, including property acquisition costs, is to secure a valid first mortgage on all properties comprising the Property, free and clear of any other superior liens or encumbrances other than property taxes (which Owner shall be obligated to pay under the terms of the Mortgage) and the Owner agrees to cooperate with such process and to preserve the City's valid standing as first lienholder. In the event that the Owner fails to complete the project on the Property within the timeline described herein, the City shall be entitled to foreclose upon said first lien status and to acquire the entirety of the Property through a judicial foreclosure, or through a deed in lieu of foreclosure.

c. Within ninety (90) days of the date of final plan approval, Owner shall submit to the City all invoices and expenses requested to be included in the Phase 1 Incentive, along with the documentation required under Exhibit E, and the City shall pay such expenses in accordance with the provisions outlined above, up to the maximum amount of the Phase 1 Incentive. Any expenses in excess of that maximum amount shall be carried forward to the Phase 2 Incentive, unless the City Council authorizes earlier payment of the same.

3. Following the time of approval of the final plans, it is contemplated that Owner shall transition from City-funded payment of expenditures to private construction financing and/or a bridge loan. After the date of final plan approval, the City Manager shall be authorized to and shall reasonably sign and execute upon Owner’s request any agreement or document required to subordinate the City’s first lien (as described above) to Owner’s private financing of the project, and the City shall so subordinate its lien for any financing required by Owner for completion of the improvement of the Property and construction of improvements on the Property or refinancing of the same upon the request of the Owner.

4. At such time as the Owner obtains a final certificate of occupancy on the Property, it is contemplated that the Owner will transition from construction financing to permanent financing. For purposes of this Agreement, a final certificate of occupancy shall apply at such time as the City issues a final
certificate of occupancy certifying that all buildings on the Property are habitable. At such time, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the Phase 2 Incentive, which shall consist of the payment of TIF Eligible Expenses up to the full Development Incentive of One Million Nine Hundred Thousand Dollars ($1,900,000) (i.e. if the Phase 1 Incentive reaches the full $950,000, then the Phase 2 Incentive shall be $950,000. If the Phase 1 Incentive is only $750,000, then the Phase 2 Incentive shall be up to $1,150,000). The Phase 2 Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Owner’s permanent financing, and any subsequent private financing obtained by the Owner. After approval of the final plans, no further City Council approval of the Phase 2 Incentive shall be required, and City staff shall take all such actions as shall be necessary to effectuate such payment.

a. In the event that the Project Completion Costs do not include $1,900,000 of TIF Eligible Expenses, then the City shall pay the Phase 2 Incentive in an amount equal to the total of all TIF Eligible Expenses less the Phase 1 Incentive. The remaining balance between the total Phase 1 and Phase 2 Incentives and $1,900,000 shall be deemed the Carryover Incentive (i.e. if the Phase 1 Incentive equals $750,000 and the total TIF Eligible Costs equal $1,400,000, then the Phase 2 Incentive shall equal $650,000 and the Carryover Incentive shall equal $500,000).

b. The Carryover Incentive, if any, shall be payable solely from sales tax and restaurant and bar tax generated on the Property on or after the date of the final certificate of occupancy. The Carryover Incentive shall be payable on an as-generated basis based upon amounts actually received by the City. The Owner acknowledges that the City receives periodic payments of the taxes described in this subsection, and the City shall forward payments towards the Carryover Incentive annually, no later than December 31 of every year based on payments received within the preceding twelve months.

E. 

Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive, payable through the generation of revenues from the development of the Property after the date of final plan approval.

1. Calculation of Property Tax Generated During Term of TIF District: The Parties agree that the equalized assessed valuation of the parcels comprising the Property as of the date of creation of the TIF District (and from which the TIF
increment is calculated) is $180,623 ("the Base TIF Valuation"). The Parties also acknowledge that for the remaining duration of the TIF District, new increment generated by the development of the Property shall be payable into the TIF. Accordingly, for the remaining years of the TIF District, one hundred percent of the TIF increment generated from the Property, based upon the increase in equalized assessed valuation over the Base TIF Valuation, shall be included as payment towards the forgiveness of the Development Incentive. Owner shall receive a 100% credit for all new increment generated in the TIF District during the remaining years of the TIF District without any regard to surplus declarations or intergovernmental agreements affecting the distribution of such TIF increment.

2. Calculation of Property Tax Generated After Term of TIF District: The Parties agree that the present day equalized assessed valuation of the parcels comprising the Property as of the date of this Agreement, based upon 2016 taxes payable in 2017, is $142,752 (the "Present Valuation"). Based upon the Present Valuation and application of the City's property tax rate for 2016, payable in 2017, and without regard to the TIF District, the taxing districts would have collectively received $18,039.54 in total property tax from the Property for the aforesaid tax year (the "Base Property Tax"). In the first year that the City does not receive TIF Increment from the TIF District, and in each subsequent year until the loan is fully forgiven or the end of the Forgiveness Period as defined herein, Owner shall receive a credit for New Property Tax Receipts from the Property. For purposes of this Agreement, the "New Property Tax Receipts" shall be defined as the positive amount, if any, received as actual property tax revenue by all affected taxing districts from the Property in excess of the Base Property Tax, based upon increases in the then-current assessed valuation of the Property and/or increases in the property tax rates, or a combination thereof.

3. Calculation of Sales Tax, Restaurant and Bar Tax and Hotel-Motel Tax: One hundred percent of all sales tax, restaurant and bar tax and hotel-motel tax generated from the Property after the date of issuance of the final certificate of occupancy and which is actually received by the City (either through direct collection by the City or through payments from any state agency engaged in collecting such taxes) shall be credited against the Development Incentive until the loan is fully forgiven or the end of the Forgiveness Period as defined herein. Owner shall receive a credit for all such tax generated from the Property.

4. The Forgiveness Period shall be for a period of thirty (30) years, commencing upon the date of payment of the Phase 2 Incentive (or the date of payment of the last portion thereof), and concluding on the date which is the thirtieth anniversary of said date. Notwithstanding the foregoing, all revenues which count towards the forgiveness of the development incentive as provided herein, which are generated on or after the date of issuance of a final certificate of occupancy for the buildings on the Property, shall be credited against the Development Incentive, even if such revenues accrue prior to the start of the thirty-year forgiveness period.
The total of new revenue credits as calculated under the preceding Sections VIII(E)(1), (2) and (3) shall collectively comprise the Incentive Repayment. If, upon conclusion of the Forgiveness Period, the Incentive Repayment has failed to equal the total of the Development Incentive paid under this Agreement, then the remaining balance shall not be forgiven and shall be a debt due and owing to the City requiring repayment within one hundred twenty (120) days of Owner's receipt of written notice of same from the City. The City may, at such point, enforce its right of repayment by virtue of a contract action seeking damages for violation of this Agreement (if Owner refuses to pay upon demand), may initiate an action for foreclosure of the City's mortgage(s), or may pursue such other legal or equitable remedies as may exist.

F. Limitation of Liability:

The Parties acknowledge that the City's liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City's Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City's TIF Districts. With regard to forgiveness of a portion of the Development Incentive under subsection VIII(E)(3) above, the sole source of funds for such forgiveness shall consist of revenues actually received by the City as defined above. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City's rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City's annual budget adopted in accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions as in effect now and as hereafter amended.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Acknowledgment of Application of Operational Standards:

The Parties acknowledge and agree that the provisions of this Article IX relating to the operation of the Property following its rezoning and redevelopment are critical and integral to the zoning standards provided for herein. The Owner agrees and acknowledges to comply with the following standards and requirements, and acknowledges that they have been drafted to address the public safety concerns otherwise arising out of the operation of a development with a zoning density that exceeds the density otherwise contemplated by permissible zoning allowances.

B. Operation and Lease Provisions:

In consideration of the provisions herein and in order to construct and maintain a
development of the quality intended by the Owners and expected by the City, the Owners agree to secure, through covenants, operational policies or other means acceptable to the City, to provide management of the Property that will comport with the following standards, subject to applicable superior governmental mandates:

1. Any unit rented shall have a written lease that shall include a Crime Free Housing Lease Addendum in the format then-currently approved by the City.
2. Any person living in any rental unit, except for children under the age of eighteen (18), must be a party to the lease and must sign the lease.
3. A thorough criminal background check and other screening shall be implemented to all prospective tenants where permitted by law, a thorough credit check shall be implemented to all lease guarantors where permitted by law, and the Owner shall, to the fullest extent permissible under the applicable laws, make responsible tenant approval decisions based upon such information.
4. Each individual unit shall satisfy all restrictions on consanguinity imposed under applicable City Codes or Ordinances.

Owner agrees and acknowledges that it believes each of the foregoing conditions are fully in accordance with all applicable superior governmental mandates, and that it intends to enforce such requirements based upon current law. The Owner shall utilize appropriate measures to restrict access to the residential common areas on the Property, so as to provide for the security of the premises. The Owner shall implement access controls so as to ensure that, at minimum, the common areas are secure from public access between the hours of 10:00pm until 6:00am.

The Owner shall provide not less than monthly cleaning services to each residential unit on the Property, and shall make monthly entrance into each unit to confirm compliance with all lease provisions and applicable restrictions. The Owner shall maintain a log of such cleanings completed, and shall provide the same to the City upon request.

Owner shall either manage the Property itself, or shall utilize a professional property manager for the purpose of managing the Property, and shall ensure that exterior areas and the buildings on the Property are maintained and utilized in accordance with all applicable codes and regulations.

C. **Public Safety Regulations: Trespass/Patrol Agreement:**

The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the apartment buildings in each phase of the Property (including but not limited to the
common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

D. Knox Boxes:

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 all primary building entrances on the Property.

E. Crime Free Housing and Inspection Coordination:

The Owner acknowledges that the City operates a Crime Free Housing Program requiring property lessors to register with the City and to undertake certain training and notification requirements. Owner agrees to comply with the then-current requirements of such a program, unless Owner reasonably demonstrates that its property manager has already completed such training and/or program. Further, the Parties acknowledge that the Crime Free Housing Program generally contemplates exterior inspections of properties to confirm compliance with applicable City Codes. Given the density of residential development contemplated for the Property, the Owner agrees that it shall coordinate and permit an annual inspection of the entirety of the Property by such personnel as the City shall reasonably designate, shall thereafter promptly remediate any violations observed during such inspections, and shall permit reasonable re-inspection to confirm that all violations have been corrected. The Owner shall also grant consent to the City to inspect the Property at any time the City receives a complaint from any third party regarding an alleged violation of applicable codes or regulations. Nothing herein shall prohibit the Owner from objecting to the existence of any alleged violation as noted by the City, as provided by law.

Inspections pursuant to this consent may be conducted by the City Police Department, Building, Public Works, or Fire Department staff, City Manager, or City Attorney, for purposes of determining compliance with the provisions of City Code, or for purposes of determining compliance with any other applicable code or regulation. The consent for inspection shall extend to any portion of the premises other than to an individual, presently leased residential space to which the Owner cannot unilaterally consent.
The Owner shall also, at any time that a given individual residential unit is not presently leased to a third party, grant the City reasonable access to such residential units for purposes of inspecting the same and verifying compliance with all City Codes. The Owner shall pay all fees associated with any generally applicable current or future inspection or registration program utilized by the City for commercial or residential rental properties. In the event that the City at any time terminates its Crime Free Housing Program or inspection protocol, the Property shall nonetheless continue to be inspection provisions otherwise provided by relevant City Code. With regard to individual residential units leased to third parties (i.e. tenants), the Owner shall utilize its best efforts to secure lawful access to the individual units for purposes of the inspection contemplated herein, but the Parties acknowledge the rights of individual tenants with regard to their occupancy of an individual unit.

F. **Common Area Surveillance:**

The Parties acknowledge that the Owner maintains or prospectively shall maintain cameras or other equipment utilized to provide video surveillance and security coverage for the common areas of the Property. The Owner agrees to provide to the City a connection and inter-link to any cameras so installed, so that the City can remotely monitor such common area surveillance videos from the City Police Department. The Owner shall be responsible for providing and maintaining all technology required to 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, 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. All security cameras and security equipment in place on the Property shall be maintained in good and fully-operable condition.

G. **Tenant Notification:**

The Parties acknowledge that, because of the density of this development, the Parties have agreed upon a proactive public safety policy to maintain a high-quality and safe development, and to prevent public safety concerns that could otherwise arise. The Owner shall provide each tenant or prospective tenant with a notice in a form acceptable to the City advising such tenants of the provisions of this Agreement pertaining to City of DeKalb involvement in policing common areas of the Property or otherwise inspecting or monitoring the Property.

H. **Notification Regarding Affordable Housing Status or Related Agreements:**

The Parties acknowledge that the Property is not anticipated to be utilized as affordable or subsidized housing, based upon the significant current supply of such housing within the community. Pursuant to applicable laws, this Agreement shall not prohibit such use. However, the Parties acknowledge that use of the Property as affordable or subsidized housing may have an impact on the services provided by the City and City-supported agencies or the demand for services. The Parties acknowledge
that the City would require time to be able to arrange for and provide such services through itself or City-supported agencies. Accordingly, not less than six (6) months before the date on which any agreement relating to any portion of the Property and affecting or pertaining to its use as affordable housing under federal or state laws (e.g. LIHFA agreements, HAP agreements, vouchers and other similar agreements) is proposed to be entered into, to be renewed or to be renegotiated, and not less than six (6) months before the Owner enters into any new or renewal agreement or terminates an existing agreement affecting or pertaining to the use of any portion of the Property as affordable housing under federal or state law, Owner shall provide the City with written notice of such agreement or circumstance.

I. Conflict with Federal Law and Regulations:

In the event that any provision of this Agreement conflicts with applicable federal laws or regulations, including those pertaining to affordable housing, the City and Owner recognize that the federal law shall supersede local regulation to the extent required under federal law. Nothing in this Agreement shall be construed in a fashion that violates any federal statute governing affordable housing. Notwithstanding the foregoing, the Owner and City agree and acknowledge that they have reviewed and negotiated the terms of this Agreement with great care and precision, and both agree and covenant that they believe in good faith that the terms hereof are in compliance with all applicable laws. In the event that a federal law supersedes any provision hereof, the Parties agree that they shall negotiate in good faith to approve an amendment to this Agreement that complies with the applicable federal law, and which accomplishes the objective of the term of this Agreement which violates federal law.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the acquisition, demolition and remediation of existing structures and for the construction of building additions and improvements. Those timelines may be extended by the City Council, with agreement of the Owner, from time to time by resolution, without requiring an amendment of this Agreement, for good cause shown by Owner, in the
Council’s discretion. The Parties acknowledge that this Agreement is structured with a forgivable incentive, forgiven through the generation of property and sales tax revenue from the Property. The Parties also acknowledge that there is an existing TIF District with a limited number of years remaining on its term, and during the term of that TIF District, the forgiveness of the Development Incentive is greatly expedited due to the generation of TIF increment that is credited against the Development Incentive. Accordingly, the Parties acknowledge that the failure of the Owner to comply with the timeline indicated herein, even if consented to by the City, will be at the Owner’s peril, as it may jeopardize the project’s ability to generate adequate revenues that are credited to Owner under this Agreement, and may thus generate an obligation for Owner to repay a portion of the Development Incentive to the City.

2. In the event that Owner, through its fault, fails to acquire all of the parcels comprising the Property, the City may exercise the remedies described herein (foreclosure, suit for damages, deed in lieu of foreclosure or other remedies permitted by law) to recover the properties that were acquired and/or pursue damages for breach of contract.
   a. Owner shall provide the City with written notice upon its successful closure of a real estate transaction, wherein ownership of any portion of the Property shall be transferred entirely from the current ownership to Owner. This transaction and notice shall occur within the timelines described in this Agreement (unless otherwise extended by mutual, written agreement of the City and Owner). It is the Owner and the City’s express and joint agreement that this Agreement and the incentives offered and zoning imposed hereunder is expressly intended to be contingent upon the Owner taking ownership of the Property, and that if the change in ownership does not occur, this rezoning shall be subject to revocation consistent with the process outlined herein. The Parties agree that this Agreement and the approvals, incentives and zoning conferred hereunder is subject to limits on transfer or assignment as provided in Section XIII(D)(2) below, and that this zoning shall be subject to revocation if the Owner fails to becomes the actual owner of the entirety of the Property.

3. In the event that Owner fails to construct the buildings on the Property, or fails to complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

4. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in substantial compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45) 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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

The violation of any provision of this Agreement may be deemed by the City to be a violation of the PD-C zoning contemplated herein, which may be prosecuted in the fashion of any other violation of the City’s Uniform Development Ordinance, or may be grounds for initiation of a proceeding under Article XIII (K) hereof.

ARTICLE XII: TERM:

The Parties acknowledge that this Agreement has been negotiated in furtherance of the designation of the Property with PD-C zoning that authorizes the high density
contemplated herein. The Parties also acknowledge that this Agreement memorializes a Development Incentive with a repayment term of up to thirty (30) years from the date of final plan approval. Accordingly, except as otherwise provided herein, it is the intention of the Parties to maintain this Agreement in full force and effect for the full duration of the time that the Property maintains PD-C zoning and, to the fullest extent of the law, the Parties intend that this Agreement not terminate unless and until the Parties agree to amend this Agreement.

In the event that the law requires any lesser term for this Agreement, then this Agreement shall remain in full force and effect for the maximum duration permitted by law, and in the event that any applicable law requires the specification of a duration, such duration shall be not less than fifty (50) years.

ARTICLE XIII: MISCELLANEOUS:

A. Amendment:

This Agreement, and the exhibits attached hereto, may be amended only by mutual consent of the City and Owner of an affected Parcel, by adoption of an ordinance 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 zoning of the Property is ruled invalid, in whole or in part, the Corporate Authorities, 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, lessees, 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. This Agreement may be assigned 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 all final certificates of occupancy on the Property are issued, and all of the improvements described in the approved final plans have been constructed. 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.

   a. The Owner may request that the City pay a portion of the Phase 1 Incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

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:
City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2060
Email: Annemarie.gaura@cityofdekalb.com

City Attorney
City of DeKalb
200 South 4th Street
If to the Owner:
Plaza DeKalb, LLC
C/o John Pappas, Member/Manager
3 Fairway Circle
DeKalb, IL 60115

With a Copy To:
Mark P. Doherty
The Doherty Law Firm, LLC
125 North First Street
DeKalb, IL 60115
Email: mark@dohertylawfirm.com

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:**

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 insured without right of subrogation.

The Parties acknowledge that this Agreement contemplates the payment, including direct payment, of expenses associated with the redevelopment of the Property under the Phase 1 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.

H.  Exhibits:

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

| Exhibit A: | Legal Description of the Property |
| Exhibit A-1: | Legal Description of the North Lot |
| Group Exhibit B: | Plans |
| Exhibit C: | No-Trespass / Patrol Agreement |
| Exhibit D: | Traffic Enforcement Agreement |
| Exhibit E: | Project Cost Documentation Requirements |
| Group Exhibit F: | Form of Promissory Note, Corporate Undertaking, Mortgage |
| Exhibit G: | Waiver of Objection to Special Service Area |
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. **Revocation of Zoning and Termination of Planned Development Agreement:**

In the event that the Owner: 1) fails to complete the transaction or fails to provide the notice required herein; 2) notifies the City that it is not going to complete the transaction; or, 3) otherwise violates the terms of this Agreement, the City shall issue a written notice to Owner. Said notice shall indicate that the City shall terminate the Agreement in accordance with this provision, after affording the Owner an opportunity to present evidence as to why the Agreement has not been violated, in a due process hearing before an officer mutually agreeable by Owner and the City, conducted in the same fashion as a hearing to revoke a Special Use. After the conduct of such hearing, and provided said officer agrees, the City shall be authorized and entitled to terminate this Agreement, at which time the Property shall be converted back to its previous status as Central Business District zoning, the right to payment of any further portion of the Development Incentive shall terminate, and the City shall record a notice of such zoning change against the Property. The Owner and City have devised and agreed to the process contained herein so as to afford the Owner with a due process proceeding and so as to avoid an unlawful zoning reversion.

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 DEKALB, an Illinois Municipal corporation

By: Jerry Smith, Mayor

[Signature]

Attest
City Clerk
OWNER:

PLAZA DEKALB, LLC, an Illinois Limited Liability Company.

By: [Signature] Attest: [Signature]
The Property is legally described as:


THE EAST 20 FEET OF LOT 54 (EXCEPT THE SOUTH 12 FEET THEREOF AND EXCEPT THE NORTH 35.12 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 IN THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, SITUATED IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 56 (EXCEPT THE SOUTHERLY 6 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, OF THE COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 55 (EXCEPT THE SOUTHERLY 6 FEET), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-23-159-035, 08-23-159-046, 08-23-159-050, and 08-23-159-051. The subject property is located at 124 N. 2nd St., 203 E. Lincoln Highway, 209 E. Lincoln Highway, 223 E. Lincoln Highway, and 229 E. Lincoln Highway DeKalb, IL, and generally located at the northeast corner of E. Lincoln Highway and N. Second St.
Exhibit C: No Trespass / Patrol Agreement

Common Area Patrol / No-Trespass Enforcement Agreement

Property Address: 124 N. 2nd St. 223-229 E. Lincoln Hwy. Dekalb, IL

Commonly Known As: 124 N. 2nd St. 223-229 E. Lincoln Hwy. Dekalb, IL

Property Owner: Plaza DeKalb, LLC

Contact #: 1815-970-0905

Property Manager: John Pankes

Contact #: 1815-970-0905

24 Hour Contact #: Same

This Common Area Patrol / No-Trespass Enforcement Agreement ("Agreement") is entered into by and between the Owner of the Property identified above ("Owner" and "the Property") and the City of DeKalb ("City"). Under the terms of this Agreement, the Owner expressly authorizes and requests that the City utilize its Police Department and City Employees to undertake the following actions:

- **No-Trespass Warnings and Arrests**: The Owner appoints the City of DeKalb, its employees and agents, as an agent of the Owner, authorized and requested to undertake any actions which the Owner could lawfully take with regard to persons unlawfully present relative to no-trespassing laws and ordinances on any public or private area of the Property. The City's personnel shall be deemed to be representatives of the Owner for purposes of enforcing no-trespass laws and ordinances and signing and testifying with regard to related complaints only. This includes providing no-trespass warnings, verbal or written, to any person on the Property other than a tenant of the Property. The City shall also be authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated such a no-trespass warning, or who remains on the Property after being asked to leave. The City has the complete authority to enforce any State Statute or City Ordinance relating to trespass. The City shall maintain accurate records of all persons who have been advised not to trespass on the Property and shall provide a copy of the same to Owner upon request.

- **Patrol Common Areas**: The City, its employees and agents are authorized and requested to enter into any common area of the Property that is accessible either to the public or to tenants of the Premises, including parking lots, open spaces, common hallways, gathering areas, or other similar common areas of the Property,
for purposes of patrolling, observing, and enforcing the Codes and Ordinances of the City of DeKalb or any applicable State Statutes. For purposes of this Agreement and any charges arising out of the City’s activities on the Property, the City and its personnel shall be deemed to have been invited upon the common areas of the Property. Notwithstanding the foregoing, this shall not constitute authority for the City to enter into tenant private areas (e.g. individual tenant apartments or individual tenant businesses) without required legal authority (such as a search warrant, probable cause, exigent circumstances, etc. where required). The City is authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated a State Statute or City Ordinance.

- **Report Cars for Relocation:** Owner employs the entity described at signs posted at the Property for purposes of relocating unlawfully parked cars from the Property (and Owner shall maintain such postings in accordance with City Code). The City is authorized and requested to contact the tow relocator to report any vehicles on the Property that appear to be unlawfully parked, so that said vehicles may be towed in accordance with applicable regulations.

- **Provisions of Development Agreement:** Owner shall further permit and consents to the conduct of any access or inspection authorized under the terms of any Development Agreement entered into by Owner and the City which is recorded against the Property of public record.

The Owner agrees that, if necessary, Owner or its authorized representative shall appear at any trial or proceeding arising out of the performance of this Agreement. Owner further acknowledges that the City shall not have any duty to patrol the Property, and that the Owner is responsible for the condition and monitoring of its Property. The City is not undertaking any special relationship with or obligation to Owner, other than the authority to enter the Property’s common areas, and to take the actions outlined above. The City is not an agent or representative of the Owner for any purpose other than having authority to provide warnings or direct persons to leave the Property, and for serving as complaining witness and for signing complaints for legal violations occurring on the Property.

The City agrees that it shall provide notice to the Owner of any legal violations occurring on the Property upon request, and also in accordance with the requirements of City Code.

Owner shall post appropriate signage on the Property advising that its common areas, including but not limited to parking lots and open areas, are posted for No Trespassing, and appropriate signage advising of any parking restrictions for vehicles in its parking lots. Owner is encouraged to post additional signage advising that the Police Department may engage in regular patrols of common areas.

This Agreement shall remain in full force and effect until terminated in writing by either party. Notices shall be delivered to Owner at the address listed above, or to the City at
200 S. Fourth Street, DeKalb, Illinois, 60115, Attention City Attorney.

Agreed this 23rd day of August, 20_.

Owner or Representative:

City of DeKalb:
WHEREAS, Plaza DeKalb, LLC, its affiliates or subsidiaries (hereinafter collectively “OWNER”), is the Owner of a certain commercial or residential facility, or other facility as described in the Illinois Vehicle Code identified below, and named or identified as “Plaza DeKalb”; and,

WHEREAS, the OWNER and the CITY are desirous of protecting the public health, welfare and safety by the regulation of vehicles in those areas of the COMPLEX which have not been dedicated to the CITY and are intended for public use; and

WHEREAS, it is intended by the parties that this Agreement should apply to any property in the COMPLEX where a question may arise as to whether any particular portion of the COMPLEX which is intended to be or become public property through dedication or otherwise, has been so dedicated, or to any portion which is to remain private property but available for general public use; and

WHEREAS, the CITY has the authority to contract with the OWNER to provide such regulation under the provisions of §11-209 of the Illinois Vehicle Code (625 ILCS 5/11-209);

IT IS THEREFORE AGREED by and between the OWNER and the CITY, in consideration of the public health, welfare and safety, as follows:

1. That the CITY is empowered to accomplish all or any part of the provisions enumerated in the above referenced statutory provision, including, but not limited to the following, within the COMPLEX:

   A. Erect traffic regulatory signs, parking, including handicapped parking, and all other traffic control signs.

   B. Regulate the turning of vehicles or restrict vehicle types.

   C. Regulate pedestrian crosswalks within parking lots.

   D. Designate one-way traffic lanes.

   E. Establish and regulate loading zones.

   F. Regulate stopping, standing or parking in specified areas of lots.

   G. Designate fire lanes and safety zones.
H. Provide for removal and storage of vehicles during public emergencies, or of abandoned vehicles, and the payment of reasonable charges therefor.

I. Provide for cost sharing of planning, installation and maintenance of traffic regulations.

J. Contract for or provide by ordinance, resolution or other official action of the CITY, reasonable additional rules.

2. That the cost of the planning, installation and maintenance of parking and traffic regulations, markings, signs, striping and painting pursuant to this Agreement, and pursuant to the Development Agreement between the parties and the subdivision control ordinance of the CITY, shall be borne by the OWNER. OWNER shall be responsible for maintaining all traffic control measures and markings within the Property in good condition.

3. This Agreement shall be effective and enforceable three days after it has been recorded in the Office of the Recorder of Deeds of the county in which the COMPLEX is located and shall continue to be in full force and effect for a period of twenty years, except that after one year from the effective date of this Agreement, either party may cancel this Agreement upon sixty days’ written notice to the other party.

EXECUTED this 23rd day of August, 2014.

CITY OF DEKALB, DEKALB COUNTY, ILLINOIS

By: [Signature]

John Pappas
OWNER

[Signature]
Exhibit E: 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.
  - If property acquisition is included in the project costs, the third section must include a copy of the closing statement and deed for the property.
  - 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.
GROUP EXHIBIT F: Form of Promissory Note, Corporate Undertaking, Mortgage

COMPANY UNDERTAKING
for
PLAZA DEKALB, LLC

WHEREAS, the company known as Plaza DeKalb, 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 23rd day of August, 2017, 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 Plaza DeKalb Planned Redevelopment 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 Redevelopment 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) "Redevelopment Agreement" shall mean that certain Plaza DeKalb Planned Redevelopment 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 Redevelopment 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 shall be 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 Redevelopment 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
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 Redevelopment 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 Redevelopment 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 Redevelopment 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 subsequently invalidated, 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:  
John Pappas  
Member  
Plaza Development, LLC
Exhibit 1

The Property is legally described as:


THE EAST 20 FEET OF LOT 54 (EXCEPT THE SOUTH 12 FEET THEREOF AND EXCEPT THE NORTH 35.12 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 IN THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, SITUATED IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 56 (EXCEPT THE SOUTHERLY 6 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, OF THE COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 55 (EXCEPT THE SOUTHERLY 6 FEET), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-23-159-035, 08-23-159-046, 08-23-159-050, and 08-23-159-051. The subject property is located at 124 N. 2nd St., 203 E. Lincoln Highway, 209 E. Lincoln Highway, 223 E. Lincoln Highway, and 229 E. Lincoln Highway DeKalb, IL, and generally located at the northeast corner of E. Lincoln Highway and N. Second St.
PROMISSORY NOTE

DeKalb, Illinois

On (date), for value received, Plaza DeKalb, 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 ONE MILLION NINE HUNDRED THOUSAND DOLLARS ($1,900,000.00) (the "Face Value"). Repayment hereof shall be subject to the terms and conditions of that certain Plaza DeKalb Planned Redevelopment Agreement by and between said Plaza DeKalb, LLC, and the City of DeKalb, executed on (date), relating to the development of the property commonly 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 Redevelopment Agreement, and shall include a reduction of the balance due equal to sales and property tax revenues generated consistent with said Redevelopment 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 Redevelopment 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 Development 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 Redevelopment Agreement.

Plaza DeKalb, LLC

By: John Pappas, Member
Exhibit 1

The Property is legally described as:


THE EAST 20 FEET OF LOT 54 (EXCEPT THE SOUTH 12 FEET THEREOF AND EXCEPT THE NORTH 35.12 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 IN THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, SITUATED IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 56 (EXCEPT THE SOUTHERLY 6 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, OF THE COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 55 (EXCEPT THE SOUTHERLY 6 FEET), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-23-159-035, 08-23-159-046, 08-23-159-050, and 08-23-159-051. The subject property is located at 124 N. 2nd St., 203 E. Lincoln Highway, 209 E. Lincoln Highway, 223 E. Lincoln Highway, and 229 E. Lincoln Highway DeKalb, IL, and generally located at the northeast corner of E. Lincoln Highway and N. Second St.
MORTGAGE

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

Future Advances Mortgage
Maximum Value: $1,900,000.00

THIS MORTGAGE, dated this 5th day of September, 2017, by Plaza DeKalb, LLC ("Mortgagor"), WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of One Million Nine Hundred Thousand Dollars ($1,900,000.00) payable to the City of DeKalb ("Mortgagor"), dated the same date as this Mortgage, whereby Mortgagor 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 Plaza DeKalb Planned Redevelopment Agreement executed on 8/23/17 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.: 08-23-159-035

which is referred to herein 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 lessee 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 $1,900,000.00, AND IS CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN PLAZA DEKALB PLANNED REDEVELOPMENT AGREEMENT ("REDEVELOPMENT 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 REDEVELOPMENT 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 REDEVELOPMENT AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE REDEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO REPAYMENT OF A DEVELOPMENT INCENTIVE AND THE OBLIGATION TO SECURE THE OWNER ESCROW (AS BOTH TERMS ARE DEFINED IN THE DEVELOPMENT 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 Redevelopment 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 Redevelopment 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 Redevelopment Agreement and all extensions, renewals, modifications or substitutions thereof to Plaza DeKalb, LLC, with a note amount of $1,900,000.00 (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 Redevelopment 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 Redevelopment 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 Redevelopment 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, 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.
10. In the event of default in performance of any Mortgagor's covenants or agreements herein contained, Mortgagee 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 Mortgagee 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. Mortgagee, 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 Mortgagee, 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) Mortgagee 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, then 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.

Plaza DeKalb, LLC

By:

John Pappas, Member

STATE OF ILLINOIS )
) ss
COUNTY OF DEKALB    )
I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John Pappas, authorized Member of Plaza DeKalb, 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 5th day of September, 2017.

[Signature]

Notary Public

"OFFICIAL SEAL"
MARK P DOHERTY
Notary Public, State of Illinois
My Commission Expires 1/25/19
EXHIBIT 1

Order No.: 17WNW224097GV

For APN/Parcel ID(s): 08-23-159-035

SUPPLEMENT TO MORTGAGE

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

Supplement to Future Advances Mortgage dated September 5, 2017, and recorded by the DeKalb County Recorder on September 11, 2017, known as Document No. 2017008849
(Maximum Value: $1,900,000.00)

THIS MORTGAGE, dated this 15th day of September, 2017, by Plaza DeKalb, LLC ("Mortgagor"), WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of One Million Nine Hundred Thousand Dollars ($1,900,000.00) 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 Plaza DeKalb Planned Redevelopment Agreement executed on August 23, 2017 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 NOS.: 08-23-159-051; 08-23-159-050; 08-23-159-046

which is referred to herein 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 lessee 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 $1,900,000.00, AND IS CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN PLAZA DEKALB PLANNED REDEVELOPMENT AGREEMENT ("REDEVELOPMENT 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 REDEVELOPMENT 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 REDEVELOPMENT AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE REDEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO REPAYMENT OF A DEVELOPMENT INCENTIVE AND THE OBLIGATION TO SECURE THE OWNER ESCROW (AS BOTH TERMS AREDEFINED IN THE DEVELOPMENT 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 Redevelopment 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 Redevelopment 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 Redevelopment Agreement and all extensions, renewals, modifications or substitutions thereof to Plaza DeKalb, LLC, with a note amount of $1,900,000.00 (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 Redevelopment 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 Redevelopment 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 Redevelopment 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, Mortgagee 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 Mortgagee 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. Mortgagee, 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 Mortgagee, 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) Mortgagee 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, then 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.

Plaza DeKalb, LLC

By: ____________________________

John Pappas, Member
STATE OF ILLINOIS           )
                           ) ss
COUNTY OF DEKALB          )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John Pappas, authorized Member of Plaza DeKalb, 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 15th day of September, 2017.

[Signature]

NOTARY PUBLIC

OFFICIAL SEAL
SUSAN M JOHNSON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 08/01/19
Exhibit 1
Legal Description

Parcel 1
The East 20 feet of Lot 54 except the South 12 feet thereof and except the North 76.12 feet thereof, all as measured perpendicular to the lot line in County Clerk's Subdivision of Block 12 in the Original Village (now City) of DeKalb, according to the plat thereof recorded in Book "C" of Plats, page 42, on September 15, 1902, situated in DeKalb County, Illinois.

Parcel 2
The South 125 feet of Lot 55 except the Southerly 6 feet, all as measured perpendicular to the lot line, in County Clerk's Subdivision of Block 12 of the Original Village (now City) of DeKalb, according to the plat thereof recorded in Book "C" of Plats, page 42, on September 15, 1902, in DeKalb County, Illinois.

Parcel 3
The South 125 feet of Lot 56 except the Southerly 6 feet thereof, all as measured perpendicular to the lot line of the County Clerk's Subdivision of Block 12 of the Original Town (now City) of DeKalb, according to the plat thereof recorded in Book "C" of Plats, page 42, on September 15, 1902, in DeKalb County, Illinois.

THIS IS NOT A HOMESTEAD PROPERTY

The property or its address is commonly known as 209 E. LINCOLN HWY, DEKALB, IL 60115; 223 E. LINCOLN HWY, DEKALB, IL; and 229 E. LINCOLN HWY, DEKALB, IL.

The property tax identification numbers are:
08-23-159-051; 08-23-159-050; 08-23-159-046
Exhibit G: 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, Plaza DeKalb, LLC by and through its Member/Manager, John Pappas, 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 see Exhibit 1, legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a mixed-use Planned Development.

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 backup source of funding to maintain common, private improvements located on and/or servicing the property. 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 Landowner 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 landowners 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: 

Its: ________________________________

SUBSCRIBED AND SWORN to before me this 23rd day of

August 2017

NOTARY PUBLIC

"OFFICIAL SEAL"
RUTH A. SCOTT
Notary Public, State of Illinois
NOTARY ID 803785
My Commission Expires 6/26/18

THE EAST 20 FEET OF LOT 54 (EXCEPT THE SOUTH 12 FEET THEREOF AND EXCEPT THE NORTH 35.12 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 IN THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, SITUATED IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 56 (EXCEPT THE SOUTHERLY 6 FEET THEREOF), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, OF THE COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS. THE SOUTH 125 FEET OF LOT 55 (EXCEPT THE SOUTHERLY 6 FEET), ALL AS MEASURED PERPENDICULAR TO THE LOT LINE, IN COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

The aforementioned legal description is comprised of Parcel Identification Numbers (PINs) 08-23-159-035, 08-23-159-046, 08-23-159-050, and 08-23-159-051. The subject property is located at 124 N. 2nd St., 203 E. Lincoln Highway, 209 E. Lincoln Highway, 223 E. Lincoln Highway, and 229 E. Lincoln Highway DeKalb, IL, and generally located at the northeast corner of E. Lincoln Highway and N. Second St.
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 Common Facilities including, without limitation, the mowing and fertilizing of grass, pruning and trimming of trees and bushes, removal and replacement of diseased or dead landscape materials, aeration of stormwater basins, maintenance of underground stormwater facilities, the repair and replacement of monument signs, storm water detention basins, storm sewers and related areas and appurtenances, culverts, drains, ditches and tiles, landscape buffers and related areas and appurtenances, in the special service area, as well as the provision of snow removal services on public sidewalks along or within the area all in accordance with the final engineering plan and final plat of subdivision for the Area, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. Notwithstanding the foregoing, taxes shall not be levied hereunder and said Area shall be “dormant”, and shall take effect only if the applicable required owners association, condominium association or property owner fails to maintain, repair or replace the aforesaid required items and the City chooses to assume some or all of said responsibilities.

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.
RESOLUTION 2018-003        PASSED: JANUARY 8, 2018

AUTHORIZING AN AMENDMENT TO THE
ARCHITECTURAL IMPROVEMENT PROGRAM FUNDING
AND INCENTIVE AGREEMENT WITH THE FORGE
BREWHOUSE, LLC.

WHEREAS, the City of DeKalb (hereinafter referred to as “the City”), and The Forge
Brewhouse, LLC (“Forge”), have previously entered into an agreement dated March
27, 2017 (Original Agreement), a copy of which is attached hereto as “Exhibit B”; and

WHEREAS, after entering into the Original Agreement, Forge was unable to
execute the required improvements within a six month period; and

WHEREAS, Forge has requested an amendment to the Original Agreement that
would extend the deadline for required improvements; and

WHEREAS, the City desires to support Forge in continuing to move forward with
the improvements that will allow them to be open to the public.

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

Section One. That the Mayor of the City of DeKalb, Illinois, is authorized and directed
to execute an amended agreement with The Forge Brewhouse, LLC for facility
improvements to the property located at 216 N. Sixth Street, DeKalb, Illinois, a copy of
which is attached hereto and made a part thereof as Exhibit “A,” subject to such
changes as shall be acceptable to him.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting
held on the 8th day of January, 2018, and approved by me as Mayor on the same day.
Passed by a 7-0-1 roll call vote. Aye: Jacobson, Finucane, Fagan, Noreiko, Verbic,

ATTEST:

SUSANNA HERRMANN, City Clerk

JERRY SMITH, Mayor
AMENDMENT TO THE ARCHITECTURAL IMPROVEMENT PROGRAM (AIP) FUNDING AND INCENTIVE AGREEMENT DATED MARCH 27, 2017 BETWEEN THE CITY OF DEKALB AND THE FORGE BREW HOUSE, LLC

THIS AGREEMENT entered this 8th day of January, 2018, between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as "the City"), and Forge Brewhouse, LLC ("Forge"), TO WIT:

Address of Property to be improved: 216 N. Sixth Street, DeKalb, Illinois. ("Subject Property")

WITNESSETH:

WHEREAS, the City and Forge entered into an agreement on March 27, 2017 ("Original Agreement"), which identified certain improvements at the Subject Property for which the City would reimburse the Forge and the conditions for such reimbursement; and

WHEREAS, on March 27, 2017, the City Council approved Resolution 2017-047, authorizing an architectural improvement program (AIP) Economic Incentive with the Forge; and

WHEREAS, the Forge is requesting to amend the terms of the Original Agreement due to challenges preventing the execution of required improvements within the required deadline; and

WHEREAS, the City acknowledges the challenges preventing the timely execution of required improvements within the deadline; and

WHEREAS, the City and Forge now desire to amend the Original Agreement;

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

1. Section A(4) is amended to the following:

Improvements shall be completed within six (6) eighteen (18) months from the date of execution of this Agreement the Original Agreement by the City, and in such a manner as to comply with all conditions of approval of this Agreement, and all pertinent regulations, ordinances, or codes of the City or other authority having jurisdiction of Subject Property. In the event that Forge fails to complete the Approved Improvements within six months of the date of execution of this Agreement by the City, this Agreement shall be terminated without payment of any incentive. The Approved Improvements shall not be deemed complete until all such improvements are fully constructed and have received a final certificate of occupancy, approved final inspection and all other required approvals.
IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Original Agreement on the date first appearing above.

CITY OF DEKALB, ILLINOIS
A Municipal Corporation

Jerry Smith, Mayor

FORGE BREWHOUSE, LLC

City Clerk
Exhibit B

RESOLUTION 2017-047        PASSED: MARCH 27, 2017

AUTHORIZING AN ARCHITECTURAL IMPROVEMENT
PROGRAM FUNDING AND INCENTIVE AGREEMENT
FOR THE FORGE BREWHOUSE, LLC, 216 N. SIXTH
STREET.

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

WHEREAS, the building located at 216 North 6th Street ("the Premises") is to be leased
by the Forge Brewhouse ("Business"); and

WHEREAS, the Business has advised the City that they would be engaged in the
renovation of the Premises interior, with plans to improve the exterior facade; and

WHEREAS, the Business has proposed to commit the remaining and required funds for
the completion of renovation of the building on the Premises, subject to the City's
commitment to provide economic development grant funding for this project; 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 an
economic incentive to ensure the revitalization of an otherwise obsolete property.

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

Section 1. The City Council of the City of DeKalb hereby approves of the provision of a
City-funded incentive in an amount not to exceed $17,062.50, or that sum which is a pro-
rata share of the eligible costs for the Improvements as defined in the Agreement attached
hereto, for the above-described project. Said incentive shall be provided to the Owner as
a reimbursement of Tax Increment Financing District ("TIF") eligible project costs, to be
provided after submission of appropriate project cost documentation in form and content
acceptable to the Community Development Director. Said incentive shall be processed
by the City as a TIF-funded Architectural Improvement Program grant, repaid as a
forgivable loan as described below.

This incentive is provided contingent upon the following conditions:

a. The Owner shall invest not less than $56,000 on all improvements to the
Premises, and such improvements shall be completed within six months of the
date of passage of this Resolution;

b. The Owner shall execute an Architectural Improvement Project agreement
substantially in the format attached hereto as Exhibit A, with such revisions as
shall be acceptable to the Mayor of the City of DeKalb with the recommendation
of the City staff. Said agreement shall be executed within thirty days of the date of passage of this Resolution.

c. The City's reimbursement shall be provided on an as-incurred basis, following the submittal of appropriate project cost documentation in form and content acceptable to the Community Development Director.

d. The project and the Premises shall comply with all applicable codes, ordinances, regulations and restrictions, inclusive of the regulations contained in the Agreement approved herein.

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 City Council approval of bids or vendors utilized by Owner and waives any applicable competitive bidding requirement (except to the extent required under the Agreement).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting thereof held on the 27th day of March, 2017, and approved by me as Mayor on the same day. Passed by an 8-0 roll call vote. Aye: Jacobson, Flanucane, Marquardt, Snow, Noreiko, Baker, Faivre. Rey.

ATTEST:

[Signature]

JENNIFER JEEP JOHNSON, City Clerk

[Signature]

JOHN A. REY, Mayor

[Seal]
CITY OF DEKALB
ARCHITECTURAL IMPROVEMENT PROGRAM (AIP) FUNDING
AND INCENTIVE AGREEMENT

THIS AGREEMENT entered this 27th day of March, 2017, between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as "the City"), and Forge Brewhouse, LLC ("Forge"), TO WIT:

Address of Property to be improved: 216 N. Sixth Street, DeKalb, Illinois. ("Subject Property")

WITNESSETH:

WHEREAS, the City has established an Architectural Improvement Program ("Program") for application within the City; and

WHEREAS, on March 27, 2017, the City Council approved Resolution 2017-047, authorizing an architectural improvement program (AIP) Economic Incentive with the Forge; and

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

WHEREAS, the Subject Property of the Forge is located within the defined Program area; and

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

WHEREAS, the Forge desires to participate in the Program, subject to the terms and conditions set forth or modified in this Agreement.

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

A. The City shall share in the proposed improvement costs to the Subject Property of the Forge, in an amount not to exceed $17,062.50, and the City shall reimburse the Forge for said amount upon submittal of proof of an equivalent amount paid for approved work on the Subject Property. Funding provided by the City shall be utilized towards the cost of the Subject Improvements described below (as a component of the Approved Improvements). The funding paid, provided, waived and/or forgiven by the City to the Forge shall be considered a Forgivable Loan subject to the following terms:

1. The Forge agrees to install, or cause to be installed the following approved improvements to interior and exterior of the existing principal structure on the Subject
Property ("Approved Improvements"), and agrees to expend not less than $56,000 (the "Minimum Expenditure") on said Approved Improvements.

Exterior Improvements (Comprising not less than $12,000 of the Minimum Expenditure):
   a. Installation of a new entrance to the southern portion of the Subject Property
   b. Replacement of existing framing and windows
   c. Installation of an awning or similar decorative element
   d. New Signage

Interior Improvements (Comprising not less than $44,250 of the Minimum Expenditure):
   e. Construction of production space for the intended use of brewing beer in a manner that allows public tours of the brewing process
   f. Construction of a tasting/tap room that is open to the public that is designed in a similar modern industrial fashion as the existing operation

The formula for determining the amount of the City’s contribution shall be the number which is the lesser of: 1) $17,062.50; 2) the total of all tax increment financing district eligible costs; or, 3) the sum of the cost of fifty percent of the above-described Exterior Improvements and the cost of twenty-five percent of the above-described Interior Improvements (e.g. (50% of $12,000) plus (25% of $44,250)); the lesser of these three sums, when calculated, shall be the City’s Maximum Contribution.

2. The Approved Improvements shall be in substantial compliance with plans reviewed and approved by the Community Development Director, with issuance of all required City of DeKalb building permits and approvals. Prior to commencing operation, the Forge shall present to the City a copy of a signed lease executed by the Owner of the Subject Property, and such other documentation as shall be required by the City to confirm the Owner’s consent to the Forge undertaking the Approved Improvements.

3. Prior to installation of Approved Improvements, the Forge must submit plans to the City for review, and must receive written approval of Approved Improvements by the Community Development Director pursuant to reports from the City’s building consultant confirming compliance with applicable building code requirements and confirming compliance with Unified Development Ordinance.

4. Improvements shall be completed within six (6) months from the date of execution of this Agreement by the City, and in such a manner as to comply with all conditions of approval of this Agreement, and all pertinent regulations, ordinances, or codes of the City or other authority having jurisdiction of Subject Property. In the event that Forge fails to complete the Approved Improvements within six months of the date of execution of this Agreement by the City, this Agreement shall be terminated without payment of any incentive. The Approved Improvements shall not be deemed complete
until all such improvements are fully constructed and have received a final certificate of occupancy, approved final inspection and all other required approvals.

5. The incentive contemplated herein shall be payable on an as-incurred basis during the pendency of the project, and such payments may be advanced provided that the Forge is then in compliance with this Agreement and all applicable codes and ordinances. Upon submittal of appropriate receipts paid, any necessary final lien waivers, certified payroll records of contractors, and verification that the improvements have been completed as approved by the Community Development Director, the City shall reimburse the actual costs of the improvements in amounts not exceeding the value stated in Paragraph A above within a reasonable time thereafter. All such documentation shall be in form acceptable to the Community Development Director, in compliance with Exhibit B attached hereto. City staff is authorized and directed to process such payment requests, without requirement of separate approval from City Council, provided that such payment requests are properly documented. Upon the completion of the Approved Improvements, Forge shall provide documentation of project costs to the City within thirty (30) days of the date of completion. All work shall be contracted to the lowest responsible bidder after soliciting at least three competitive bids, unless self-performed by the Forge. Any deviation from these requirements shall require approval of the Community Development Director. Forge shall provide copies of all bids with the project documentation as specified below. For any work that Forge or a company owned by Forge performs, Forge shall provide both completed lien waivers and a sworn affidavit in form acceptable to the Community Development, swearing and affirming that: a) Forge did in fact perform all such work in accordance with all applicable building codes and requirements; and, b) Forge imposed a charge for such work that was commercially reasonable. In the event that Forge fails to incur the Minimum Expenditure, the incentive offered by the City herein shall be reduced pro-rata based upon the formula described above for contribution of the City’s Maximum Contribution. In the event that the Forge already received an incentive in excess of the total amount to which it was entitled (based upon a reduction of the incentive contemplated herein), the Forge shall, within thirty days of demand for the same, refund any excess incentive to the City. In the event that the City requires additional information from the Forge, the Forge shall comply with all such information requests in a timely fashion. In the event that Forge is not able to properly document any portion of the costs of constructing the Approved Improvements, any not properly documented cost shall not be considered towards Forge’s Minimum Expenditure. The City’s maximum liability under this Agreement shall be the City’s Maximum Contribution as defined above. All contractors work shall be done in accordance with the attached Exhibit C, which shall be appended to each contract for any portion of the Approved Improvements.

6. That all payments or disbursements made by the City to the Forge shall be considered reimbursements for work completed and paid by Forge, subject to the other terms and conditions set forth herein, and within the Program Guidelines and standard City policies.
7. That any outstanding code violations of the property to which the improvements were made must be repaired or in the process of repair prior to the City releasing funds for reimbursement. Notwithstanding any other provision of this Agreement, the City shall make no payments to any person, firm, or corporations who is a debtor to the City of DeKalb or against whom any present circuit court or administrative hearing judgment in favor of City has been entered and remains unpaid. For purposes of this Section 7, for any corporation or corporate entity, any person who is an owner, manager, shareholder, director or officer shall be considered as a component of the corporate entity in order to determine if any judgments or debts are owed to the City.

8. Forge agrees to maintain all improvements for a period of seven (7) years from the date of reimbursement by the City, except for minor changes such as repainting or other maintenance items, or the changing of sign panels and such due to changes in tenants, or the continuation of further improvements to the building, provided said improvements do not conflict with or interfere with the improvements funded by this Program.

9. Forge agrees that any minor changes or further improvements, as outlined above shall only be made after approval by the Director of Community Development or designee thereof, who may refer the proposed changes to the City Council of the City for final approval. Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the appearance of the Subject Property as specified in the plans approved by the Director of Community Development.

10. In the case of conflicting codes, ordinances, rules regulations or guidelines, the City Council of the City shall make a ruling and that ruling shall be final.

11. Nothing herein is intended to limit, restrict or prohibit the Forge from undertaking any other work in or about the Subject Property, which is unrelated to the architectural improvements provided for in this Agreement.

12. The Forge agrees that it shall maintain its business operations and lease rights of the Subject Property for a period of seven (7) years from the date of reimbursement for work completed as provided herein, as an operational business in the current industry, generating employment and sales tax revenue for the City. This Agreement shall be binding upon an inure to the benefit of the City and Forge, and their heirs, for a period of seven (7) years from the date of reimbursement for work completed as provided for herein.

13. If Forge fails to complete or cause the completion of the Approved Improvements subject to the terms of this Agreement or fails to comply with any other term of this Agreement, then upon written notice being given by the City Manager to Forge, served in person or by certified mail to the address on this Agreement above, this Agreement shall be terminated and the financial obligation on the part of the City shall cease and become null and void.
14. If the Forge removes or fails to maintain all improvements for which reimbursement by City is provided under the terms of this Agreement, then upon written notice being given by the City Manager to the Forge, served in person or by certified mail to the address on this Agreement above, the Forge agrees to reimburse the City for the full amount of funding provided by the City under the terms of this Agreement within thirty (30) days of receipt of aforementioned written notice, with the amount of reimbursement owed to the City reduced by one-seventh (1/7) of the full amount funded by the City under this Agreement for every one calendar year the improvements resulting from this Agreement and the aforementioned Program are maintained in accordance with the terms of this Agreement after the date of reimbursement by the City.

15. Upon default of this Agreement by either party, other than default upon the installation of improvements as described, the Forge and/or the City shall have any and all remedies available at law.

16. This Agreement shall have a term commencing upon the date of execution by both parties, and terminating upon the first to occur of: a) the City’s notice of termination based upon a material breach of this Agreement or the occurrence of one of the conditions justifying termination as outlined herein; or, b) the passage of ten years from the date of execution by the City.

17. Forge shall provide the City with an executed Corporate Undertaking and Note in form and content acceptable to the City at the time of payment of the City’s reimbursement. As the Forge has only a leasehold interest in the Subject Property, the City shall not secure this obligation by the recording of a mortgage, but shall require documentation of the Owner’s consent to the Project as described above.

18. This Agreement shall constitute the entirety of the agreement between the parties and no previous draft, note or discussion shall contravene any provision hereof. Any modification to this Agreement shall be effective only if in writing, signed by both parties. Any dispute arising out of the performance of this Agreement shall have its jurisdiction and venue exclusively fixed in the Twenty-Third Judicial Circuit Court of DeKalb County, Illinois.

19. Forge acknowledges that the City is not responsible for the means, performance or construction of any improvements and its sole involvement is the provision of an incentive following construction of the improvements. Forge shall maintain in full force and effect liability insurance with limits of not less than $1,000,000 per occurrence during the term of construction of its improvements. Forge shall be responsible for any and all damages to property or persons arising out of an error, omission, or negligent act in the prosecution of the work or failure to prosecute the work and shall indemnify and hold harmless the City, its officers, agents, and employees from all suits, claims, actions or damages of any nature whatsoever resulting therefrom. Forge shall assume all restitution and repair costs arising out of an error,
omission and/or negligence. Forge agrees to indemnify and save harmless the City, including its elected or appointed officials, employees, attorneys and agents (collectively, the “City Indemnites”) against any and all claims, loss damage, injury, liability, and court costs and attorney’s fees incident thereto, including any claims made by employees of the Forge or any of their subcontractors, as well as all other persons, resulting directly or indirectly from the work covered by this contract or the equipment used in connection therewith. It is understood that this agreement shall apply to any and all such claims whether resulting from the negligence or the intentional acts of the Forge, the Forge’s employees, contractors or subcontractors, the City or City Indemnites or otherwise, with the single exception of any claim, damage, loss, or expense arising solely out of the intentional misconduct of the City or City Indemnites. Forge is solely responsible for determining the accuracy and validity of any information provided to the Forge by the City or its representatives. This indemnification shall apply to the fullest extent of the law, and in the event that any provision hereof is determined to be unenforceable, the indemnification obligations shall be severable and the fullest extent of indemnification that may lawfully apply shall remain in full force and effect. This indemnification shall include any claims arising out of the erection, construction, placement or operation of any scaffold, hoist, crane, stay, ladders, support or other mechanical contrivance in connection with such work including but not limited to losses, claims, damages and expenses arising pursuant to claims asserted against the City pursuant to theories premised upon Section 414 or Section 343 of the Restatement (Second) of Torts. This indemnification shall not be limited in any way by limitations on the amount or type of damages, compensation, or benefits payable by or for the FORGE under Workers’ Compensation Acts, disability benefit acts, or other employee benefit acts, and serves as an express agreement to waive the protection of Kotecki v. Cyclops Welding Corp, 146 Ill.2d 155 (1991) in Illinois.

20. The City and Forge acknowledge that Forge is presently contemplating the future construction of an expansion of the Project, to include the conversion of a vacant area of roughly 5,200 square feet into a full service restaurant and brewery with food and beverage (“the Expansion”). The City agrees and acknowledges that should Forge determine to go forward with the Expansion, the City shall undertake all reasonable means to expedite the permitting and review process, and shall review any request for financial participation in or the provision of an incentive to the Expansion, provided that Forge initiates the Expansion within twenty-four months of the date of this Agreement.

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

CITY OF DEKALB, ILLINOIS
A Municipal Corporation

FORGE BREWHOUSE, LLC

[Signatures]
Exhibit 1
Approved Plans
Exhibit 2:
Format Requirements for Eligible Expenses

- Applicants/Recipients are responsible for identifying and complying with all applicable laws, ordinances and regulations.
- The Illinois Prevailing Wage Act is applicable to all work performed on-site where required under Illinois law. Forge is responsible for determining and verifying compliance with the Prevailing Wage Act.
  - Final waivers of lien must also be provided for all contractors, suppliers and materialmen.
  - Applicants will be required to indemnify and hold harmless the City from any claim arising under the Prevailing Wage Act, or arising out of Applicant’s violation of any other applicable law or regulation.
- 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.
  - If property acquisition is included in the project costs, the third section must include a copy of the closing statement and deed for the property.
  - 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.
- Forge shall also provide a copy of all bids received for work on the project, to document that is selected the lowest responsible bidder out of not fewer than three bids.
Exhibit 3:
Bidder Certifications

Sexual Harassment: The Bidder certifies that it is in compliance with the Illinois Human Rights Act 775 ILCS 5/1.101, et seq. including establishment and maintenance of sexual harassment policies and program.

Tax Delinquency: The Bidder certifies that it is not delinquent in payment of any taxes to the Illinois Department of Revenue in accordance with 65 ILCS 5/11-42.1, and is not delinquent in the payment of any tax, charge or obligation to the City of DeKalb.

Employment Status: The Bidder certifies that if any of its personnel are an employee of the State of Illinois, they have permission from their employer to perform the service.

Anti-Bribery: The Bidder certifies it is not barred under 30 Illinois Compiled Statutes 500/50-5(a) - (d) from contracting as a result of a conviction for or admission of bribery or attempted bribery of an officer or employee of the State of Illinois or any other state.

Loan Default: If the Bidder is an individual, the Bidder certifies that he/she is not in default for a period of six months or more in an amount of $600 or more on the repayment of any educational loan guaranteed by the Illinois State Scholarship Commission made by an Illinois institution of higher education or any other loan made from public funds for the purpose of financing higher education (5 ILCS 385/3).

Felony Certification: The Bidder certifies that it is not barred pursuant to 30 Illinois Compiled Statutes 500/50-10 from conducting business with the State of Illinois or any agency as a result of being convicted of a felony.

Barred from Contracting: The Bidder certifies that it has not been barred from contracting as a result of a conviction for bid-rigging or bid rotating under 720 ILCS 5/33E-3 (Bid Rigging) or 720 ILCS 5/33-4 (Bid Rotating) or a similar law of another state or of the federal government.

Prevailing Wage: The Bidder certifies that it shall comply with all applicable provisions of the Prevailing Wage Act, and further certifies that it is not in violation of said Act and has not been barred from bidding on this proposal by virtue of a past violation of the Act. A copy of the most recent available list of prevailing wages is attached hereto or has been provided to the Bidder. The Bidder is responsible for regularly updating said list as new prevailing wage rates are made available by the City or by the Illinois Department of Labor. The Illinois Department of Labor posts regular updates to prevailing wage rates on its official website, which is currently www.illinois.gov/idol. This notice is given pursuant to 820 ILCS 130/4 and the balance of the Illinois Prevailing Wage Act, which is incorporated herein by reference as if fully restated.

Drug Free Workplace: The Bidder certifies that it is in compliance with the Drug Free Workplace Act (30 Illinois Compiled Statutes 580) as of the effective date of this contract. The Drug Free Workplace Act requires, in part, that Bidders, with 25 or more employees certify and agree to take steps to ensure a drug free workplace by informing employees of the dangers of drug abuse, of the availability of any treatment or assistance program, of prohibited activities and of
sanctions that will be imposed for violations; and that individuals with contracts certify that they will not engage in the manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the contract. The Bidder further certifies that it maintains a substance-abuse program and provide drug testing in accordance with 820 ILCS 130/11G, Public Act 095-0635

**Responsible Bidder Requirements:** The Bidder certifies that it complies with the Illinois Procurement Code and the provisions of Section 30-22 thereof relating to apprenticeship and training, if applicable.

**Non-Discrimination, Certification, and Equal Employment Opportunity:** The Bidder agrees to comply with applicable provisions of the Illinois Human Rights Act (775 Illinois Compiled Statutes 5), the U.S. Civil Rights Act, the Americans with Disabilities Act, Section 504 of the U.S. Rehabilitation Act and the rules applicable to each. The equal opportunity clause of Section 750.10 of the Illinois Department of Human Rights Rules is specifically incorporated herein. The Bidder shall comply with Executive Order 11246, entitled Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented by U.S. Department of Labor regulations (41 C.F.R. Chapter 60). The Bidder agrees to incorporate this clause into all subcontracts under this Contract.

**International Boycott:** The Bidder certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act (30 ILCS 582).

**Record Retention and Audits:** If 30 Illinois Compiled Statutes 500/20-65 requires the Bidder (and any sub Bidders) to maintain, for a period of 3 years after the later of the date of completion of this Contract or the date of final payment under the Contract, all books and records relating to the performance of the Contract and necessary to support amounts charged to the City under the Contract. The Contract and all books and records related to the Contract shall be available for review and audit by the City and the Illinois Auditor General. If this Contract is funded from contract/grant funds provided by the U.S. Government, the Contract, books, and records shall be available for review and audit by the Comptroller General of the U.S. and/or the Inspector General of the federal sponsoring agency. The Bidder agrees to cooperate fully with any audit and to provide full access to all relevant materials.

**United States Resident Certification:** (This certification must be included in all contracts involving personal services by non-resident aliens and foreign entities in accordance with requirements imposed by the Internal Revenue Services for withholding and reporting federal income taxes.) The Bidder certifies that he/she/it is a: ☐ United States Citizen or Corporation ☐ Resident Alien ☐ Non-Resident Alien. The Internal Revenue Service requires that taxes be withheld on payments made to non-resident aliens for the performance of personal services at the rate of 30%.

**Tax Payer Certification:** Under penalties of perjury, the Bidder certifies that its Federal Tax Payer Identification Number or Social Security Number is ☐ 47-1252209 and is
doing business as a (check one): __ Individual __ Real Estate Agent __ Sole Proprietorship
__ Government Entity __ Partnership __ Tax Exempt Organization (IRC 501(a) only)
x Corporation __ Not for Profit Corporation __ Trust or Estate __ Medical and Health Care
Services Provider Corp.

Authorized in Illinois: The Bidder that it is authorized to lawfully transact business in the
State of Illinois, under all applicable Illinois laws and regulations. The Bidder certifies that it shall
comply with the Corporate Accountability for Tax Administration Act, 20 ILCS 715/1, et. seq.
Where applicable, the Bidder certifies that it is not barred from bidding by virtue of having been
adjudicated to have committed a willing or knowing violation of Section 42 of the Environmental
Protection Act within the five years preceding this bid, pursuant to 415 ILCS 5/1, et. seq. The
Bidder further certifies that it is in compliance with all applicable requirements of the Business
Enterprise for Minorities, Females and Persons with Disabilities Act, 30 ILCS 575/1, et.seq.

Export Administration, Supplies, Labor: The Bidder certifies that neither it nor any
substantially owned affiliate is participating, nor shall participate, in an international boycott which
is in violation of the provisions of the US Export Administration Act of 1979 or the regulations of
the US Department of Commerce promulgated under the Act, including but not limited to the
requirements of 30 ILCS 582/5. The Bidder further certifies that no foreign made equipment,
materials or supplies furnished under the proposal or agreement have been or will be produced in
whole or in part by forced labor, convict labor, or indentured labor, nor made in whole or in part
by the labor of any child under the age of 12, under penal sanction pursuant to 30 ILCS 583/1 and
30 ILCS 584/1. The Bidder certifies that steel products used or supplied in the performance of a
contract for public works shall be manufactured or produced in the United States, unless the City
Manager grants an exception to said requirement, pursuant to 30 ILCS 565/1, et. seq.

General Compliance and Certification: The Bidder certifies that it has and will comply
with all other applicable laws, regulations, ordinances or restrictions applicable to any component
of the bidding process, agreement, or any services or materials provided in connection therewith.
The Bidder acknowledges that it is responsible for identifying and complying with all applicable
laws, ordinances, rules and regulations, and that it shall indemnify and hold harmless the City of
DeKalb from any claim, liability or damages arising out of the failure to identify or comply with
any such applicable legal restriction.
RESOLUTION 2018-030     PASSED: MARCH 12, 2018

AUTHORIZING AN AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT (THE BANDIT'S CASTLE, LLC).

WHEREAS, the City of DeKalb (hereinafter referred to as "the City"), and The Bandit's Castle, LLC ("Owner"), have previously entered into an agreement dated March 13, 2017, (Original Agreement), a copy of which is attached hereto as "Exhibit B"; and

WHEREAS, after entering into the Original Agreement, the Owner incurred greater than anticipated project costs due to unknown conditions of the property located at 230 East Lincoln Highway; and

WHEREAS, the Owner has requested an amendment to the Original Agreement that would increase the amount of the incentive provided and allow for future financial assistance to be provided to prospective tenants of the available commercial spaces; and

WHEREAS, the City desires to support the Owner in their effort to recruit viable businesses to the Owner's vacant commercial spaces;

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

Section One. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to execute an amended agreement with The Bandit's Castle, LLC for facility improvements to the property located at 230 E. Lincoln Highway, a copy of which is attached hereto and made a part thereof as Exhibit "A," subject to such changes as shall be acceptable to him.

ADOPTED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting held on the 12th day of March, 2018, and approved by me as Mayor on the same day. Passed by a 6-1-1 roll call vote. Aye: Jacobson, Finucane, Marquardt, Noreiko, Faivre, Smith. Nay: Verbic. Absent: Fagan.

ATTEST:

SUSANNA HERRMANN, City Clerk  JERRY SMITH, Mayor

STATE OF ILLINOIS
EXHIBIT A

AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT.

THIS AGREEMENT entered this 12th day of March, 2018, between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as “the City”), and The Bandit’s Castle, LLC ("Owner"), TO WIT:

   Address of Property to be improved: 230 E. Lincoln Highway, DeKalb, Illinois. ("Subject Property")

WITNESSETH:

WHEREAS, the City and Owner entered into an agreement on March 13, 2017 ("Original Agreement") a copy of which is attached hereto as Exhibit B, which identified certain improvements at the Subject Property for which the City would reimburse the Owner and the conditions for such reimbursement; and

WHEREAS, on March 13, 2017, the City Council approved Resolution 2017-042, authorizing an Economic Incentive with the Owner; and

WHEREAS, the Owner is requesting to amend the terms of the Original Agreement due to the final project costs exceeding the original cost estimates included in the Original Agreement; and

WHEREAS, the City acknowledges the risk associated with significant rehabilitation projects involving buildings constructed prior to 1900; and

WHEREAS, the Owner’s ability to provide future financial assistance for tenant build-out is no longer possible due to greater than anticipated project costs; and,

WHEREAS, the long-term vacancy of the first floor commercial spaces is not beneficial to the City; and,

WHEREAS, the City and Owner now desire to amend the Original Agreement;

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

1. Article VIII: Development Incentive, Section B – Development Incentive Defined:

   The Owner commits that it shall invest approximately One Million Two Hundred Thousand Dollars ($1,200,000) One Million Four Hundred Seventy Three Thousand Dollars ($1,473,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser
of: a) $400,000–$468,282; b) the amount which is one third (1/3) of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Owner fails to incur Project Completion Costs of $1,200,000 $1,473,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is one third of the Project Completion Costs (i.e. if Project Completion Costs total $1,000,000, the Development Incentive shall not exceed $333,333.33).

2. Exhibit E: Project Cost Documentation Requirements

Final Project Costs must be documented in a tabbed binder in accordance with these regulations.

a. 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.

b. 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. The second section must include a sworn contractor affidavit that lists contractors and subcontractors, a summary of the project, contract amounts, and draws from the construction loan.

c. 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.

d. Applicants may include a Miscellaneous Expenses tab in the binder for small project expenses.

e. 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.

f. 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.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Original Agreement on the date first appearing above.

CITY OF DEKALB, ILLINOIS
A Municipal Corporation

THE BANDIT’S CASTLE, LLC

Jerry Smith, Mayor

Cohen Barnes
owner/manager/member
EXHIBIT B

RESOLUTION 2017-042 PASSED: MARCH 13, 2017

AUTHORIZING A REDEVELOPMENT AGREEMENT
FOR THE PROPERTY LOCATED AT 230 EAST
LINCOLN HIGHWAY, DEKALB, ILLINOIS.

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

WHEREAS, the building located at 230 East Lincoln Highway ("the Premises") is under contract to purchase by The Bandit's Castle, LLC ("Developer"); and

WHEREAS, the City and Developer seek to enter into a development agreement for improvements to the Premises; and

WHEREAS, Developer has proposed to commit a substantial sum of funds to the completion of renovation of the building on the Premises, subject to the City's commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property.

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

Section 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"), subject to such revisions as shall be acceptable to the Mayor with the recommendation of City staff. Said revision shall include the addition of the legal description for both parcels comprising the property located at 230 East Lincoln Highway. The City Council also expressly approves of the provision of a City-funded incentive in an amount not to exceed the lesser of: 1) $400,000; 2) the total of all TIF-eligible costs incurred; or, 3) that sum which is 1/3 of the total project costs for the improvements as defined in the Agreement. Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director. Said incentive shall be processed by the City as a TIF-funded grant, repaid as a forgivable loan over a period of ten years as described in the Agreement.

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 City 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. The City Clerk is authorized and directed to record a copy of the Agreement following execution of the same.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof held on the 13th day of March, 2017, and approved by me as Mayor on the same day. Passed by a 7-1 roll call vote. Aye: Finucane, Marquardt, Snow, Noreiko, Baker, Faivre, Rey. Nay: Jacobson.

ATTEST:

JENNIFER JEEP JOHNSON, City Clerk

JW

STATE OF ILLINOIS

JOHN A. REY, Mayor
Prepared By and Return To
City of DeKalb
ATTN: City Attorney
200 S. Fourth Street
DeKalb, IL 60115

230 EAST LINCOLN HIGHWAY
DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
RECITALS ......................................................................................................................... 4

ARTICLE I: INCORPORATION OF RECITALS ................................................................. 5

ARTICLE II: ZONING AND IMPROVEMENT OF THE PROPERTY: ............................. 5
A. Zoning Applicability: ............................................................................................... 5
B. Permitted Uses: .......................................................................................................... 5
C. Improvements to Property: ....................................................................................... 5
D. Required Revisions to Plans: .................................................................................... 6
E. Property Related Provisions: ..................................................................................... 7
F. Failure to Close: ......................................................................................................... 7
G. Future Parking Areas: ............................................................................................... 7

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY: .............. 8
A. Owner's Responsibility to Maintain: ......................................................................... 8
B. Backup Special Service Area: .................................................................................. 8
C. Stop Work Orders: .................................................................................................... 9
D. Compliance with City Ordinances and Applicable Regulations: ............................. 9
E. Site Control: .............................................................................................................. 9
F. Building Codes: ....................................................................................................... 10
G. Fire Suppression / Alarm: ....................................................................................... 10

ARTICLE IV: PROJECT STAGING: .............................................................................. 10

ARTICLE V: INFRASTRUCTURE: ............................................................................... 10
A. Water Mains and Potable Water Supply: ................................................................. 10
B. Storm Water Retention, Facilities and Improvements: .......................................... 11
C. Sanitary Sewers: ...................................................................................................... 11
D. Utility Connections: ................................................................................................ 11
E. Grant of Easements / Right of Way: ..................................................................... 11

ARTICLE VI: FEES AND CONTRIBUTIONS: ................................................................. 11
A. Fees Specifically and Uniquely Attributable: ......................................................... 11
B. Owner Responsibility for Costs: ............................................................................. 12

ARTICLE VII: INTENTIONALLY OMITTED: ................................................................. 13

ARTICLE VIII: DEVELOPMENT INCENTIVE: .............................................................. 13
A. Necessity of Incentive: ............................................................................................ 13
B. Development Incentive Defined: ............................................................................. 14
C. Definition of Eligible Costs: ................................................................................... 14
D. Payment of Development Incentive: ...................................................................... 14
E. Forgiveness of Development Incentive: ................................................................. 16
F. Limitation of Liability: ........................................................................................... 16
G. Incentive Security: .................................................................................................. 16

ARTICLE IX. OPERATION OF THE PROPERTY: ......................................................... 17
A. Public Safety Regulations: Trespass/Patrol Agreement: ......................................... 17
B. Knox Boxes: ............................................................................................................ 17
C. Common Area Surveillance: .................................................................................. 17
D. Commercial Property Registration and Inspection: .............................................. 18

ARTICLE X: MUTUAL ASSISTANCE: .......................................................................... 18
ARTICLE XI: REMEDIES: ................................................................. 18
  A. Failure to Construct: .......................................................... 18
  B. Breach Generally: ............................................................ 18

ARTICLE XII: TERM: ................................................................ 19

ARTICLE XIII: MISCELLANEOUS: ............................................ 19
  A. Amendment: ...................................................................... 19
  B. Severability: ..................................................................... 19
  C. Entire Agreement: ............................................................. 19
  D. Successors and Assigns: .................................................... 20
  E. Notices: ............................................................................ 20
  F. Time of Essence: .............................................................. 21
  G. Indemnification: ............................................................... 21
  H. Exhibits: .......................................................................... 22
  I. Venue: ............................................................................... 22
  J. Survival of Provisions: ....................................................... 22

Exhibit A: Legal Description ..................................................... 25

Group Exhibit B: Plans ............................................................. 26

Exhibit C: No Trespass / Patrol Agreement .............................. 27

Exhibit D: Traffic Enforcement Agreement ............................... 29

Exhibit E: Project Cost Documentation Requirements ................ 31

Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage .............................. 32

Exhibit G: Waiver of Objection to Special Service Area ............... 50
This Development Incentive Agreement (the "Agreement") is made and entered the 13th day of March, 2017 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and The Bandit's Castle, 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 or contract purchaser of record of a parcel of real property situated at 230 East Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property".

B. The Property is comprised of a two story (plus basement) commercial building. The Owner has acquired the contractual right to purchase the Property and the structure therein, and proposes to redevelop the Property as a commercial development in accordance with this Agreement. The Property is proposed to be developed in accordance with the plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate the improvement of the building upon the Property ("the Building"), and provide preliminary architectural and elevation information. The redevelopment of the Property and the Building is proposed to occur within the parameters of existing zoning restrictions applicable to the Property under the terms of the City's Unified Development Ordinance (UDO) Central Business District (CBD) zoning regulation that is currently in place. There is no proposed residential component of the development.

C. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

D. The City acknowledges that the Owner's proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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. The City acknowledges and the Owner agrees that the CBD zoning, as provided under the UDO, will be the most appropriate zoning classifications for the development of the Property and that the Property will not have any residential use or residential component during the term of this Agreement.

F. All other and further notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement 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.

G. 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 G, 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: ZONING AND IMPROVEMENT OF THE PROPERTY

A. Zoning Applicability:

The Property is presently zoned CBD and shall remain zoned CBD for the duration of this Agreement unless a mutually acceptable amendment to this Agreement is approved by both parties. The Owner shall not permit any residential use of the Property to occur during the term of this Agreement except with the express approval of the City Council.

B. Permitted Uses:

Other than as outlined above, all uses which are permitted or special uses in the CBD zoning district shall be permitted or special uses as provided herein and this Agreement shall not alter the applicable zoning, save for the Owner’s pledge to not undertake residential use of the Property during the term of this Agreement.

C. Improvements to Property:

Owner shall construct, as a component of the redevelopment of the Property, improvements generally consisting of the following items:

1) Owner shall undertake a full replacement/improvement of the front façade of the property, in general compliance with the conceptual drawings included in the Plans, inclusive of the improvements to the second floor area of the façade as depicted therein.

2) Owner shall install a new and modern design heating/ventilation/air conditioning system to service the needs of the Building.

3) Owner shall undertake any roof repair or replacement required to render the Building secure against elements and in compliance with all applicable codes.

4) Owner shall construct an on-site elevator to serve all three floors of the Building, in a fashion compliant with all applicable codes.

5) Owner shall construct an expansion of the rear stairwell of the Building in compliance with all applicable codes, if required.

6) Owner shall construct an improved rear façade in form and content acceptable to the Community Development Director if a rear stairwell is required. If no rear stairwell is required, Owner shall repair and improve the existing rear façade to comply with all applicable building codes and regulations.

7) Owner shall complete an interior buildout of the Building, inclusive of commercial/office/retail/storage uses in the basement, two commercial/retail spaces on the first floor of the Building (of approximately 1,200 square feet and 1,400 square feet, respectively), and commercial/retail uses on the second floor of the building.

All improvements shall be subject to any conditions or restrictions imposed pursuant to building permits or other approvals issued by the City, and Owner shall, at its cost, all such required permits and inspections. The final proposed floor plan, scope of improvement, façade materials and elevations shall be subject to review and approval by the Community Development Director, which approval shall not be unreasonably withheld or conditioned. In the event that the Community Development Director withholds
approval, the Owner may appeal such decision to the City Council, whose decision shall be final.

The Parties acknowledge that at the time of approval of this Agreement, the City has only reviewed architectural elevations showing portions of the Building. Owner agrees and acknowledges that the Building shall be designed with "four sided architecture", meaning that all exposed sides of the building shall feature architectural improvements. Preliminary details of the architectural theme, inclusive of preliminary architectural elevations, have been provided as part of the Plans. All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans.

Following the installation of such materials, the Owner shall maintain such materials (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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

Any future proposal to remodel any portion of the Property which would add additional or revised structures, outdoor signage, facilities or changes in building materials shall be subject to review and approval by the Community Development Director, or at the Director's discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City.

D. Required Revisions to Plans:

1) The final plans for the Building shall be required to provide a consistent standard for any lighting, awnings or signage proposed to be installed on the Building. All lighting, awnings and signage shall be installed and thereafter maintained in accordance with these standards unless strict compliance is waived by the Community Development Director, it being the intention of the Parties that the signage and awnings on the Building shall be of a common design and character so as to promote a cohesive appearance of the Building.

2) The Owner shall reasonably comply with any request of the City to install, at the City's cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

3) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Building or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the proposed walkway at the east side of the Property and/or parking areas), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.
4) Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted on the Property only in accordance with the approved final plans, provided that all such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services as contemplated by the Plans.

E. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the incentive granted herein.

1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within the Building, Owner shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Owner shall provide building lighting and street lighting on streets adjacent to the Property based upon a consistent standard adopted at the time of final plan approval, acceptable to Owner and the City, and shall thereafter maintain lights in such locations in compliance with the adopted standards. For any public streetlights installed in accordance with this standard, following construction of the project and acceptance of public improvements, the obligation to maintain and operate such lights shall be the responsibility of the City.

4) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

F. Failure to Close:

In the event that the Owner fails to acquire and close upon all of the parcels within sixty (60) days of the date of this Agreement, the City and Owner shall renegotiate this Agreement and the terms of repayment of any portion of the City incentive paid prior to said date or, failing the same, the City may declare a default and exercise any rights contained herein. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Owner is, through no fault of the Owner’s, unable to close on the property and is working in good faith to complete such transaction.

G. Future Parking Areas:

The Parties acknowledge that at the time of preparation of this Agreement, the Owner has not yet completed final plans for the improvement of the Property. However, the Property includes a rear parking/access area, located immediately south of the Building, which is adjacent to publicly owned alley and public parking lot. The Owner agrees that, at any point during the term of this Agreement, upon the written request of the City, the Owner shall either deed such parking/access area to the City or shall provide the City with a public access and parking easement covering such areas (at the City’s preference), to allow the integration of such areas into a combined parking/public access area. The City and Owner shall reasonably cooperate on the design of such area to facilitate access into the Building by Owner and Owner’s
tenants or invitees. The City’s ability to acquire such areas shall be limited to circumstances where the City is acquiring the area to provide common public parking. In such instance, the Parties shall ascertain the total number of parking spaces provided to Owner on Owner’s Property prior to the conveyance to the City, and the City shall reserve a like number of parking spaces for Owner within the common public parking area.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner’s Responsibility to Maintain:
   The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots or other improvements within the Property and for maintaining the Building on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property’s compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements and amenities as depicted in the approved final plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the Property.

   Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the “Common Facilities Maintenance”). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

   If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement (“Common Facilities Maintenance Easement”) over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200/100 per $100).

   Approval of this Agreement shall be deemed to constitute consent to the City’s establishment of a special service area as herein described.
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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G, within ninety (90) days of the date of closing upon the last of the parcels comprising the Property, and prior to the issuance of any payment of the Development Incentive contemplated herein.

C. **Stop Work Orders:**

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.

D. **Compliance with City Ordinances and Applicable Regulations:**

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

E. **Site Control:**

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control
dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, Owner shall provide the Owner Surety in a form consistent with the Owner Surety referenced hereinabove. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke the Owner Surety. Owner shall, within 15 business days following written notice from the City, pay all such costs.

F. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

G. Fire Suppression / Alarm:

The Owner shall install a full fire alarm and fire suppression system in compliance with applicable code requirements and shall, except during reasonable periods of maintenance, thereafter keep such systems in service, operational and in good repair.

ARTICLE IV: PROJECT STAGING:

The Parties acknowledge that the construction of the project upon the Property shall be staged, as described below.

1) The Owner shall close upon the Property as expeditiously as possible.

2) At such time as Owner has acquired ownership of the Property, Owner shall submit final plans for review and approval by the City.
   a. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the Plans attached hereto. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. The City shall not unreasonably withhold or condition approval of the final plans, provided that they are in substantial conformance with the concept plans and the conditions and restrictions contained in this Agreement. As indicated above, final plans shall be subject to approval by the Community Development Director, and any denial of such approval may be appealed to the City Council.

3) Owner shall complete construction of the Building within eighteen (18) months of the date of approval of the final plans by the City.

ARTICLE V: INFRASTRUCTURE:

A. Water Mains and Potable Water Supply:
The Property is currently serviced by an existing connection to the City's potable water system. The Owner shall have the right to connect to and use such system and mains upon payment of the costs of connecting to the City's water mains and the costs of any water meters or related devices. 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. Storm Water Retention, Facilities and Improvements:

The City acknowledges that no storm water improvements are contemplated herein, and the Property shall comply with applicable regulations.

C. Sanitary Sewers:

Owner shall comply with all applicable regulations, codes and ordinances.

D. Utility Connections:

The installation of the necessary and appropriate on-site electric, natural gas, cable, television, telephone facilities, and future internet access facilities (when available) to the Property shall be by underground installation (where reasonably possible) and pursuant to the requirements of such utility companies or pursuant to the agreement of the City with such entities and at no cost to the City. The City agrees to cooperate with the Owner to permit the extension of all such utilities along existing public right-of-ways and/or City owned property and otherwise allow the extension of all necessary utilities to the Property, provided, however, that the City's agreement to cooperate with the Owner to allow the extension of utilities to the Property shall in no way relieve the Owner of its obligations to obtain any and all easements and permits necessary to do so, at Owner's sole cost and expense.

E. 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 VI: 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 and planning and engineering review fees as proposed to be developed and constructed.

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 including but not limited to the Owner Surety. 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 Development.

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 VII: INTENTIONALLY OMITTED:**

**ARTICLE VIII: DEVELOPMENT INCENTIVE:**

A. **Necessity of Incentive:**

The Parties acknowledge that the Property has not experienced beneficial redevelopment or growth and has remained vacant for a significant period, notwithstanding the existence of a TIF District intended to improve property valuation. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Owner is undertaking a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate substantial new revenues for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce in the City’s Central Business District and other areas. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not acquire the properties and would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive. Further, the Parties have determined that in the absence of this Development Incentive, the Owner could purchase, lease or construct new commercial/retail space either within or outside the City of DeKalb at a lesser cost than the Owner incurs by purchasing and repurposing an existing building within the core of the City’s Central Business District. The City acknowledges the value of encouraging beneficial reuse of such structures, and provides this Development Incentive to encourage and enable such redevelopment which would not happen but for this Agreement.
B. Development Incentive Defined:

The Owner commits that it shall invest approximately One Million Two Hundred Thousand Dollars ($1,200,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser of: a) $400,000; b) the amount which is one third (1/3) of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Owner fails to incur Project Completion Costs of $1,200,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is one third of the Project Completion Costs (i.e. if Project Completion Costs total $1,000,000, the Development Incentive shall not exceed $333,333.33).

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the Building and the Property, incurred after the date of approval of this Agreement. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; management fees not to exceed twelve percent (12%) of total actual project costs; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. 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 Owner obtains in order to facilitate the redevelopment of the Property, and the City Manager shall be authorized and directed to execute any subordination agreement or other similar documentation, without
requirement of separate City Council approval.

2. The approval of this Agreement shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on an as-incurred basis towards TIF Eligible Costs incurred prior to the approval of the final plans, including but not limited to demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.

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 E. For payment of property acquisition costs at a real property closing, the City staff shall be authorized to make direct payment to the title company or escrow office processing the closing. Such payments, as time-sensitive payments, shall be processed in accordance with the established closing schedule for an individual real estate closing. For payment of other TIF Eligible Costs such as professional fees or related expenses, such payments shall be made on a monthly basis, again in accordance with Exhibit E. At the time of payment, Owner shall provide the City with satisfactory evidence of title.

b. The City’s intention in providing direct payment of such expenditures, including property acquisition costs, is to facilitate the rapid redevelopment of the Property to ensure its conversion and return to beneficial commercial use.

3. At such time as the Owner obtains a final certificate of occupancy for the Building, it is contemplated that the Owner will transition from construction financing to permanent financing. At such time, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Owner’s permanent financing, and any subsequent private financing obtained by the Owner.

a. In the event that the Project Completion Costs do not include $1,200,000 of total expenses, then the Development Incentive shall be reduced to not exceed one-third of Project Completion Costs.

b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Owner following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than one-third of Project Completion Costs, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.

c. The Parties acknowledge that the Owner shall be receiving as-incurred payments of the Development Incentive, prior to the time that the City and Owner have the final figures for the Project Completion Costs. The City and Owner shall use their best efforts to ensure that the Development Incentive paid to Owner does not exceed one-third of Project Completion Costs. However, in the event that the final accounting for the project shows that more than one-third of the Project Completion Costs were reimbursed to Owner, Owner shall provide repayment of any excess reimbursement to the City within thirty (30) days of the date of the City’s written request for the same.
E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten year period, with ten percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or, the date of the first commercial occupancy of any portion of the Building (after renovation). The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and ownership rights of the Property for the duration of the forgiveness period, as an operational business in the current industry, generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).

F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City’s rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City’s annual budget adopted in accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions as in effect now and as hereafter amended.

G. Incentive Security:

The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage which may be subordinate to other loans, liens and encumbrances. The Parties further acknowledge that the City undertakes and accepts certain risks during the conduct of the construction and prior to the issuance of a final certificate of occupancy, in that the City will be advancing sums prior to being assured that the project shall be completed. Accordingly, in order to induce the City to provide the incentive described herein, payable as described herein, the Owner agrees that it shall provide the City with security for the City’s incentive payment, in form and content acceptable to the City Manager with the recommendation of City staff, prior to the payment of any portion of the Development Incentive. Such security shall be maintained in place until the commencement of the forgiveness period of the Development Incentive as described above. The security may be in the form of an irrevocable letter of credit, a performance bond, a payment bond a surety bond or another acceptable format, provided that such bond either secures the repayment of the Development Incentive to the City in the event that the project for any reason fails to be completed, or provided that such bond secures the completion of improvements funded by the City through the payment of the Development
Incentive.

In the event that the security is provided in the form of a cash bond, surety bond or similar ‘economic’ bond, the proceeds shall be utilized to repay the City for any portion of the Development Incentive previously paid and the City shall have sole discretion in the use of such funds after repaid to the City. In the event that the security is provided in the form of a performance bond, such bond shall be utilized to guarantee the completion of any work initiated or paid through the use of the Development Incentive, and such additional work as shall be within the scope of such bond.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Public Safety Regulations: Trespass/Patrol Agreement:
   
The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the Building (including but not limited to the common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

   Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

B. Knox Boxes:

   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.

C. Common Area Surveillance:

   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.
D. Commercial Property Registration and Inspection:

The Owner shall comply with the then-current requirements of any applicable commercial property registration or inspection ordinance maintained by the City, and shall voluntarily comply with an annual inspection of the premises in accordance therewith. The Owner shall secure all such permissions and shall include in any leases for any portion of the Property such authorization as shall be required to permit the full inspection of any portion of the Building or Property. 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.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the acquisition, demolition and remediation of existing structures and improvements. Those timelines may be extended by the City Manager, with agreement of the Owner, from time to time by written agreement, without requiring an amendment of this Agreement or approval of the City Council, for good cause shown by Owner, in the City Manager's discretion.

2. In the event that Owner fails to complete the renovation of the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45)
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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

**ARTICLE XII: TERM:**

This agreement shall have a term of fifteen (15) 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 Development Incentive is ruled invalid, in whole or in part, the Corporate Authorities, 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, lessees, 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. This Agreement may be assigned 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 Building is constructed and 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.

   a. The Owner may request that the City pay a portion of the Development Incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

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:

City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2060
Email: Annemarie.saura@cityofdekalb.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:

With a Copy To: Mark P. Doherty
The Doherty Law Firm, LLC
125 North First Street
DeKalb, IL 60115
Email: mark@dohertylawfirm.com

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:**

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 "Indemnified") 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 Indemnified. 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 insured without right of subrogation.

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 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.

H. Exhibits:

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

| Exhibit A: | Legal Description |
| Group Exhibit B: | Plans |
| Exhibit C: | No-Trespass / Patrol Agreement |
| Exhibit D: | Traffic Enforcement Agreement |
| Exhibit E: | Project Cost Documentation Requirements |
| Group Exhibit F: | Form of Promissory Note, Corporate Undertaking, Mortgage |
| Exhibit G: | Waiver of Objection to Special Service Area |

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 DEKALB, an Illinois Municipal corporation

By: [Signature]

John Rey, Mayor

[Seal]

City Clerk: Jennifer Jeep Johnson
03/08/17

OWNER:

THE BANDIT'S CASTLE, LLC, an Illinois Limited Liability Company

By: [Signature]  

owner/manager/member

3/15/17

Attest:

[Signature]  

Notary Public

I, aforesaid, do subscribe and swear to and affirm the foregoing.

Met this 15th day of March, 2017.

SUBSCRIBER AND SWEARER TO BEFORE ME THUS 15TH DAY OF MARCH, 2017.

[Official Seal]

MICHELLE JUPECZK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/06/21
I, RUTH A. SCOTT, do hereby certify that I am the duly appointed Deputy 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:

RESOLUTION 2018-030

AUTHORIZING AN AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT (THE BANDIT’S CASTLE, LLC).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 12th day of March, 2018, and the original is now on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 16th day of March, 2018.

RUTH A. SCOTT, Deputy City Clerk

Prepared by and Return to:

Deputy City Clerk Ruth Scott
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
MORTGAGE
dated July 18, 2018

THE BANDIT'S CASTLE, LLC (Mortgagor) and CITY OF DEKALB (Mortgagee)

Commonly known as: 230 E. Lincoln Highway, DeKalb, DeKalb County, Illinois 60115

PINs: 08-23-163-014 and 08-23-163-015

Prepared by:
Dean M. Frieders
City Attorney
City of DeKalb
200 S. Fourth St.
DeKalb, IL 60115
RETURN TO:
City Clerk
City of DeKalb
200 S. Fourth Street
DeKalb IL 60115

Future Advances Mortgage
Maximum Value: $468,282.00

THIS MORTGAGE, dated this 18 day of July, 2018, by The Bandit's Castle, LLC ("Mortgagor"),
WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of Four Hundred Sixty
Eight Thousand Two Hundred Eighty Two Dollars ($468,282.00) 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 230 East Lincoln Highway Development Incentive
Agreement executed on March 14, 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.: 0823163014 and 0823163015

which is referred to herein 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 lessee 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 $400,000.00, AND IS CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN 230 EAST LINCOLN HIGHWAY DEVELOPMENT 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 Mortgagor’s security and to perform any of the covenants contained in this Mortgage or the Development 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 Development 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 Development Incentive Agreement and all extensions, renewals, modifications or substitutions thereof to The Bandit's Castle, LLC, with a note amount of $463,285.00 (collectively, the "Evidence of Debt").

B) All future advances from Mortgagor to Mortgagor or other future obligations of Mortgagor to Mortgagor under any promissory notes, 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 Mortgagor, which now exist or may later arise, to the extent not prohibited by law, including but not limited to any obligation under the Development Incentive Agreement, such as obligations to defend and indemnify and obligations relating to the Owner Escrow as defined herein.

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

E) Mortgagor's performance under the terms of any instrument evidencing a debt by Mortgagor to Mortgagor 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 Development 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, at 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 Mortgagee 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, Mortgagee 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 Mortgagee 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. Mortgagee, 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:
Page 5 of 8

(a) All sums secured hereby shall, at the option of Mortgagee, 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) Mortgagee 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 Mortgagee 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 costs (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 (f) 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
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, then this conveyance shall be null and void and within thirty (30) days after written demand therefor a reconveyance 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 is subordinate to the mortgage lien made by the U.S. Small Business Administration acquired by an Assignment of Mortgage dated April 11, 2018 and recorded in the Office of the Recorder of Deeds of DeKalb County on April 17, 2018 as Document Number 2018003468, which assignment is from Wessex 504 Corporation of a Mortgage dated April 11, 2018 and
recorded in the Office of the Recorder of Deeds of DeKalb County on April 17, 2018 as Document Number 2018003467.

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

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

The Bandit's Castle, LLC

By: [Signature]

Cohen Barnes, Member

STATE OF ILLINOIS  
COUNTY OF DEKALB  

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Cohen Barnes, authorized Member of The Bandit's Castle, 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 acknowledged 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 ______ day of ______, 2018.

[Signature]

Notary Public

RACHEL PACEY
"OFFICIAL SEAL"
My Commission Expires
March 26, 2021
The property is legally described as:

230 E. Lincoln Highway

LOTS 56, 57, AND 68 IN THE COUNTY CLERK'S SUBDIVISION, A RESUBDIVISION OF BLOCKS 11, 12, 14, AND 15 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEROF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

Parcel Identification Numbers 0823163014 and 0823163015
RESOLUTION 2018-035    PASSED: MARCH 26, 2018

AUTHORIZING AN FY2018 TAX INCREMENT FINANCING AGREEMENT WITH PRESERVATION OF THE EGYPTIAN THEATRE FOR FACILITY IMPROVEMENTS TO THE EGYPTIAN THEATRE IN AN AMOUNT NOT TO EXCEED $100,000 BEGINNING MARCH 26, 2018, THROUGH DECEMBER 31, 2018.

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

WHEREAS, the City of DeKalb is actively engaged in economic development efforts to attract visitors to the community and improve the quality of life for its residents through support of the arts; and,

WHEREAS, the Egyptian Theatre is a unique destination and gathering place for the community; and,

WHEREAS, the Preservation of the Egyptian Theatre has requested funding to support capital improvements to the Egyptian Theatre,

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

Section 1. That the Mayor of the City of DeKalb be authorized and directed to execute an Agreement with P.E.T. for TIF funds in the amount of One Hundred Thousand Dollars ($100,000) for FY2018 for facility improvements at the Egyptian Theatre, a copy of which is attached hereto and made a part hereof as Exhibit "A," subject to such changes as shall be acceptable to the Mayor on the advice of the City Manager.

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

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 26th day of March, 2018 and approved by me as Mayor on the same day. Passed by a 7-1 roll call vote. Aye: Finucane, Marquardt, Fagan, Noreiko, Verbic, Faivre, Smith. Nay: Jacobson.

ATTEST:

[Signature]

SUSANNA HERRMANN, City Clerk

[Signature]

JERRY SMITH, Mayor
EXHIBIT A

FY2018 EGYPTIAN THEATRE
TIF AGREEMENT

AGREEMENT made this 27th day of March, 2018, by and between the City of DeKalb, Illinois, an Illinois Municipal Corporation, (hereinafter referred to as "City") and the Preservation of the Egyptian Theatre, Inc. (hereinafter referred to as "P.E.T."), a not for profit corporation.

RECITALS

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

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

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

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

WHEREAS, to assist P.E.T. with these redevelopment projects thereby promoting the goals and objectives of the tax increment finance program of the City, the City desires to grant to the P.E.T. funding in a cumulative amount not to exceed One Hundred Dollars ($100,000) for Fiscal Year 2018 to pay for projects as they are identified herein; and

NOW THEREFORE, the parties agree as follows:

I. FUNDING. For Fiscal Year 2018 the City shall grant to P.E.T. an amount not to exceed One Hundred Thousand Dollars ($100,000). These monies shall be used to pay the invoices associated with the projects identified in the letter of request for funding, attached as Attachment "A". All invoices for work associated with the identified projects completed in Fiscal Year 2018 shall be forwarded to the City of DeKalb no later than January 15, 2019.

P.E.T. hereby certifies that no portion of the monies to be received from the City through this Agreement shall be used for payment of any debt owed by the P.E.T. at the time of execution of this document nor for any other purpose than the purposes which are specifically provided for payment by the City as identified within this agreement. P.E.T. further agrees and acknowledges that it shall comply with all applicable laws and regulations governing the use of the funds allocated herein.

II. ELIGIBLE USE OF FUNDS: All monies allocated by the City to P.E.T. through its Tax
Increment Finance program shall be used solely and exclusively for expenditures related to the projects identified in Attachment "A".

All funds authorized to be utilized in accordance with this Agreement shall be applied to the projects listed on Attachment "A". In the event that P.E.T. wishes to deviate from this list of projects, it shall submit the same to the City Manager for consideration. The City Manager may: 1) approve of such alternate project(s); b) reject such alternate project(s) and require adherence to the projects listed in Attachment "A"; or, 3) require the same to be submitted to the City Council for review and consideration, and for amendment of this Agreement.

P.E.T. hereby certifies it shall comply with all provisions for the public bidding of projects whose cost shall exceed twenty thousand dollars ($20,000) and shall obtain a minimum of three (3) cost quotes for all projects under that amount, unless specifically permitted otherwise by the City of DeKalb.

P.E.T. certifies that all contractors employed to complete the improvements described herein shall pay their employees the appropriate prevailing wage as provided in the State of Illinois Prevailing Wage Act. Further, Owner agrees and acknowledges that: 1) it shall have all contractors and bidders complete a set of Certifications in the form attached hereto as Attachment "B".

III. PAYMENT. All requests for payment of bills associated with the work noted in Section II this Agreement shall first be submitted in writing to the Economic Development Planner for the City of DeKalb, who shall be responsible for the timely review and approval of all requests for payment, and shall be charged with the oversight provisions contained within this Agreement. The City of DeKalb is obligated to reimburse only those TIF eligible expenses incurred with all applicable requirements and to the extent that budgeted funds are available.

IV. STATUS REPORT. P.E.T. shall make an oral year end status report to the City Council no later than the second City Council meeting in November 2018 which shall summarize all activities and rehabilitation projects undertaken by the organization during the term of this Agreement.

V. FAILURE TO PERFORM. In the event that either party fails to perform any of its obligations under this Agreement, if the non-defaulting party delivers written notice of nonperformance to the defaulting party and the defaulting party fails or refuses to cure the default within 28 days of receipt of the written notice of default, then the non-defaulting party may declare.

VI. EQUAL OPPORTUNITY. P.E.T. shall not discriminate in its employment, operations, or business practices on the basis of race, creed, color, sex, military service status, age, national origin, matriculation, sexual orientation or disability.
VII. DRUG FREE WORKPLACE. P.E.T. shall operate under the terms and conditions of the City’s adopted Drug Free Workplace policy during the term of this Agreement.

VIII. SUBMISSION OF ANNUAL BUDGET, YEAR END FINANCIAL STATEMENTS, AUDITOR’S REPORT & MEETING MINUTES: P.E.T. shall annually submit a copy of their approved annual budget, year-end financial statements, Auditor’s Report and copies of any board meeting minutes of any meeting where the receipt or use of City funding is discussed or acted upon within thirty (30) days of the approval of such documents.

IX. INSURANCE AND INDEMNIFICATION: P.E.T. agrees that it shall indemnify, defend and hold harmless the City, its agents, employees, contractors, elected and appointed officials, and related parties from any and all claims of any nature relating to the use, maintenance or operation of the Egyptian Theater, the funding of any expenses contemplated by this Agreement, the conduct of any repairs or improvements to the Egyptian Theater, or in any way relating to or arising out of this Agreement or the funding contemplated herein. Any defense or indemnity of the City under the terms of this Agreement shall be performed by parties acceptable to the City in its discretion. Further, P.E.T. shall provide the City of DeKalb with a certificate of insurance naming the City as additional primary insured without right of subrogation, on a policy of insurance for commercial general liability, from an issuer and with policy limits acceptable to the City Manager. Such insurance shall be maintained for the full duration of this Agreement. P.E.T. shall also require any contractors performing work, maintenance, repairs or upgrades to the Egyptian Theater to provide adequate and appropriate insurance which names P.E.T. and the City of DeKalb as additional primary insureds without right of subrogation. Further, P.E.T. shall provide and maintain any form of insurance required by law, and the City may demand proof of such other insurance upon request.

X. TERM OF AGREEMENT. This Agreement shall be in effect from March 26, 2018, to December 31, 2018.

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

CITY OF DEKALB

PRESERVATION OF THE EGYPTIAN THEATRE

[Signatures]

Daniel Schewe, Board President

Susanna Hennings, City Clerk
City of DeKalb
200 South 4th Street
DeKalb, IL 60115

March 17, 2018

Mayor Jerry Smith,

I am writing to request funding from the City of DeKalb TIF fund for FY 2018 in the amount of $100,000 and request that remaining funds from previous fiscal years be rolled over as allowed in our funding agreements.

Attached is our list of capital expenditures and estimated costs planned for FY 2018. Due to the unique nature of the historic Egyptian Theatre, unexpected emergency repairs do occur throughout the year. For that reason, we request that we have the ability to request to the City Manager for this funding to be used for an unexpected repair if that should occur.

We will move forward with all of these projects upon funding approval from City Council and plan to have them complete before the end of FY 2018. We would like to request that our funding agreement continue to include a rollover of funding from year to year in case of unforeseen delays in completing a project.

On behalf of the Egyptian Theatre Board of Directors, all of our volunteers, our staff, patrons and donors I want to thank the City of DeKalb for its continued support of the historic Egyptian Theatre. We are proud of the positive impact we have made on this community and the downtown. We look forward to continued growth and prosperity in years to come.

Sincerely,

Alex Nerad

Alex Nerad
Executive Director
Attachment “A” (continued)

List of Capital Expenditures for the Egyptian Theatre
FY 2018

Expenses Estimated

Stage rigging repairs $2,500
Boiler repairs $2,500
Conversion of stage lighting to LED $20,000
Conversion of auditorium lighting to LED $30,000
Install fall restraint safety system for front of house truss $2,500
Replace front of house lighting truss raceway and electrical cabling $25,000
Plaster repairs in auditorium $10,000
Façade repairs and restoration $7,500
Attachment B

Bidder
Certifications

**Sexual Harassment:** The Bidder certifies that it is in compliance with the Illinois Human Rights Act 775 ILCS 5/1.101, et seq. including establishment and maintenance of sexual harassment policies and program.

**Tax Delinquency:** The Bidder certifies that it is not delinquent in payment of any taxes to the Illinois Department of Revenue in accordance with 65 ILCS 5/11-42.1, and is not delinquent in the payment of any tax, charge or obligation to the City of DeKalb.

**Employment Status:** The Bidder certifies that if any of its personnel are an employee of the State of Illinois, they have permission from their employer to perform the service.

**Anti-Bribery:** The Bidder certifies it is not barred under 30 Illinois Compiled Statutes 500/50-5(a) - (d) from contracting as a result of a conviction for or admission of bribery or attempted bribery of an officer or employee of the State of Illinois or any other state.

**Loan Default:** If the Bidder is an individual, the Bidder certifies that he/she is not in default for a period of six months or more in an amount of $600 or more on the repayment of any educational loan guaranteed by the Illinois State Scholarship Commission made by an Illinois institution of higher education or any other loan made from public funds for the purpose of financing higher education (5 ILCS 385/3).

**Felony Certification:** The Bidder certifies that it is not barred pursuant to 30 Illinois Compiled Statutes 500/50-10 from conducting business with the State of Illinois or any agency as a result of being convicted of a felony.

**Barred from Contracting:** The Bidder certifies that it has not been barred from contracting as a result of a conviction for bid-rigging or bid rotating under 720 ILCS 5/33E-3 (Bid Rigging) or 720 ILCS 5/33-4 (Bid Rotating) or a similar law of another state or of the federal government.

**Prevailing Wage:** The Bidder certifies that it shall comply with all applicable provisions of the Prevailing Wage Act, and further certifies that it is not in violation of said Act and has not been barred from bidding on this proposal by virtue of a past violation of the Act. A copy of the most recent available list of prevailing wages is attached hereto or has been provided to the Bidder. The Bidder is responsible for regularly updating said list as new prevailing wage rates are made available by the City or by the Illinois Department of Labor. The Illinois Department of Labor posts regular updates to prevailing wage rates on its official website, which is currently [www.illinois.gov/idol](http://www.illinois.gov/idol). This notice is given pursuant to 820 ILCS 130/4 and the balance of the Illinois Prevailing Wage Act, which is incorporated herein by reference as if fully restated.

**Drug Free Workplace:** The Bidder certifies that it is in compliance with the Drug Free Workplace Act (30 Illinois Compiled Statutes 580) as of the effective date of this contract. The Drug Free Workplace Act requires, in part, that Bidders, with 25 or more employees certify and agree to take steps to ensure a drug free workplace by informing employees of the dangers of drug abuse, of the availability of any treatment or assistance program, of prohibited activities and of sanctions that will be imposed for violations; and that individuals with contracts certify that they will not engage in the manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the contract. The Bidder further certifies that it maintains a substance-abuse program and provide drug testing in accordance with 820 ILCS 130/11G, Public Act 095-0635.

**Responsible Bidder Requirements:** The Bidder certifies that it complies with the Illinois Procurement Code and the provisions of Section 30-22 thereof relating to apprenticeship and
training, if applicable.

**Non-Discrimination, Certification, and Equal Employment Opportunity:** The Bidder agrees to comply with applicable provisions of the Illinois Human Rights Act (775 Illinois Compiled Statutes 5), the U.S. Civil Rights Act, the Americans with Disabilities Act, Section 504 of the U.S. Rehabilitation Act and the rules applicable to each. The equal opportunity clause of Section 750.10 of the Illinois Department of Human Rights Rules is specifically incorporated herein. The Bidder shall comply with Executive Order 11246, entitled Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented by U.S. Department of Labor regulations (41 C.F.R. Chapter 60). The Bidder agrees to incorporate this clause into all subcontracts under this Contract.

**International Boycott:** The Bidder certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act (30 ILCS 582).

**Record Retention and Audits:** If 30 Illinois Compiled Statutes 500/20-65 requires the Bidder (and any subBidders) to maintain, for a period of 3 years after the later of the date of completion of this Contract or the date of final payment under the Contract, all books and records relating to the performance of the Contract and necessary to support amounts charged to the City under the Contract. The Contract and all books and records related to the Contract shall be available for review and audit by the City and the Illinois Auditor General. If this Contract is funded from contract/grant funds provided by the U.S. Government, the Contract, books, and records shall be available for review and audit by the Comptroller General of the U.S. and/or the Inspector General of the federal sponsoring agency. The Bidder agrees to cooperate fully with any audit and to provide full access to all relevant materials.

**United States Resident Certification:** (This certification must be included in all contracts involving personal services by non-resident aliens and foreign entities in accordance with requirements imposed by the Internal Revenue Services for withholding and reporting federal income taxes.) The Bidder certifies that he/she/it is a: **X** United States Citizen or Corporation ___ Resident Alien ___ Non-Resident Alien The Internal Revenue Service requires that taxes be withheld on payments made to non-resident aliens for the performance of personal services at the rate of 30%.

**Tax Payer Certification:** Under penalties of perjury, the Bidder certifies that its Federal Tax Payer Identification Number or Social Security Number is ___ and is doing business as a (check one): ___ Individual ___ Real Estate Agent ___ Sole Proprietorship ___ Government Entity ___ Partnership Tax Exempt Organization (IRC 501(a) only) ___ Corporation ___ Not for Profit Corporation ___ Trust or Estate ___ Medical and Health Care Services Provider Corp.

**Authorized in Illinois:** The Bidder that it is authorized to lawfully transact business in the State of Illinois, under all applicable Illinois laws and regulations. The Bidder certifies that it shall comply with the Corporate Accountability for Tax Administration Act, 20 ILCS 715/1, et. seq. Where applicable, the Bidder certifies that it is not barred from bidding by virtue of having been adjudicated to have committed a willing or knowing violation of Section 42 of the Environmental Protection Act within the five years preceding this bid, pursuant to 415 ILCS 5/1, et. seq. The Bidder further certifies that it is in compliance with all applicable requirements of the Business Enterprise for Minorities, Females and Persons with Disabilities Act, 30 ILCS 575/1, et seq.

**Export Administration, Supplies, Labor:** The Bidder certifies that neither it nor any
substantially owned affiliate is participating, nor shall participate, in an international boycott which is in violation of the provisions of the US Export Administration Act of 1979 or the regulations of the US Department of Commerce promulgated under the Act, including but not limited to the requirements of 30 ILCS 582/5. The Bidder further certifies that no foreign made equipment, materials or supplies furnished under the proposal or agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor, nor made in whole or in part by the labor of any child under the age of 12, under penal sanction pursuant to 30 ILCS 583/1 and 30 ILCS 584/1. The Bidder certifies that steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the City Manager grants an exception to said requirement, pursuant to 30 ILCS 565/1, et. seq.

**General Compliance and Certification:** The Bidder certifies that it has and will comply with all other applicable laws, regulations, ordinances or restrictions applicable to any component of the bidding process, agreement, or any services or materials provided in connection therewith. The Bidder acknowledges that it is responsible for identifying and complying with all applicable laws, ordinances, rules and regulations, and that it shall indemnify and hold harmless the City of DeKalb from any claim, liability or damages arising out of the failure to identify or comply with any such applicable legal restriction.
RESOLUTION 2018-040       PASSED: MARCH 26, 2018

AUTHORIZING IMMEDIATE PAYMENT OF THE INCENTIVE FOR 230 EAST LINCOLN HIGHWAY (THE BANDIT'S CASTLE, LLC).

WHEREAS, the City of DeKalb (hereinafter referred to as “the City”), and The Bandit's Castle, LLC (“Owner”), have previously entered into an amended agreement dated March 12, 2018 (Amended Agreement), a copy of which is attached hereto as “Exhibit A”; and,

WHEREAS, the City was required to amend the FY2018 Budget in order to fund the $468,282 expense associated with the Amended Agreement; and,

WHEREAS, the approval of Ordinance 2018-010 amending the FY2018 Budget would occur post approval of the accounts payable during the City Council Regular Meeting to take place on March 26, 2018; and,

WHEREAS, further delay of a payout for the incentive would result in a negative financial impact for the Owner;

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

Section One. That the Finance Director of the City of DeKalb is authorized and directed to make immediate payment of the incentive amounts contemplated herein, upon receipt and approval of all required documentation by her.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting held on the 26th day of March, 2018, and approved by me as Mayor on the same day. Passed by a 6-1-1 roll call vote. Aye: Jacobson, Finucane, Marquardt, Noreiko, Faivre, Smith. Nay: Verbic. Absent: Fagan.

ATTEST:

SUSANNA HERRMANN, City Clerk
JERRY SMITH, Mayor
RESOLUTION 2018-030       PASSED: MARCH 12, 2018

AUTHORIZING AN AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT (THE BANDIT’S CASTLE, LLC).

WHEREAS, the City of DeKalb (hereinafter referred to as “the City”), and The Bandit’s Castle, LLC (“Owner”), have previously entered into an agreement dated March 13, 2017, (Original Agreement), a copy of which is attached hereto as “Exhibit B”; and

WHEREAS, after entering into the Original Agreement, the Owner incurred greater than anticipated project costs due to unknown conditions of the property located at 230 East Lincoln Highway; and

WHEREAS, the Owner has requested an amendment to the Original Agreement that would increase the amount of the incentive provided and allow for future financial assistance to be provided to prospective tenants of the available commercial spaces; and

WHEREAS, the City desires to support the Owner in their effort to recruit viable businesses to the Owner’s vacant commercial spaces;

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

Section One. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to execute an amended agreement with The Bandit’s Castle, LLC for facility improvements to the property located at 230 E. Lincoln Highway, a copy of which is attached hereto and made a part thereof as Exhibit “A,” subject to such changes as shall be acceptable to him.

ADOPTED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting held on the 12th day of March, 2018, and approved by me as Mayor on the same day. Passed by a 6-1-1 roll call vote. Aye: Jacobson, Finucane, Marquardt, Noreiko, Faivre, Smith. Nay: Verbic. Absent: Fagan.

ATTEST:

[Signature]
SUSANNA HERRMANN, City Clerk

[Signature]
JERRY SMITH, Mayor

[Stamp]
EXHIBIT A

AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT.

THIS AGREEMENT entered this 12th day of March, 2018, between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as "the City"), and The Bandit’s Castle, LLC ("Owner"), TO WIT:

       Address of Property to be improved: 230 E. Lincoln Highway, DeKalb, Illinois. ("Subject Property")

WITNESSETH:

WHEREAS, the City and Owner entered into an agreement on March 13, 2017 ("Original Agreement") a copy of which is attached hereto as Exhibit B, which identified certain improvements at the Subject Property for which the City would reimburse the Owner and the conditions for such reimbursement; and

WHEREAS, on March 13, 2017, the City Council approved Resolution 2017-042, authorizing an Economic Incentive with the Owner; and

WHEREAS, the Owner is requesting to amend the terms of the Original Agreement due to the final project costs exceeding the original cost estimates included in the Original Agreement; and

WHEREAS, the City acknowledges the risk associated with significant rehabilitation projects involving buildings constructed prior to 1900; and

WHEREAS, the Owner’s ability to provide future financial assistance for tenant build-out is no longer possible due to greater than anticipated project costs; and,

WHEREAS, the long-term vacancy of the first floor commercial spaces is not beneficial to the City; and,

WHEREAS, the City and Owner now desire to amend the Original Agreement;

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

1. Article VIII: Development Incentive, Section B – Development Incentive Defined:

   The Owner commits that it shall invest approximately One Million Two Hundred Thousand Dollars ($1,200,000) One Million Four Hundred Seventy Three Thousand Dollars ($1,473,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser
of: a) $400,000-$468,282; b) the amount which is one third (1/3) of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Owner fails to incur Project Completion Costs of $4,190,000, $1,473,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is one third of the Project Completion Costs (i.e. if Project Completion Costs total $1,000,000, the Development Incentive shall not exceed $333,333.33).

2. Exhibit E: Project Cost Documentation Requirements

Final Project Costs must be documented in a tabbed binder in accordance with these regulations.

a. 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.

b. 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. The second section must include a sworn contractor affidavit that lists contractors and subcontractors, a summary of the project, contract amounts, and draws from the construction loan.

c. 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.

d. Applicants may include a Miscellaneous Expenses tab in the binder for small project expenses.

e. 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.

f. 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.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Original Agreement on the date first appearing above.

CITY OF DEKALB, ILLINOIS
A Municipal Corporation

THE BANDIT'S CASTLE, LLC

Owner/Manager/Member

[Signatures]
EXHIBIT B

RESOLUTION 2017-042 PASSED: MARCH 13, 2017

AUTHORIZING A REDEVELOPMENT AGREEMENT
FOR THE PROPERTY LOCATED AT 230 EAST
LINCOLN HIGHWAY, DEKALB, ILLINOIS.

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

WHEREAS, the building located at 230 East Lincoln Highway ("the Premises") is under contract to purchase by The Bandit's Castle, LLC ("Developer"); and

WHEREAS, the City and Developer seek to enter into a development agreement for improvements to the Premises; and

WHEREAS, Developer has proposed to commit a substantial sum of funds to the completion of renovation of the building on the Premises, subject to the City's commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property.

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

Section 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"), subject to such revisions as shall be acceptable to the Mayor with the recommendation of City staff. Said revision shall include the addition of the legal description for both parcels comprising the property located at 230 East Lincoln Highway. The City Council also expressly approves of the provision of a City-funded incentive in an amount not to exceed the lesser of: 1) $400,000; 2) the total of all TIF-eligible costs incurred; or, 3) that sum which is 1/3 of the total project costs for the Improvements as defined in the Agreement. Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director. Said incentive shall be processed by the City as a TIF-funded grant, repaid as a forgivable loan over a period of ten years as described in the Agreement.

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 City 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. The City Clerk is authorized and directed to record a copy of the Agreement following execution of the same.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof held on the 13th day of March, 2017, and approved by me as Mayor on the same day. Passed by a 7-1 roll call vote. Aye: Finucane, Marquardt, Snow, Noreikko, Baker, Faivre, Rey. Nay: Jacobson.

ATTEST:

[Signature]
JENNIFER JEEB JOHNSON, City Clerk
[Signature]
JOHN A. REY, Mayor
Prepared By and Return To
City of DeKalb
ATTN: City Attorney
200 S. Fourth Street
DeKalb, IL 60115

230 EAST LINCOLN HIGHWAY
DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
RECEITALS.................................................................................................................. 4
ARTICLE I: INCORPORATION OF RECEITALS................................................................. 5
ARTICLE II: ZONING AND IMPROVEMENT OF THE PROPERTY.............................. 5
   A. Zoning Applicability: ......................................................................................... 5
   B. Permitted Uses: .................................................................................................. 5
   C. Improvements to Property: ................................................................................. 5
   D. Required Revisions to Plans: ............................................................................. 6
   E. Property Related Provisions: ............................................................................. 7
   F. Failure to Close: ................................................................................................. 7
   G. Future Parking Areas: ....................................................................................... 7
ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:............. 8
   A. Owner’s Responsibility to Maintain: ................................................................. 8
   B. Backup Special Service Area: ............................................................................ 8
   C. Stop Work Orders: ............................................................................................ 9
   D. Compliance with City Ordinances and Applicable Regulations: ................. 9
   E. Site Control: ..................................................................................................... 9
   F. Building Codes: ............................................................................................... 10
   G. Fire Suppression / Alarm: ............................................................................... 10
ARTICLE IV: PROJECT STAGING: ............................................................................. 10
ARTICLE V: INFRASTRUCTURE: ............................................................................. 10
   A. Water Mains and Potable Water Supply: ......................................................... 10
   B. Storm Water Retention, Facilities and Improvements: .................................. 11
   C. Sanitary Sewers: .............................................................................................. 11
   D. Utility Connections: ....................................................................................... 11
   E. Grant of Easements / Right of Way: ................................................................. 11
ARTICLE VI: FEES AND CONTRIBUTIONS: ............................................................... 11
   A. Fees Specifically and Uniquely Attributable: ................................................... 11
   B. Owner Responsibility for Costs: ...................................................................... 12
ARTICLE VII: INTENTIONALLY OMITTED: ............................................................... 13
ARTICLE VIII: DEVELOPMENT INCENTIVE: ............................................................ 13
   A. Necessity of Incentive: ..................................................................................... 13
   B. Development Incentive Defined: ..................................................................... 14
   C. Definition of Eligible Costs: ............................................................................ 14
   D. Payment of Development Incentive: ............................................................... 14
   E. Forgiveness of Development Incentive: .......................................................... 16
   F. Limitation of Liability: .................................................................................... 16
   G. Incentive Security: ......................................................................................... 16
ARTICLE IX. OPERATION OF THE PROPERTY: .......................................................... 17
   A. Public Safety Regulations: Trespass/Patrol Agreement: ............................... 17
   B. Knox Boxes: .................................................................................................. 17
   C. Common Area Surveillance: ........................................................................... 17
   D. Commercial Property Registration and Inspection: ...................................... 18
ARTICLE X: MUTUAL ASSISTANCE: ........................................................................ 18
ARTICLE XI: REMEDIES: ................................................................. 18
  A. Failure to Construct: ........................................................... 18
  B. Breach Generally: .............................................................. 18

ARTICLE XII: TERM: ................................................................. 19

ARTICLE XIII: MISCELLANEOUS: .................................................. 19
  A. Amendment: ........................................................................ 19
  B. Severability: ....................................................................... 19
  C. Entire Agreement: ............................................................... 19
  D. Successors and Assigns: ...................................................... 20
  E. Notices: .............................................................................. 20
  F. Time of Essence: ................................................................. 21
  G. Indemnification: ................................................................. 21
  H. Exhibits: ............................................................................ 22
  I. Venue: ............................................................................... 22
  J. Survival of Provisions: .......................................................... 22

Exhibit A: Legal Description ............................................................ 25
Group Exhibit B: Plans ................................................................... 26
Exhibit C: No Trespass / Patrol Agreement ....................................... 27
Exhibit D: Traffic Enforcement Agreement ....................................... 29
Exhibit E: Project Cost Documentation Requirements .......................... 31
Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage ........................................... 32
Exhibit G: Waiver of Objection to Special Service Area ....................... 50
This Development Incentive Agreement (the "Agreement") is made and entered the 13th day of 
March, 2017 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb 
County, Illinois, (the "City"), and The Bandit's Castle, LLC (the "Owner"). The City and the Owner are 
collectively referred to as “Parties” and individually referred to as a “Party.”

RE C I TA L S

A. The Owner is the owner or contract purchaser of record of a parcel of real property situated 
at 230 East Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally 
described on Exhibit A attached hereto and incorporated herein by reference as the "Property".

B. The Property is comprised of a two story (plus basement) commercial building. The Owner 
has acquired the contractual right to purchase the Property and the structure therein, and proposes to 
redevelop the Property as a commercial development in accordance with this Agreement. The Property is 
proposed to be developed in accordance with the plans attached hereto as Group Exhibit B (“the Plans”), 
except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate 
the improvement of the building upon the Property (“the Building”), and provide preliminary architectural 
and elevation information. The redevelopment of the Property and the Building is proposed to occur within 
the parameters of existing zoning restrictions applicable to the Property under the terms of the City’s 
Unified Development Ordinance (UDO) Central Business District (CBD) zoning regulation that is currently 
in place. There is no proposed residential component of the development.

C. The City and the Owner thus have negotiated and have voluntarily entered into this 
Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this 
Agreement.

D. The City acknowledges that the Owner’s proposed use of the Property, as set forth in this 
Agreement, will be compatible with and will further the planning objectives of the City and that the 
redevelopment of the Property to the City 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. The City acknowledges and the Owner agrees that the CBD zoning, as provided under the 
UDO, will be the most appropriate zoning classifications for the development of the Property and that the 
Property will not have any residential use or residential component during the term of this Agreement.

F. All other and further notices, publications, procedures, public hearings and other matters 
attendant to the consideration and approval of this Agreement 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.

G. 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 G, 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: ZONING AND IMPROVEMENT OF THE PROPERTY

A. Zoning Applicability:

The Property is presently zoned CBD and shall remain zoned CBD for the duration of this Agreement unless a mutually acceptable amendment to this Agreement is approved by both parties. The Owner shall not permit any residential use of the Property to occur during the term of this Agreement except with the express approval of the City Council.

B. Permitted Uses:

Other than as outlined above, all uses which are permitted or special uses in the CBD zoning district shall be permitted or special uses as provided herein and this Agreement shall not alter the applicable zoning, save for the Owner’s pledge to not undertake residential use of the Property during the term of this Agreement.

C. Improvements to Property:

Owner shall construct, as a component of the redevelopment of the Property, improvements generally consisting of the following items:

1) Owner shall undertake a full replacement/improvement of the front façade of the property, in general compliance with the conceptual drawings included in the Plans, inclusive of the improvements to the second floor area of the façade as depicted therein.

2) Owner shall install a new and modern design heating/ventilation/air conditioning system to service the needs of the Building.

3) Owner shall undertake any roof repair or replacement required to render the Building secure against elements and in compliance with all applicable codes.

4) Owner shall construct an on-site elevator to serve all three floors of the Building, in a fashion compliant with all applicable codes.

5) Owner shall construct an expansion of the rear stairwell of the Building in compliance with all applicable codes, if required.

6) Owner shall construct an improved rear façade in form and content acceptable to the Community Development Director if a rear stairwell is required. If no rear stairwell is required, Owner shall repair and improve the existing rear façade to comply with all applicable building codes and regulations.

7) Owner shall complete an interior buildout of the Building, inclusive of commercial/office/retail/storage uses in the basement, two commercial/retail spaces on the first floor of the Building (of approximately 1,200 square feet and 1,400 square feet, respectively), and commercial/retail uses on the second floor of the building.

All improvements shall be subject to any conditions or restrictions imposed pursuant to building permits or other approvals issued by the City, and Owner shall obtain, at its cost, all such required permits and inspections. The final proposed floor plan, scope of improvement, façade materials and elevations shall be subject to review and approval by the Community Development Director, which approval shall not be unreasonably withheld or conditioned. In the event that the Community Development Director withholds
approval, the Owner may appeal such decision to the City Council, whose decision shall be final.

The Parties acknowledge that at the time of approval of this Agreement, the City has only reviewed architectural elevations showing portions of the Building. Owner agrees and acknowledges that the Building shall be designed with “four sided architecture”, meaning that all exposed sides of the building shall feature architectural improvements. Preliminary details of the architectural theme, inclusive of preliminary architectural elevations, have been provided as part of the Plans. All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans.

Following the installation of such materials, the Owner shall maintain such materials (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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

Any future proposal to remodel any portion of the Property which would add additional or revised structures, outdoor signage, facilities or changes in building materials shall be subject to review and approval by the Community Development Director, or at the Director’s discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City.

D. Required Revisions to Plans:

1) The final plans for the Building shall be required to provide a consistent standard for any lighting, awnings or signage proposed to be installed on the Building. All lighting, awnings and signage shall be installed and thereafter maintained in accordance with these standards unless strict compliance is waived by the Community Development Director, it being the intention of the Parties that the signage and awnings on the Building shall be of a common design and character so as to promote a cohesive appearance of the Building.

2) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aid in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

3) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Building or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g., the proposed walkway at the east side of the Property and/or parking areas), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.
4) Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted on the Property only in accordance with the approved final plans, provided that all such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services as contemplated by the Plans.

E. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the incentive granted herein.

1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within the Building, Owner shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Owner shall provide building lighting and street lighting on streets adjacent to the Property based upon a consistent standard adopted at the time of final plan approval, acceptable to Owner and the City, and shall thereafter maintain lights in such locations in compliance with the adopted standards. For any public streetlights installed in accordance with this standard, following construction of the project and acceptance of public improvements, the obligation to maintain and operate such lights shall be the responsibility of the City.

4) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

F. Failure to Close:

In the event that the Owner fails to acquire and close upon all of the parcels within sixty (60) days of the date of this Agreement, the City and Owner shall renegotiate this Agreement and the terms of repayment of any portion of the City incentive paid prior to said date or, failing the same, the City may declare a default and exercise any rights contained herein. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Owner is, through no fault of the Owner’s, unable to close on the property and is working in good faith to complete such transaction.

G. Future Parking Areas:

The Parties acknowledge that at the time of preparation of this Agreement, the Owner has not yet completed final plans for the improvement of the Property. However, the Property includes a rear parking/access area, located immediately south of the Building, which is adjacent to publicly owned alley and public parking lot. The Owner agrees that, at any point during the term of this Agreement, upon the written request of the City, the Owner shall either deed such parking/access area to the City or shall provide the City with a public access and parking easement covering such areas (at the City’s preference), to allow the integration of such areas into a combined parking/public access area. The City and Owner shall reasonably cooperate on the design of such area to facilitate access into the Building by Owner and Owner’s
tenants or invitees. The City’s ability to acquire such areas shall be limited to circumstances where the City is acquiring the area to provide common public parking. In such instance, the Parties shall ascertain the total number of parking spaces provided to Owner on Owner’s Property prior to the conveyance to the City, and the City shall reserve a like number of parking spaces for Owner within the common public parking area.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner’s Responsibility to Maintain:

The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots or other improvements within the Property and for maintaining the Building on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property’s compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements and amenities as depicted in the approved plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the "Common Facilities Maintenance"). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement ("Common Facilities Maintenance Easement") over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200¢ per $100.

Approval of this Agreement shall be deemed to constitute consent to the City’s establishment of a special service area as herein described.
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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G, within ninety (90) days of the date of closing upon the last of the parcels comprising the Property, and prior to the issuance of any payment of the Development Incentive contemplated herein.

C. Stop Work Orders:

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.

D. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

E. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control
dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, Owner shall provide the Owner Surety in a form consistent with the Owner Surety referenced hereinabove. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke the Owner Surety. Owner shall, within 15 business days following written notice from the City, pay all such costs.

F. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

G. Fire Suppression / Alarm:

The Owner shall install a full fire alarm and fire suppression system in compliance with applicable code requirements and shall, except during reasonable periods of maintenance, thereafter keep such systems in service, operational and in good repair.

ARTICLE IV: PROJECT STAGING:

The Parties acknowledge that the construction of the project upon the Property shall be staged, as described below.

1) The Owner shall close upon the Property as expeditiously as possible.
2) At such time as Owner has acquired ownership of the Property, Owner shall submit final plans for review and approval by the City.
   a. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the Plans attached hereto. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. The City shall not unreasonably withhold or condition approval of the final plans, provided that they are in substantial conformance with the concept plans and the conditions and restrictions contained in this Agreement. As indicated above, final plans shall be subject to approval by the Community Development Director, and any denial of such approval may be appealed to the City Council.
3) Owner shall complete construction of the Building within eighteen (18) months of the date of approval of the final plans by the City.

ARTICLE V: INFRASTRUCTURE:

A. Water Mains and Potable Water Supply:
The Property is currently serviced by an existing connection to the City's potable water system. The Owner shall have the right to connect to and use such system and mains upon payment of the costs of connecting to the City's water mains and the costs of any water meters or related devices. 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. Storm Water Retention, Facilities and Improvements:

The City acknowledges that no storm water improvements are contemplated herein, and the Property shall comply with applicable regulations.

C. Sanitary Sewers:

Owner shall comply with all applicable regulations, codes and ordinances.

D. Utility Connections:

The installation of the necessary and appropriate on-site electric, natural gas, cable, television, telephone facilities, and future internet access facilities (when available) to the Property shall be by underground installation (where reasonably possible) and pursuant to the requirements of such utility companies or pursuant to the agreement of the City with such entities and at no cost to the City. The City agrees to cooperate with the Owner to permit the extension of all such utilities along existing public right-of-ways and/or City owned property and otherwise allow the extension of all necessary utilities to the Property, provided, however, that the City's agreement to cooperate with the Owner to allow the extension of utilities to the Property shall in no way relieve the Owner of its obligations to obtain any and all easements and permits necessary to do so, at Owner's sole cost and expense.

E. 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 VI: 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 and planning and engineering review fees as proposed to be developed and constructed.

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 including but not limited to the Owner Surety. 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 Development.

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 VII: INTENTIONALLY OMITTED:

ARTICLE VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that the Property has not experienced beneficial redevelopment or growth and has remained vacant for a significant period, notwithstanding the existence of a TIF District intended to improve property valuation. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Owner is undertaking a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate substantial new revenues for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce in the City’s Central Business District and other areas. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not acquire the properties and would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive. Further, the Parties have determined that in the absence of this Development Incentive, the Owner could purchase, lease or construct new commercial/retail space either within or outside the City of DeKalb at a lesser cost than the Owner incurs by purchasing and repurposing an existing building within the core of the City’s Central Business District. The City acknowledges the value of encouraging beneficial reuse of such structures, and provides this Development Incentive to encourage and enable such redevelopment which would not happen but for this Agreement.
B. Development Incentive Defined:

The Owner commits that it shall invest approximately One Million Two Hundred Thousand Dollars ($1,200,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser of: a) $400,000; b) the amount which is one third (1/3) of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Owner fails to incur Project Completion Costs of $1,200,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is one third of the Project Completion Costs (i.e. if Project Completion Costs total $1,000,000, the Development Incentive shall not exceed $333,333.33).

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the Building and the Property, incurred after the date of approval of this Agreement. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; management fees not to exceed twelve percent (12%) of total actual project costs; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. 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 Owner obtains in order to facilitate the redevelopment of the Property, and the City Manager shall be authorized and directed to execute any subordination agreement or other similar documentation, without
requirement of separate City Council approval.

2. The approval of this Agreement shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on an as-incurred basis towards TIF Eligible Costs incurred prior to the approval of the final plans, including but not limited to demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.

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 E. For payment of property acquisition costs at a real property closing, the City staff shall be authorized to make direct payment to the title company or escrow office processing the closing. Such payments, as time-sensitive payments, shall be processed in accordance with the established closing schedule for an individual real estate closing. For payment of other TIF Eligible Costs such as professional fees or related expenses, such payments shall be made on a monthly basis, again in accordance with Exhibit E. At the time of payment, Owner shall provide the City with satisfactory evidence of title.

b. The City's intention in providing direct payment of such expenditures, including property acquisition costs, is to facilitate the rapid redevelopment of the Property to ensure its conversion and return to beneficial commercial use.

3. At such time as the Owner obtains a final certificate of occupancy for the Building, it is contemplated that the Owner will transition from construction financing to permanent financing. At such time, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City's mortgage(s) to the Owner's permanent financing, and any subsequent private financing obtained by the Owner.

a. In the event that the Project Completion Costs do not include $1,200,000 of total expenses, then the Development Incentive shall be reduced to not exceed one-third of Project Completion Costs.

b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Owner following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than one-third of Project Completion Costs, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.

c. The Parties acknowledge that the Owner shall be receiving as-incurred payments of the Development Incentive, prior to the time that the City and Owner have the final figures for the Project Completion Costs. The City and Owner shall use their best efforts to ensure that the Development Incentive paid to Owner does not exceed one-third of Project Completion Costs. However, in the event that the final accounting for the project shows that more than one-third of the Project Completion Costs were reimbursed to Owner, Owner shall provide repayment of any excess reimbursement to the City within thirty (30) days of the date of the City's written request for the same.
E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten year period, with ten percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or, the date of the first commercial occupancy of any portion of the Building (after renovation). The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and ownership rights of the Property for the duration of the forgiveness period, as an operational business in the current industry, generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).

F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City’s rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City’s annual budget adopted in accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions as in effect now and as hereafter amended.

G. Incentive Security:

The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage which may be subordinate to other loans, liens and encumbrances. The Parties further acknowledge that the City undertakes and accepts certain risks during the conduct of the construction and prior to the issuance of a final certificate of occupancy, in that the City will be advancing sums prior to being assured that the project shall be completed. Accordingly, in order to induce the City to provide the incentive described herein, payable as described herein, the Owner agrees that it shall provide the City with security for the City’s incentive payment, in form and content acceptable to the City Manager with the recommendation of City staff, prior to the payment of any portion of the Development Incentive. Such security shall be maintained in place until the commencement of the forgiveness period of the Development Incentive as described above. The security may be in the form of an irrevocable letter of credit, a performance bond, a payment bond a surety bond or another acceptable format, provided that such bond either secures the repayment of the Development Incentive to the City in the event that the project for any reason fails to be completed, or provided that such bond secures the completion of improvements funded by the City through the payment of the Development
Incentive.
In the event that the security is provided in the form of a cash bond, surety bond or similar ‘economic’ bond, the proceeds shall be utilized to repay the City for any portion of the Development Incentive previously paid and the City shall have sole discretion in the use of such funds after repaid to the City. In the event that the security is provided in the form of a performance bond, such bond shall be utilized to guarantee the completion of any work initiated or paid through the use of the Development Incentive, and such additional work as shall be within the scope of such bond.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Public Safety Regulations: Trespass/Patrol Agreement:

The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the Building (including but not limited to the common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

B. Knox Boxes:

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.

C. Common Area Surveillance:

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.
D. Commercial Property Registration and Inspection:

The Owner shall comply with the then-current requirements of any applicable commercial property registration or inspection ordinance maintained by the City, and shall voluntarily comply with an annual inspection of the premises in accordance therewith. The Owner shall secure all such permissions and shall include in any leases for any portion of the Property such authorization as shall be required to permit the full inspection of any portion of the Building or Property. 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.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the acquisition, demolition and remediation of existing structures and improvements. Those timelines may be extended by the City Manager, with agreement of the Owner, from time to time by written agreement, without requiring an amendment of this Agreement or approval of the City Council, for good cause shown by Owner, in the City Manager's discretion.

2. In the event that Owner fails to complete the renovation of the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45)
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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE XII: TERM:

This agreement shall have a term of fifteen (15) 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 Development Incentive is ruled invalid, in whole or in part, the Corporate Authorities, 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, lessees, 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. This Agreement may be assigned 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 Building is constructed and 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.

   a. The Owner may request that the City pay a portion of the Development Incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

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:

City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2060
Email: Annemarie.gaurai@cityofdekalb.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:

With a Copy To: Mark P. Doherty
The Doherty Law Firm, LLC
125 North First Street
DeKalb, IL 60115
Email: mark@dohertylawfirm.com

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:
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 insured without right of subrogation.

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 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.

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>Legal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit A:</td>
<td>Plans</td>
</tr>
<tr>
<td>Group Exhibit B:</td>
<td>No-Trespass / Patrol Agreement</td>
</tr>
<tr>
<td>Exhibit C:</td>
<td>Traffic Enforcement Agreement</td>
</tr>
<tr>
<td>Exhibit D:</td>
<td>Project Cost Documentation Requirements</td>
</tr>
<tr>
<td>Exhibit E:</td>
<td>Form of Promissory Note, Corporate Undertaking, Mortgage</td>
</tr>
<tr>
<td>Group Exhibit F:</td>
<td>Waiver of Objection to Special Service Area</td>
</tr>
</tbody>
</table>

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 DEKALB, an Illinois Municipal corporation

By: John Rey, Mayor

City Clerk

Jennifer Jeep Johnson
03/08/17

OWNER:

THE BANDIT'S CASTLE, LLC, an Illinois Limited Liability Company

By: [Signature]

owner/manager/member

3/15/17

[Signature]

Attest

Notary Public

Subscribed and Sworn to Before me, this 15th day of March, 2017.

OFFICIAL SEAL
MICHTELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/06/21
ORDINANCE 2018-010

PASSED: MARCH 26, 2018

AMENDING THE FISCAL YEAR-END DECEMBER 31, 2018, (FY2018) BUDGET OF THE CITY OF DEKALB, ILLINOIS.

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

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 FY2018 Budget, as shown below:

<table>
<thead>
<tr>
<th>TIF #1 (Central Area)</th>
<th>Account Number</th>
<th>Increase/ (Decrease)</th>
<th>Revised Budget</th>
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</thead>
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<tr>
<td>Priv Prop Rehab / Redevelop</td>
<td>13-00-00-300-8624</td>
<td>$468,282</td>
<td>$3,518,282</td>
</tr>
</tbody>
</table>

Section 2. That each section, paragraph, sentence, clause and provision of this 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 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 26th day of March, 2018, and approved by me as Mayor on the same day. First Reading held on March 12, 2018. Passed on Second Reading by a 6-1-1 roll call vote. Aye: Jacobson, Finucane, Marquardt, Norelko, Faivre, Smith. Nay: Verbic. Absent: Fagan.

ATTEST:

SUSANNA HERRMANN, City Clerk

JERRY SMITH, Mayor
I, RUTH A. SCOTT, do hereby certify that I am the duly appointed Deputy 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:

RESOLUTION 2018-058

AUTHORIZING A SECOND AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT (THE BANDIT’S CASTLE, LLC).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 14th day of May 2018, and the original is now on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 29th day of June, 2018.

RUTH A. SCOTT
Deputy City Clerk

Prepared By:
Deputy City Clerk Ruth Scott
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
RESOLUTION 2018-058    PASSED: MAY 14, 2018

AUTHORIZING A SECOND AMENDMENT TO THE
230 EAST LINCOLN HIGHWAY DEVELOPMENT
INCENTIVE AGREEMENT (THE BANDIT’S CASTLE,
LLC).

WHEREAS, the City of DeKalb (hereinafter referred to as “the City”), and The Bandit’s
Castle, LLC (“Owner”), have previously entered into an agreement dated March 13,
2017 (Original Agreement - Resolution 2017-042), a copy of which is attached hereto as
“Exhibit B”; and

WHEREAS, on March 12, 2018 the City Council approved Resolution 2018-030,
providing approval for the First Amendment to the Original Agreement (“First
Amendment”), a copy of which is attached hereto as “Exhibit C”; and

WHEREAS, the Owner’s ability to obtain financing through the Small Business
Administration requires the terms of the Original Amendment to be amended to meet
the regulations of their loan program,

WHEREAS, the City desires to support the Owner in their effort to secure favorable
financing through the Small Business Administration;

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

Section One. That the Mayor of the City of DeKalb, Illinois, is authorized and directed
to execute a Second Amendment to the Original Agreement with The Bandit’s Castle,
LLC for facility improvements to the property located at 230 E. Lincoln Highway, a copy
of which is attached hereto and made a part thereof as “Exhibit A”, subject to such
changes as shall be acceptable to him.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting
thereof held on the 14th day of May, 2018, and approved by me as Mayor on the same
day. Passed by A 7-0-1 roll call vote. Aye: Jacobson, Finucane, Marquardt, Noreiko,

ATTEST:

RUTH A. SCOTT, Deputy City Clerk

JERRY SMITH, Mayor
Exhibit A

SECOND AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT

THIS AGREEMENT entered this 14th day of May, 2018, between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as ‘the City’), and The Bandit’s Castle, LLC (“Owner”), TO WIT:

Address of Property to be improved: 230 E. Lincoln Highway, DeKalb, Illinois. (“Subject Property”)

WITNESSETH:

WHEREAS, the City and Owner entered into an agreement on March 13, 2017 (“Original Agreement”) a copy of which is attached hereto as Exhibit B, which identified certain improvements at the Subject Property for which the City would reimburse the Owner and the conditions for such reimbursement; and

WHEREAS, on March 13, 2017, the City Council approved Resolution 2017-042, authorizing an Economic Incentive with the Owner; and

WHEREAS, on March 12, 2018 the City Council approved Resolution 2018-030, providing approval for the First Amendment to the Original Agreement (“First Amendment”); and

WHEREAS, the Owner is desirous of obtaining Small Business Administration financing and is required to comply with the terms and conditions of such program; and,

WHEREAS, the City and Owner now desire to amend the Original Agreement to provide for a prolonged period during which the City’s mortgage securing the Development Incentive (as contemplated in the Original Agreement, as amended) shall be in place;

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

1. Article VIII: Development Incentive, Section E – Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a twenty ten year period, with ten percent (10%) forgiveness for each year during the first ten years. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or, the date of the first commercial occupancy of any portion of the Building (after renovation). The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to
maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and ownership rights of the Property for the duration of the forgiveness period, as an operational business in the current industry, generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. Said repayment shall be completed on a pro-rata basis, based upon an amortization schedule calculated over the remaining period in the twenty year term of the loan. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).

2. Article XII: Term:

This agreement shall have a term of twenty (20) fifteen (15) years from the date of commencement of forgiveness under Article VIII, Section E execution.

3. Mortgage and Further Action Authorized:

The staff of the City of DeKalb are authorized and directed to provide and/or record a release of the mortgage originally executed under the terms of the Original Agreement. Thereafter, the Mayor is authorized and directed to execute a new mortgage, substantially in the form attached to the Original Agreement, subject to such modifications as shall be acceptable to him with the recommendation of City staff, including modifications required to comply with the terms of the First Amendment and Second Amendment. Said mortgage shall be recorded in a fashion so as to be subordinate to the Small Business Administration financing that the Owner is undertaking, pursuant to Article VIII(D)(1) of the Original Agreement. The Mayor is further authorized to take such other steps as shall be required to comply with the terms and conditions of the Original Agreement, as amended, and to comply with the applicable requirements of the Small Business Association financing.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Original Agreement on the date first appearing above.

CITY OF DEKALB, ILLINOIS

A Municipal Corporation

Jerry Smith, Mayor

ATTEST

Ruth A. Scott, Deputy City Clerk

THE BANDIT’S CASTLE, LLC

[Signature]

[Print Name]
Exhibit B
Resolution 2017-042

Recorded in its entirety (61 pages) with the DeKalb County Recorder's Office on March 14, 2018 as document 2018002313.
Exhibit C

Resolution 2018-030

Recorded in its entirety (31 pages) with the DeKalb County Recorder's Office on March 14, 2018 as document 2018002314.
RESOLUTION 2017-042 PASSED: MARCH 13, 2017

AUTHORIZING A REDEVELOPMENT AGREEMENT
FOR THE PROPERTY LOCATED AT 230 EAST LINCOLN HIGHWAY, DEKALB, ILLINOIS.

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

WHEREAS, the building located at 230 East Lincoln Highway ("the Premises") is under contract to purchase by The Bandit’s Castle, LLC ("Developer"); and

WHEREAS, the City and Developer seek to enter into a development agreement for improvements to the Premises; and

WHEREAS, Developer has proposed to commit a substantial sum of funds to the completion of renovation of the building on the Premises, subject to the City's commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property.

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

Section 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"), subject to such revisions as shall be acceptable to the Mayor with the recommendation of City staff. Said revision shall include the addition of the legal description for both parcels comprising the property located at 230 East Lincoln Highway. The City Council also expressly approves of the provision of a City-funded incentive in an amount not to exceed the lesser of: 1) $400,000; 2) the total of all TIF-eligible costs incurred; or, 3) that sum which is 1/3 of the total project costs for the Improvements as defined in the Agreement. Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director. Said incentive shall be processed by the City as a TIF-funded grant, repaid as a forgivable loan over a period of ten years as described in the Agreement.

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 City 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. The City Clerk is authorized and directed to record a copy of the Agreement following execution of the same.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof held on the 13th day of March, 2017, and approved by me as Mayor on the same day. Passed by a 7-1 roll call vote. Aye: Finucane, Marquardt, Snow, Noreiko, Baker, Faivre, Rey. Nay: Jacobson.

ATTEST:

[Signature]
JENNIFER JEEP JOHNSON, City Clerk

[Signature]
JOHN A. REY, Mayor
Prepared By and Return To
City of DeKalb
ATTN: City Attorney
200 S. Fourth Street
DeKalb, IL 60115

230 EAST LINCOLN HIGHWAY
DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
ARTICLE I: INCORPORATION OF RECITALS

ARTICLE II: ZONING AND IMPROVEMENT OF THE PROPERTY

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY

ARTICLE IV: PROJECT STAGING

ARTICLE V: INFRASTRUCTURE

ARTICLE VI: FEES AND CONTRIBUTIONS

ARTICLE VII: INTENTIONALLY OMITTED

ARTICLE VIII: DEVELOPMENT INCENTIVE

ARTICLE IX: OPERATION OF THE PROPERTY

ARTICLE X: MUTUAL ASSISTANCE
ARTICLE XI: REMEDIES: ................................................................. 18
   A. Failure to Construct: ......................................................... 18
   B. Breach Generally: .............................................................. 18

ARTICLE XII: TERM: ................................................................ 19

ARTICLE XIII: MISCELLANEOUS: ........................................ 19
   A. Amendment: ...................................................................... 19
   B. Severability: ...................................................................... 19
   C. Entire Agreement: .............................................................. 19
   D. Successors and Assigns: ...................................................... 20
   E. Notices: .............................................................................. 20
   F. Time of Essence: ................................................................. 21
   G. Indemnification: ................................................................. 21
   H. Exhibits: ............................................................................ 22
   I. Venue: ................................................................................ 22
   J. Survival of Provisions: ......................................................... 22

Exhibit A: Legal Description ...................................................... 25

Group Exhibit B: Plans .............................................................. 26

Exhibit C: No Trespass / Patrol Agreement ................................. 27

Exhibit D: Traffic Enforcement Agreement ................................. 29

Exhibit E: Project Cost Documentation Requirements .................... 31

Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage .......... 32

Exhibit G: Waiver of Objection to Special Service Area .................... 50
This Development Incentive Agreement (the "Agreement") is made and entered the 13th day of March, 2017 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and The Bandit’s Castle, 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 or contract purchaser of record of a parcel of real property situated at 230 East Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the “Property”.

B. The Property is comprised of a two story (plus basement) commercial building. The Owner has acquired the contractual right to purchase the Property and the structure therein, and proposes to redevelop the Property as a commercial development in accordance with this Agreement. The Property is proposed to be developed in accordance with the plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate the improvement of the building upon the Property ("the Building"), and provide preliminary architectural and elevation information. The redevelopment of the Property and the Building is proposed to occur within the parameters of existing zoning restrictions applicable to the Property under the terms of the City’s Unified Development Ordinance (UDO) Central Business District (CBD) zoning regulation that is currently in place. There is no proposed residential component of the development.

C. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

D. The City acknowledges that the Owner's proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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. The City acknowledges and the Owner agrees that the CBD zoning, as provided under the UDO, will be the most appropriate zoning classifications for the development of the Property and that the Property will not have any residential use or residential component during the term of this Agreement.

F. All other and further notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement 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.

G. 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 G, 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: ZONING AND IMPROVEMENT OF THE PROPERTY

A. Zoning Applicability:

The Property is presently zoned CBD and shall remain zoned CBD for the duration of this Agreement unless a mutually acceptable amendment to this Agreement is approved by both parties. The Owner shall not permit any residential use of the Property to occur during the term of this Agreement except with the express approval of the City Council.

B. Permitted Uses:

Other than as outlined above, all uses which are permitted or special uses in the CBD zoning district shall be permitted or special uses as provided herein and this Agreement shall not alter the applicable zoning, save for the Owner's pledge to not undertake residential use of the Property during the term of this Agreement.

C. Improvements to Property:

Owner shall construct, as a component of the redevelopment of the Property, improvements generally consisting of the following items:

1) Owner shall undertake a full replacement/improvement of the front façade of the property, in general compliance with the conceptual drawings included in the Plans, inclusive of the improvements to the second floor area of the façade as depicted therein.

2) Owner shall install a new and modern design heating/ventilation/air conditioning system to service the needs of the Building.

3) Owner shall undertake any roof repair or replacement required to render the Building secure against elements and in compliance with all applicable codes.

4) Owner shall construct an on-site elevator to serve all three floors of the Building, in a fashion compliant with all applicable codes.

5) Owner shall construct an expansion of the rear stairwell of the Building in compliance with all applicable codes, if required.

6) Owner shall construct an improved rear façade in form and content acceptable to the Community Development Director if a rear stairwell is required. If no rear stairwell is required, Owner shall repair and improve the existing rear façade to comply with all applicable building codes and regulations.

7) Owner shall complete an interior buildout of the Building, inclusive of commercial/office/retail/storage uses in the basement, two commercial/retail spaces on the first floor of the Building (of approximately 1,200 square feet and 1,400 square feet, respectively), and commercial/retail uses on the second floor of the building.

All improvements shall be subject to any conditions or restrictions imposed pursuant to building permits or other approvals issued by the City, and Owner shall obtain, at its cost, all such required permits and inspections. The final proposed floor plan, scope of improvement, façade materials and elevations shall be subject to review and approval by the Community Development Director, which approval shall not be unreasonably withheld or conditioned. In the event that the Community Development Director withholds
The Parties acknowledge that at the time of approval of this Agreement, the City has only reviewed architectural elevations showing portions of the Building. Owner agrees and acknowledges that the Building shall be designed with "four sided architecture", meaning that all exposed sides of the building shall feature architectural improvements. Preliminary details of the architectural theme, inclusive of preliminary architectural elevations, have been provided as part of the Plans. All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans.

Following the installation of such materials, the Owner shall maintain such materials (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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

Any future proposal to remodel any portion of the Property which would add additional or revised structures, outdoor signage, facilities or changes in building materials shall be subject to review and approval by the Community Development Director, or at the Director’s discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City.

D. Required Revisions to Plans:

1) The final plans for the Building shall be required to provide a consistent standard for any lighting, awnings or signage proposed to be installed on the Building. All lighting, awnings and signage shall be installed and thereafter maintained in accordance with these standards unless strict compliance is waived by the Community Development Director, it being the intention of the Parties that the signage and awnings on the Building shall be of a common design and character so as to promote a cohesive appearance of the Building.

2) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

3) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Building or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the proposed walkway at the east side of the Property and/or parking areas), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.
4) Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted on the Property only in accordance with the approved final plans, provided that all such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services as contemplated by the Plans.

E. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the incentive granted herein.

1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within the Building, Owner shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Owner shall provide building lighting and street lighting on streets adjacent to the Property based upon a consistent standard adopted at the time of final plan approval, acceptable to Owner and the City, and shall thereafter maintain lights in such locations in compliance with the adopted standards. For any public streetlights installed in accordance with this standard, following construction of the project and acceptance of public improvements, the obligation to maintain and operate such lights shall be the responsibility of the City.

4) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

F. Failure to Close:

In the event that the Owner fails to acquire and close upon all of the parcels within sixty (60) days of the date of this Agreement, the City and Owner shall renegotiate this Agreement and the terms of repayment of any portion of the City incentive paid prior to said date or, failing the same, the City may declare a default and exercise any rights contained herein. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Owner is, through no fault of the Owner’s, unable to close on the property and is working in good faith to complete such transaction.

G. Future Parking Areas:

The Parties acknowledge that at the time of preparation of this Agreement, the Owner has not yet completed final plans for the improvement of the Property. However, the Property includes a rear parking/access area, located immediately south of the Building, which is adjacent to publicly owned alley and public parking lot. The Owner agrees that, at any point during the term of this Agreement, upon the written request of the City, the Owner shall either deed such parking/access area to the City or shall provide the City with a public access and parking easement covering such areas (at the City’s preference), to allow the integration of such areas into a combined parking/public access area. The City and Owner shall reasonably cooperate on the design of such area to facilitate access into the Building by Owner and Owner’s
tenants or invitees. The City’s ability to acquire such areas shall be limited to circumstances where the City is acquiring the area to provide common public parking. In such instance, the Parties shall ascertain the total number of parking spaces provided to Owner on Owner’s Property prior to the conveyance to the City, and the City shall reserve a like number of parking spaces for Owner within the common public parking area.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. **Owner’s Responsibility to Maintain:**

The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots or other improvements within the Property and for maintaining the Building on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property’s compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements and amenities as depicted in the approved final plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. **Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the “Common Facilities Maintenance”). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement (“Common Facilities Maintenance Easement”) over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200¢ per $100.

Approval of this Agreement shall be deemed to constitute consent to the City’s establishment of a special service area as herein described.
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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G, within ninety (90) days of the date of closing upon the last of the parcels comprising the Property, and prior to the issuance of any payment of the Development Incentive contemplated herein.

C. Stop Work Orders:

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.

D. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

E. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control
dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, Owner shall provide the Owner Surety in a form consistent with the Owner Surety referenced hereinabove. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke the Owner Surety. Owner shall, within 15 business days following written notice from the City, pay all such costs.

F. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

G. Fire Suppression / Alarm:

The Owner shall install a full fire alarm and fire suppression system in compliance with applicable code requirements and shall, except during reasonable periods of maintenance, thereafter keep such systems in service, operational and in good repair.

ARTICLE IV: PROJECT STAGING:

The Parties acknowledge that the construction of the project upon the Property shall be staged, as described below.

1) The Owner shall close upon the Property as expeditiously as possible.

2) At such time as Owner has acquired ownership of the Property, Owner shall submit final plans for review and approval by the City.
   a. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the Plans attached hereto. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. The City shall not unreasonably withhold or condition approval of the final plans, provided that they are in substantial conformance with the concept plans and the conditions and restrictions contained in this Agreement. As indicated above, final plans shall be subject to approval by the Community Development Director, and any denial of such approval may be appealed to the City Council.

3) Owner shall complete construction of the Building within eighteen (18) months of the date of approval of the final plans by the City.

ARTICLE V: INFRASTRUCTURE:

A. Water Mains and Potable Water Supply:
The Property is currently serviced by an existing connection to the City’s potable water system. The Owner shall have the right to connect to and use such system and mains upon payment of the costs of connecting to the City’s water mains and the costs of any water meters or related devices. 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. Storm Water Retention, Facilities and Improvements:

The City acknowledges that no storm water improvements are contemplated herein, and the Property shall comply with applicable regulations.

C. Sanitary Sewers:

Owner shall comply with all applicable regulations, codes and ordinances.

D. Utility Connections:

The installation of the necessary and appropriate on-site electric, natural gas, cable, television, telephone facilities, and future internet access facilities (when available) to the Property shall be by underground installation (where reasonably possible) and pursuant to the requirements of such utility companies or pursuant to the agreement of the City with such entities and at no cost to the City. The City agrees to cooperate with the Owner to permit the extension of all such utilities along existing public right-of-ways and/or City owned property and otherwise allow the extension of all necessary utilities to the Property, provided, however, that the City’s agreement to cooperate with the Owner to allow the extension of utilities to the Property shall in no way relieve the Owner of its obligations to obtain any and all easements and permits necessary to do so, at Owner’s sole cost and expense.

E. 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 VI: 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 and planning and engineering review fees as proposed to be developed and constructed.

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 including but not limited to the Owner Surety. 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 Development.

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 VII: INTENTIONALLY OMITTED:

ARTICLE VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that the Property has not experienced beneficial redevelopment or growth and has remained vacant for a significant period, notwithstanding the existence of a TIF District intended to improve property valuation. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Owner is undertaking a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate substantial new revenues for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce in the City’s Central Business District and other areas. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not acquire the properties and would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive. Further, the Parties have determined that in the absence of this Development Incentive, the Owner could purchase, lease or construct new commercial/retail space either within or outside the City of DeKalb at a lesser cost than the Owner incurs by purchasing and repurposing an existing building within the core of the City’s Central Business District. The City acknowledges the value of encouraging beneficial reuse of such structures, and provides this Development Incentive to encourage and enable such redevelopment which would not happen but for this Agreement.
B. Development Incentive Defined:

The Owner commits that it shall invest approximately One Million Two Hundred Thousand Dollars ($1,200,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser of: a) $400,000; b) the amount which is one third (1/3) of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Owner fails to incur Project Completion Costs of $1,200,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is one third of the Project Completion Costs (i.e. if Project Completion Costs total $1,000,000, the Development Incentive shall not exceed $333,333.33).

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the Building and the Property, incurred after the date of approval of this Agreement. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; management fees not to exceed twelve percent (12%) of total actual project costs; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. 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 Owner obtains in order to facilitate the redevelopment of the Property, and the City Manager shall be authorized and directed to execute any subordination agreement or other similar documentation, without
requirement of separate City Council approval.

2. The approval of this Agreement shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on an as-incurred basis towards TIF Eligible Costs incurred prior to the approval of the final plans, including but not limited to demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.

   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 E. For payment of property acquisition costs at a real property closing, the City staff shall be authorized to make direct payment to the title company or escrow office processing the closing. Such payments, as time-sensitive payments, shall be processed in accordance with the established closing schedule for an individual real estate closing. For payment of other TIF Eligible Costs such as professional fees or related expenses, such payments shall be made on a monthly basis, again in accordance with Exhibit E. At the time of payment, Owner shall provide the City with satisfactory evidence of title.

   b. The City’s intention in providing direct payment of such expenditures, including property acquisition costs, is to facilitate the rapid redevelopment of the Property to ensure its conversion and return to beneficial commercial use.

3. At such time as the Owner obtains a final certificate of occupancy for the Building, it is contemplated that the Owner will transition from construction financing to permanent financing. At such time, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Owner's permanent financing, and any subsequent private financing obtained by the Owner.

   a. In the event that the Project Completion Costs do not include $1,200,000 of total expenses, then the Development Incentive shall be reduced to not exceed one-third of Project Completion Costs.

   b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Owner following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than one-third of Project Completion Costs, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.

   c. The Parties acknowledge that the Owner shall be receiving as-incurred payments of the Development Incentive, prior to the time that the City and Owner have the final figures for the Project Completion Costs. The City and Owner shall use their best efforts to ensure that the Development Incentive paid to Owner does not exceed one-third of Project Completion Costs. However, in the event that the final accounting for the project shows that more than one-third of the Project Completion Costs were reimbursed to Owner, Owner shall provide repayment of any excess reimbursement to the City within thirty (30) days of the date of the City’s written request for the same.
E. **Forgiveness of Development Incentive:**

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten year period, with ten percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or, the date of the first commercial occupancy of any portion of the Building (after renovation). The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and ownership rights of the Property for the duration of the forgiveness period, as an operational business in the current industry, generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).

F. **Limitation of Liability:**

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City’s rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City’s annual budget adopted in accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions as in effect now and as hereafter amended.

G. **Incentive Security:**

The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage which may be subordinate to other loans, liens and encumbrances. The Parties further acknowledge that the City undertakes and accepts certain risks during the conduct of the construction and prior to the issuance of a final certificate of occupancy, in that the City will be advancing sums prior to being assured that the project shall be completed. Accordingly, in order to induce the City to provide the incentive described herein, payable as described herein, the Owner agrees that it shall provide the City with security for the City’s incentive payment, in form and content acceptable to the City Manager with the recommendation of City staff, prior to the payment of any portion of the Development Incentive. Such security shall be maintained in place until the commencement of the forgiveness period of the Development Incentive as described above. The security may be in the form of an irrevocable letter of credit, a performance bond, a payment bond a surety bond or another acceptable format, provided that such bond either secures the repayment of the Development Incentive to the City in the event that the project for any reason fails to be completed, or provided that such bond secures the completion of improvements funded by the City through the payment of the Development
In the event that the security is provided in the form of a cash bond, surety bond or similar ‘economic’ bond, the proceeds shall be utilized to repay the City for any portion of the Development Incentive previously paid and the City shall have sole discretion in the use of such funds after repaid to the City. In the event that the security is provided in the form of a performance bond, such bond shall be utilized to guarantee the completion of any work initiated or paid through the use of the Development Incentive, and such additional work as shall be within the scope of such bond.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Public Safety Regulations: Trespass/Patrol Agreement:

The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the Building (including but not limited to the common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

B. Knox Boxes:

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.

C. Common Area Surveillance:

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.
D. Commercial Property Registration and Inspection:

The Owner shall comply with the then-current requirements of any applicable commercial property registration or inspection ordinance maintained by the City, and shall voluntarily comply with an annual inspection of the premises in accordance therewith. The Owner shall secure all such permissions and shall include in any leases for any portion of the Property such authorization as shall be required to permit the full inspection of any portion of the Building or Property. 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.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the acquisition, demolition and remediation of existing structures and improvements. Those timelines may be extended by the City Manager, with agreement of the Owner, from time to time by written agreement, without requiring an amendment of this Agreement or approval of the City Council, for good cause shown by Owner, in the City Manager’s discretion.

2. In the event that Owner fails to complete the renovation of the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45)
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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE XII: TERM:

This agreement shall have a term of fifteen (15) 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 Development Incentive is ruled invalid, in whole or in part, the Corporate Authorities, 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
D. **Successors and Assigns:**

1. This Agreement shall inure to the benefit of, and be binding upon the Owner and its successors, grantees, lessees, 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. This Agreement may be assigned 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 Building is constructed and 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.

   a. The Owner may request that the City pay a portion of the Development Incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

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:

**City Manager**
City of DeKalb  
200 South Fourth Street  
DeKalb, IL 60115  
Telephone: 815-748-2060  
Email: Annemarie_gaura@cityofdekalb.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:

With a Copy To: Mark P. Doherty
The Doherty Law Firm, LLC
125 North First Street
DeKalb, IL 60115
Email: mark@dohertylawfirm.com

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:
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 "Indemnified") 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 insured without right of subrogation.

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 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.

H. Exhibits:

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

| Exhibit A: | Legal Description |
| Group Exhibit B: | Plans |
| Exhibit C: | No-Trespass / Patrol Agreement |
| Exhibit D: | Traffic Enforcement Agreement |
| Exhibit E: | Project Cost Documentation Requirements |
| Group Exhibit F: | Form of Promissory Note, Corporate Undertaking, Mortgage |
| Exhibit G: | Waiver of Objection to Special Service Area |

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 DEKALB, an Illinois Municipal corporation

By: John Rey, Mayor

City Clerk
OWNER:

THE BANDIT'S CASTLE, LLC, an Illinois Limited Liability Company

By:  

3/15/17

Subscribed and Sworn to Before Me, this 15th day of March, 2017.

Attest  

Notary Public
The property is legally described as:

230 E. Lincoln Highway

LOTS 56, 57, AND 68 IN THE COUNTY CLERK'S SUBDIVISION, A RESUBDIVISION OF BLOCKS 11, 12, 14, AND 15 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

Parcel Identification Numbers 0823163014 and 0823163015
Group Exhibit B: Plans

(Attached, with page numbering separately tracked from the pages of this Agreement, but incorporated herein by reference.)
Exhibit C: No Trespass / Patrol Agreement

Common Area Patrol / No-Trespass Enforcement Agreement

Property Address: 730 East Lincoln Highway
Commonly Known As: 
Property Owner: THE BANDIT’S CASTLE, LLC
Contact #: 
Property Manager: Cohen Barnes
Contact #: 815-739-9001
24 Hour Contact #: 815-739-9001

This Common Area Patrol / No-Trespass Enforcement Agreement (“Agreement”) is entered into by and between the Owner of the Property identified above (“Owner” and “the Property”) and the City of DeKalb (“City”). Under the terms of this Agreement, the Owner expressly authorizes and requests that the City utilize its Police Department and City Employees to undertake the following actions:

- **No-Trespass Warnings and Arrests:** The Owner appoints the City of DeKalb, its employees and agents, as an agent of the Owner, authorized and requested to undertake any actions which the Owner could lawfully take with regard to persons unlawfully present relative to no-trespassing laws and ordinances on any public or private area of the Property. The City’s personnel shall be deemed to be representatives of the Owner for purposes of enforcing no-trespass laws and ordinances and signing and testifying with regard to related complaints only. This includes providing no-trespass warnings, verbal or written, to any person on the Property other than a tenant of the Property. The City shall also be authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated such a no-trespass warning, or who remains on the Property after being asked to leave. The City has the complete authority to enforce any State Statute or City Ordinance relating to trespass. The City shall maintain accurate records of all persons who have been advised not to trespass on the Property and shall provide a copy of the same to Owner upon request.

- **Patrol Common Areas:** The City, its employees and agents are authorized and requested to enter into any common area of the Property that is accessible either to the public or to tenants of the Premises, including parking lots, open spaces, common hallways, gathering areas, or other similar common areas of the Property, for purposes of patrolling, observing, and enforcing the Codes and Ordinances of the City of DeKalb or any applicable State Statutes. For purposes of this Agreement and any charges arising out of the City’s activities on the Property, the City and its personnel shall be deemed to have been invited upon the common areas of the Property. Notwithstanding the foregoing, this shall not constitute authority for the City to enter into tenant private areas (e.g. individual tenant apartments or individual tenant businesses) without required legal authority (such as a search warrant, probable cause, exigent circumstances, etc. where required). The City is authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated a State Statute or City Ordinance.
• **Report Cars for Relocation**: Owner employs the entity described at signs posted at the Property for purposes of relocating unlawfully parked cars from the Property (and Owner shall maintain such postings in accordance with City Code). The City is authorized and requested to contact the tow relocator to report any vehicles on the Property that appear to be unlawfully parked, so that said vehicles may be towed in accordance with applicable regulations.

• **Provisions of Development Agreement**: Owner shall further permit and consents to the conduct of any access or inspection authorized under the terms of any Development Agreement entered into by Owner and the City which is recorded against the Property of public record.

The Owner agrees that, if necessary, Owner or its authorized representative shall appear at any trial or proceeding arising out of the performance of this Agreement. Owner further acknowledges that the City shall not have any duty to patrol the Property, and that the Owner is responsible for the condition and monitoring of its Property. The City is not undertaking any special relationship with or obligation to Owner, other than the authority to enter the Property's common areas, and to take the actions outlined above. The City is not an agent or representative of the Owner for any purpose other than having authority to provide warnings or direct persons to leave the Property, and for serving as complaining witness and for signing complaints for legal violations occurring on the Property.

The City agrees that it shall provide notice to the Owner of any legal violations occurring on the Property upon request, and also in accordance with the requirements of City Code.

Owner shall post appropriate signage on the Property advising that its common areas, including but not limited to parking lots and open areas, are posted for No Trespassing, and appropriate signage advising of any parking restrictions for vehicles in its parking lots. Owner is encouraged to post additional signage advising that the Police Department may engage in regular patrols of common areas.

This Agreement shall remain in full force and effect until terminated in writing by either party. Notices shall be delivered to Owner at the address listed above, or to the City at 200 S. Fourth Street, DeKalb, Illinois, 60115, Attention City Attorney.

Agreed this **15** day of **March** , 2017.

Owner or Representative:

City of DeKalb:
WHEREAS, The Bandit’s Castle, LLC, its affiliates or subsidiaries (hereinafter collectively “OWNER”), is the Owner of a certain commercial or residential facility, or other facility as described in the Illinois Vehicle Code identified below, and named or identified as “230 East Lincoln Highway”; and,

WHEREAS, the OWNER and the CITY are desirous of protecting the public health, welfare and safety by the regulation of vehicles in those areas of the COMPLEX which have not been dedicated to the CITY and are intended for public use; and

WHEREAS, it is intended by the parties that this Agreement should apply to any property in the COMPLEX where a question may arise as to whether any particular portion of the COMPLEX which is intended to be or become public property through dedication or otherwise, has been so dedicated, or to any portion which is to remain private property but available for general public use; and

WHEREAS, the CITY has the authority to contract with the OWNER to provide such regulation under the provisions of §11-209 of the Illinois Vehicle Code (625 ILCS 5/11-209);

IT IS THEREFORE AGREED by and between the OWNER and the CITY, in consideration of the public health, welfare and safety, as follows:

1. That the CITY is empowered to accomplish all or any part of the provisions enumerated in the above referenced statutory provision, including, but not limited to the following, within the COMPLEX:
   
   A. Erect traffic regulatory signs, parking, including handicapped parking, and all other traffic control signs.
   
   B. Regulate the turning of vehicles or restrict vehicle types.
   
   C. Regulate pedestrian crosswalks within parking lots.
   
   D. Designate one-way traffic lanes.
   
   E. Establish and regulate loading zones.
   
   F. Regulate stopping, standing or parking in specified areas of lots.
   
   G. Designate fire lanes and safety zones.
   
   H. Provide for removal and storage of vehicles during public emergencies, or of abandoned vehicles, and the payment of reasonable charges therefor.
   
   I. Provide for cost sharing of planning, installation and maintenance of traffic regulations.
J. Contract for or provide by ordinance, resolution or other official action of the CITY, reasonable additional rules.

2. That the cost of the planning, installation and maintenance of parking and traffic regulations, markings, signs, striping and painting pursuant to this Agreement, and pursuant to the Development Agreement between the parties and the subdivision control ordinance of the CITY, shall be borne by the OWNER. OWNER shall be responsible for maintaining all traffic control measures and markings within the Property in good condition.

3. This Agreement shall be effective and enforceable three days after it has been recorded in the Office of the Recorder of Deeds of the county in which the COMPLEX is located and shall continue to be in full force and effect for a period of twenty years, except that after one year from the effective date of this Agreement, either party may cancel this Agreement upon sixty days' written notice to the other party.

EXECUTED this 13th day of March, 2017.

CITY OF DEKALB
DEKALB COUNTY, ILLINOIS

By: ____________________________
Mayor

______________________________
Robert Cohen Barnes d.b.a.
OWNER
The Berdell's Castle LLC

By: ____________________________

3/15/17
Exhibit E: 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.
COMPANY UNDERTAKING
for
THE BANDIT’S CASTLE, LLC

WHEREAS, the company known as The Bandit’s Castle, 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 23rd day of March, 2017, 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 Development 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 Development 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) “Development Incentive Agreement” shall mean that certain 230 East Lincoln Highway Development 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 continuingly 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 Development 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 Development 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.
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 Development 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 Development 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 Development 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 subsequently invalidated, 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:

[Signature]

Cohen Barnes
Member
The Bandit’s Castle, LLC

3/15/17
The property is legally described as:

230 E. Lincoln Highway

LOTS 56, 57, AND 68 IN THE COUNTY CLERK'S SUBDIVISION, A RESUBDIVISION OF BLOCKS 11, 12, 14, AND 15 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

Parcel Identification Numbers 0823163014 and 0823163015
PROMISSORY NOTE

DeKalb, Illinois

Date:

On April 19, 2017, for value received, The Bandit’s Castle, 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 FOUR HUNDRED THOUSAND DOLLARS ($400,000.00) (the "Face Value"). Repayment hereof shall be subject to the terms and conditions of that certain Development Incentive Agreement by and between said The Bandit’s Castle, 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 Development 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 Development 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 Development 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 Development Incentive Agreement.

The Bandit’s Castle, LLC

By: Cohen Barnes, Member
The property is legally described as:

230 E. Lincoln Highway

LOTS 56, 57, AND 68 IN THE COUNTY CLERK'S SUBDIVISION, A RESUBDIVISION OF BLOCKS 11, 12, 14, AND 15 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

Parcel Identification Numbers 0823163014 and 0823163015
MORTGAGE

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

Future Advances Mortgage
Maximum Value: $400,000.00

THIS MORTGAGE, dated this 11th day of APRIL, 2017, by The Bandit’s Castle, LLC ("Mortgagor"),
WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of Four Hundred Thousand Dollars ($400,000.00) 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 230 East Lincoln Highway Development Incentive Agreement executed on MARCH 13, 2017 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.: 0823163014 and 0823163015

which is referred to herein 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, 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. Mortgagor 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 lessee 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 $400,000.00, AND IS
CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN 230 EAST LINCOLN HIGHWAY DEVELOPMENT 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 CREDITOR 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 Development 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 Development 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 Development Incentive Agreement and all extensions, renewals, modifications or substitutions thereof to The Bandit’s Castle, LLC, with a note amount of $400,000.00 (collectively, the "Evidence of Debt").

B) All future advances from Mortgagor to Mortgagee 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 Development 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 Development 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 Development 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 Mortgagee 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 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, MORTGAGOR 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) Mortgagee 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
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, then 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.
The Bandit's Castle, LLC

By: [Signature]

Cohen Barnes, Member

STATE OF ILLINOIS  )
  ) ss
COUNTY OF DEKALB   )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Cohen Barnes, authorized Member of The Bandit's Castle, 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 19th day of April, 2017.

[Signature]
Notary Public
Exhibit 1
Legal Description

(LEGAL DESCRIPTION)

The property is legally described as:

230 E. Lincoln Highway

LOTS 56, 57, AND 68 IN THE COUNTY CLERK’S SUBDIVISION, A RESUBDIVISION OF BLOCKS 11, 12, 14, AND 15 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

Parcel Identification Numbers 0823163014 and 0823163015
Exhibit G: Waiver of Objection to Special Service Area

STATE OF ILLINOIS

COUNTY OF DEKALB

Waiver of Objection to Special Service Area

NOW COMES the affiant, The Bandit's Castle, LLC by and through its Member/Manager, Cohen Barnes, 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 270 E LINCOLN WAY DEKALB ILLINOIS, legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a commercial development.

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 backup source of funding to maintain common, private improvements located on and/or servicing the property. 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 Landowner 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 landowners 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]
SUBSCRIBED AND SWORN to before me this 12th day of April, 2017.

MARK P DOHERTY
Notary Public, State of Illinois
My Commission Expires 1/25/19
The property is legally described as:

230 E. Lincoln Highway

LOTS 56, 57, AND 68 IN THE COUNTY CLERK'S SUBDIVISION, A RESUBDIVISION OF BLOCKS 11, 12, 14, AND 15 OF THE ORIGINAL VILLAGE (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS.

Parcel Identification Numbers 0823163014 and 0823163015
The purpose of the formation of special service area in general is to authorize the maintenance, repair, regular care, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, pruning and trimming of trees and bushes, removal and replacement of diseased or dead landscape materials, aeration of stormwater basins, maintenance of underground stormwater facilities, the repair and replacement of monument signs, storm water detention basins, storm sewers and related areas and appurtenances, culverts, drains, ditches and tiles, landscape buffers and related areas and appurtenances, in the special service area, as well as the provision of snow removal services on public sidewalks along or within the area all in accordance with the final engineering plan and final plat of subdivision for the Area, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. Notwithstanding the foregoing, taxes shall not be levied hereunder and said Area shall be “dormant”, and shall take effect only if the applicable required owners association, condominium association or property owner fails to maintain, repair or replace the aforesaid required items and the City chooses to assume some or all of said responsibilities.

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.
STATE OF ILLINOIS  
COUNTY OF DEKALB  SS
CITY OF DEKALB  

I, RUTH A. SCOTT, do hereby certify that I am the duly appointed Deputy 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:

RESOLUTION 2017-042

AUTHORIZING A REDEVELOPMENT AGREEMENT FOR THE PROPERTY LOCATED AT 230 EAST LINCOLN HIGHWAY DEKALB, ILLINOIS.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 13th day of March, 2017, and the original is now on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 9th day of March, 2018.

RUTH A. SCOTT, Deputy City Clerk

Prepared by and Return to:
Deputy City Clerk Ruth Scott
City of DeKalb
200 South Fourth Street
DeKalb, IL  60115
SATISFACTION OF MORTGAGE

Satisfaction of Mortgage dated 4/19/17 recorded 5/26/17 with the DeKalb County Recorder as Document Number 2017005079

PINs: 0823163014
      0823163015

Prepared by and after recording,
Return to:

Dean M. Frieders,
City Attorney
City of DeKalb
200 S. Fourth Street
DeKalb, IL 60115
815-748-2093
SATISFACTION OF MORTGAGE

City of DeKalb of 200 South Fourth Street, DeKalb, IL 60115, a corporation organized under the laws of Illinois (the “Mortgagee”), does hereby certify and declare that the owner and holder of that certain mortgage bearing the date May 26, 2017 executed by The Bandit’s Castle of 230 E. Lincoln Highway, DeKalb, IL 60115 (the “Mortgagor”) to secure payment of the principal sum of $400,000.00 dollars and interest, and recorded at the Office of the Recorder of DeKalb, Illinois on May 26, 2017, that formerly encumbered the described real property: 230 East Lincoln Highway, DeKalb, IL 60115-3229. Parcel Identification Numbers: 0823163014 and 0823163015 which was recorded in DeKalb County, IL has been FULLY SATISFIED AND DISCHARGED.

IN WITNESS WEROFF the Mortgagee has duly affixed his or her signature under hand and seal on the 31st of May, 2018.

SIGNED, SEALED, AND DELIVERED

in the presence of:

WITNESS: Ruth Scott

CITY OF DEKALB

STATE OF ILLINOIS
COUNTY OF DeKalb

The instrument was acknowledged before me on the 31st day of May, 2018, by Jerry Smith as Mayor of the City of DeKalb.

Notary Public, Michelle Jureczek

My commission expires: 2/4/21
RESOLUTION 2018-030         PASSED: MARCH 12, 2018

AUTHORIZING AN AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT (THE BANDIT'S CASTLE, LLC).

WHEREAS, the City of DeKalb (hereinafter referred to as "the City"), and The Bandit's Castle, LLC ("Owner"), have previously entered into an agreement dated March 13, 2017, (Original Agreement), a copy of which is attached hereto as "Exhibit B"; and

WHEREAS, after entering into the Original Agreement, the Owner incurred greater than anticipated project costs due to unknown conditions of the property located at 230 East Lincoln Highway; and

WHEREAS, the Owner has requested an amendment to the Original Agreement that would increase the amount of the incentive provided and allow for future financial assistance to be provided to prospective tenants of the available commercial spaces; and

WHEREAS, the City desires to support the Owner in their effort to recruit viable businesses to the Owner's vacant commercial spaces;

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

Section One. That the Mayor of the City of DeKalb, Illinois, is authorized and directed to execute an amended agreement with The Bandit's Castle, LLC for facility improvements to the property located at 230 E. Lincoln Highway, a copy of which is attached hereto and made a part thereof as Exhibit "A," subject to such changes as shall be acceptable to him.

ADOPTED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting held on the 12th day of March, 2018, and approved by me as Mayor on the same day. Passed by a 6-1-1 roll call vote. Aye: Jacobson, Finucane, Marquardt, Noreiko, Faivre, Smith. Nay: Verbic. Absent: Fagan.

ATTEST:

SUSANNA HERRMANN, City Clerk

JERRY SMITH, Mayor
EXHIBIT A

AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT.

THIS AGREEMENT entered this 12th day of March, 2018, between the City of DeKalb, Illinois, a home rule municipality, (hereinafter referred to as "the City"), and The Bandit’s Castle, LLC ("Owner"), TO WIT:

Address of Property to be improved: 230 E. Lincoln Highway, DeKalb, Illinois. ("Subject Property")

WITNESSETH:

WHEREAS, the City and Owner entered into an agreement on March 13, 2017 ("Original Agreement") a copy of which is attached hereto as Exhibit B, which identified certain improvements at the Subject Property for which the City would reimburse the Owner and the conditions for such reimbursement; and

WHEREAS, on March 13, 2017, the City Council approved Resolution 2017-042, authorizing an Economic Incentive with the Owner; and

WHEREAS, the Owner is requesting to amend the terms of the Original Agreement due to the final project costs exceeding the original cost estimates included in the Original Agreement; and

WHEREAS, the City acknowledges the risk associated with significant rehabilitation projects involving buildings constructed prior to 1900; and

WHEREAS, the Owner’s ability to provide future financial assistance for tenant build-out is no longer possible due to greater than anticipated project costs; and,

WHEREAS, the long-term vacancy of the first floor commercial spaces is not beneficial to the City; and,

WHEREAS, the City and Owner now desire to amend the Original Agreement;

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

1. Article VIII: Development Incentive, Section B – Development Incentive Defined:

The Owner commits that it shall invest approximately One Million Two Hundred Thousand Dollars ($1,200,000) One Million Four Hundred Seventy Three Thousand Dollars ($1,473,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser
of: a) $400,000–$468,282; b) the amount which is one third (1/3) of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Owner fails to incur Project Completion Costs of $1,200,000–$1,473,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is one third of the Project Completion Costs (i.e. if Project Completion Costs total $1,000,000, the Development Incentive shall not exceed $333,333.33).

2. Exhibit E: Project Cost Documentation Requirements

Final Project Costs must be documented in a tabbed binder in accordance with these regulations.

   a. 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.

   b. 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. The second section must include a sworn contractor affidavit that lists contractors and subcontractors, a summary of the project, contract amounts, and draws from the construction loan.

   c. 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.

   d. Applicants may include a Miscellaneous Expenses tab in the binder for small project expenses.

   e. 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.

   e. 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.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Original Agreement on the date first appearing above.

CITY OF DEKALB, ILLINOIS
A Municipal Corporation

THE BANDIT’S CASTLE, LLC

Jerry Smith, Mayor

Cohen Barnes
owner/manager/member
EXHIBIT B

RESOLUTION 2017-042 PASSED: MARCH 13, 2017

AUTHORIZING A REDEVELOPMENT AGREEMENT
FOR THE PROPERTY LOCATED AT 230 EAST
LINCOLN HIGHWAY, DEKALB, ILLINOIS.

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

WHEREAS, the building located at 230 East Lincoln Highway ("the Premises") is under contract to purchase by The Bandit’s Castle, LLC ("Developer"); and

WHEREAS, the City and Developer seek to enter into a development agreement for improvements to the Premises; and

WHEREAS, Developer has proposed to commit a substantial sum of funds to the completion of renovation of the building on the Premises, subject to the City’s commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property.

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

Section 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"), subject to such revisions as shall be acceptable to the Mayor with the recommendation of City staff. Said revision shall include the addition of the legal description for both parcels comprising the property located at 230 East Lincoln Highway. The City Council also expressly approves of the provision of a City-funded incentive in an amount not to exceed the lesser of: 1) $400,000; 2) the total of all TIF-eligible costs incurred; or, 3) that sum which is 1/3 of the total project costs for the improvements as defined in the Agreement. Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director. Said incentive shall be processed by the City as a TIF-funded grant, repaid as a forgivable loan over a period of ten years as described in the Agreement.

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 City 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. The City Clerk is authorized and directed to record a copy of the Agreement following execution of the same.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof held on the 13th day of March, 2017, and approved by me as Mayor on the same day. Passed by a 7-1 roll call vote. Aye: Finucane, Marquardt, Snow, Noreiko, Baker, Faiivre, Rey. Nay: Jacobson.

ATTEST:

JENNIFER JEEP JOHNSON, City Clerk
JOHN A. REY, Mayor
Prepared By and Return To
City of DeKalb
ATTN: City Attorney
200 S. Fourth Street
DeKalb, IL 60115

230 EAST LINCOLN HIGHWAY
DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
RECITALS........................................................................................................................................4

ARTICLE I: INCORPORATION OF RECITALS....................................................................................5

ARTICLE II: ZONING AND IMPROVEMENT OF THE PROPERTY.....................................................5
   A. Zoning Applicability ..................................................................................................................5
   B. Permitted Uses ..........................................................................................................................5
   C. Improvements to Property ........................................................................................................5
   D. Required Revisions to Plans .....................................................................................................6
   E. Property Related Provisions .....................................................................................................7
   F. Failure to Close .........................................................................................................................7
   G. Future Parking Areas ...............................................................................................................7

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY.................................8
   A. Owner's Responsibility to Maintain .........................................................................................8
   B. Backup Special Service Area ...................................................................................................8
   C. Stop Work Orders .....................................................................................................................9
   D. Compliance with City Ordinances and Applicable Regulations .............................................9
   E. Site Control ............................................................................................................................9
   F. Building Codes .......................................................................................................................10
   G. Fire Suppression / Alarm ........................................................................................................10

ARTICLE IV: PROJECT STAGING .................................................................................................10

ARTICLE V: INFRASTRUCTURE......................................................................................................10
   A. Water Mains and Potable Water Supply ................................................................................10
   B. Storm Water Retention, Facilities and Improvements ............................................................11
   C. Sanitary Sewers ......................................................................................................................11
   D. Utility Connections ...............................................................................................................11
   E. Grant of Easements / Right of Way .....................................................................................11

ARTICLE VI: FEES AND CONTRIBUTIONS ..................................................................................11
   A. Fees Specifically and Uniquely Attributable ......................................................................11
   B. Owner Responsibility for Costs ............................................................................................12

ARTICLE VII: INTENTIONALLY OMITTED ....................................................................................13

ARTICLE VIII: DEVELOPMENT INCENTIVE ..............................................................................13
   A. Necessity of Incentive ..............................................................................................................13
   B. Development Incentive Defined .............................................................................................14
   C. Definition of Eligible Costs ..................................................................................................14
   D. Payment of Development Incentive .....................................................................................14
   E. Forgiveness of Development Incentive ................................................................................16
   F. Limitation of Liability ............................................................................................................16
   G. Incentive Security ..................................................................................................................16

ARTICLE IX. OPERATION OF THE PROPERTY ...........................................................................17
   A. Public Safety Regulations: Trespass/Patrol Agreement .......................................................17
   B. Knox Boxes ..........................................................................................................................17
   C. Common Area Surveillance ..................................................................................................17
   D. Commercial Property Registration and Inspection ................................................................18

ARTICLE X: MUTUAL ASSISTANCE ............................................................................................18
ARTICLE XI: REMEDIES: ................................................................. 18
   A. Failure to Construct: .......................................................... 18
   B. Breach Generally: ............................................................ 18

ARTICLE XII: TERM: ...................................................................... 19

ARTICLE XIII: MISCELLANEOUS: ................................................ 19
   A. Amendment: ....................................................................... 19
   B. Severability: ...................................................................... 19
   C. Entire Agreement: .............................................................. 19
   D. Successors and Assigns: .................................................... 20
   E. Notices: .............................................................................. 20
   F. Time of Essence: ............................................................... 21
   G. Indemnification: ................................................................. 21
   H. Exhibits: ........................................................................... 22
   I. Venue: ................................................................................ 22
   J. Survival of Provisions: ....................................................... 22

Exhibit A: Legal Description .......................................................... 25

Group Exhibit B: Plans .................................................................. 26

Exhibit C: No Trespass / Patrol Agreement .................................... 27

Exhibit D: Traffic Enforcement Agreement .................................... 29

Exhibit E: Project Cost Documentation Requirements .................. 31

Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage .................. 32

Exhibit G: Waiver of Objection to Special Service Area ............... 50
This Development Incentive Agreement (the "Agreement") is made and entered the 13th day of March, 2017 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and The Bandit's Castle, 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 or contract purchaser of record of a parcel of real property situated at 230 East Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property".

B. The Property is comprised of a two story (plus basement) commercial building. The Owner has acquired the contractual right to purchase the Property and the structure therein, and proposes to redevelop the Property as a commercial development in accordance with this Agreement. The Property is proposed to be developed in accordance with the plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate the improvement of the building upon the Property ("the Building"), and provide preliminary architectural and elevation information. The redevelopment of the Property and the Building is proposed to occur within the parameters of existing zoning restrictions applicable to the Property under the terms of the City’s Unified Development Ordinance (UDO) Central Business District (CBD) zoning regulation that is currently in place. There is no proposed residential component of the development.

C. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

D. The City acknowledges that the Owner’s proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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. The City acknowledges and the Owner agrees that the CBD zoning, as provided under the UDO, will be the most appropriate zoning classifications for the development of the Property and that the Property will not have any residential use or residential component during the term of this Agreement.

F. All other and further notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement 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.

G. 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 G, 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: ZONING AND IMPROVEMENT OF THE PROPERTY

A. Zoning Applicability:

The Property is presently zoned CBD and shall remain zoned CBD for the duration of this Agreement unless a mutually acceptable amendment to this Agreement is approved by both parties. The Owner shall not permit any residential use of the Property to occur during the term of this Agreement except with the express approval of the City Council.

B. Permitted Uses:

Other than as outlined above, all uses which are permitted or special uses in the CBD zoning district shall be permitted or special uses as provided herein and this Agreement shall not alter the applicable zoning, save for the Owner’s pledge to not undertake residential use of the Property during the term of this Agreement.

C. Improvements to Property:

Owner shall construct, as a component of the redevelopment of the Property, improvements generally consisting of the following items:

1) Owner shall undertake a full replacement/improvement of the front façade of the property, in general compliance with the conceptual drawings included in the Plans, inclusive of the improvements to the second floor area of the façade as depicted therein.

2) Owner shall install a new and modern design heating/ventilation/air conditioning system to service the needs of the Building.

3) Owner shall undertake any roof repair or replacement required to render the Building secure against elements and in compliance with all applicable codes.

4) Owner shall construct an on-site elevator to serve all three floors of the Building, in a fashion compliant with all applicable codes.

5) Owner shall construct an expansion of the rear stairwell of the Building in compliance with all applicable codes, if required.

6) Owner shall construct an improved rear façade in form and content acceptable to the Community Development Director if a rear stairwell is required. If no rear stairwell is required, Owner shall repair and improve the existing rear façade to comply with all applicable building codes and regulations.

7) Owner shall complete an interior buildout of the Building, inclusive of commercial/office/retail/storage uses in the basement, two commercial/retail spaces on the first floor of the Building (of approximately 1,200 square feet and 1,400 square feet, respectively), and commercial/retail uses on the second floor of the building.

All improvements shall be subject to any conditions or restrictions imposed pursuant to building permits or other approvals issued by the City, and Owner shall, at its cost, all such required permits and inspections. The final proposed floor plan, scope of improvement, façade materials and elevations shall be subject to review and approval by the Community Development Director, which approval shall not be unreasonably withheld or conditioned. In the event that the Community Development Director withholds
approval, the Owner may appeal such decision to the City Council, whose decision shall be final.

The Parties acknowledge that at the time of approval of this Agreement, the City has only reviewed architectural elevations showing portions of the Building. Owner agrees and acknowledges that the Building shall be designed with "four sided architecture", meaning that all exposed sides of the building shall feature architectural improvements. Preliminary details of the architectural theme, inclusive of preliminary architectural elevations, have been provided as part of the Plans. All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans.

Following the installation of such materials, the Owner shall maintain such materials (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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

Any future proposal to remodel any portion of the Property which would add additional or revised structures, outdoor signage, facilities or changes in building materials shall be subject to review and approval by the Community Development Director, or at the Director's discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City.

D. Required Revisions to Plans:

1) The final plans for the Building shall be required to provide a consistent standard for any lighting, awnings or signage proposed to be installed on the Building. All lighting, awnings and signage shall be installed and thereafter maintained in accordance with these standards unless strict compliance is waived by the Community Development Director, it being the intention of the Parties that the signage and awnings on the Building shall be of a common design and character so as to promote a cohesive appearance of the Building.

2) The Owner shall reasonably comply with any request of the City to install, at the City's cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

3) The Owner shall reasonably comply with any request of the City to install, at the City's cost and expense, security cameras on the Building or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the proposed walkway at the east side of the Property and/or parking areas), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.
4) Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted on the Property only in accordance with the approved final plans, provided that all such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services as contemplated by the Plans.

E. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the incentive granted herein.

1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within the Building, Owner shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Owner shall provide building lighting and street lighting on streets adjacent to the Property based upon a consistent standard adopted at the time of final plan approval, acceptable to Owner and the City, and shall thereafter maintain lights in such locations in compliance with the adopted standards. For any public streetlights installed in accordance with this standard, following construction of the project and acceptance of public improvements, the obligation to maintain and operate such lights shall be the responsibility of the City.

4) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

F. Failure to Close:

In the event that the Owner fails to acquire and close upon all of the parcels within sixty (60) days of the date of this Agreement, the City and Owner shall renegotiate this Agreement and the terms of repayment of any portion of the City incentive paid prior to said date or, failing the same, the City may declare a default and exercise any rights contained herein. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Owner is, through no fault of the Owner's, unable to close on the property and is working in good faith to complete such transaction.

G. Future Parking Areas:

The Parties acknowledge that at the time of preparation of this Agreement, the Owner has not yet completed final plans for the improvement of the Property. However, the Property includes a rear parking/access area, located immediately south of the Building, which is adjacent to publicly owned alley and public parking lot. The Owner agrees that, at any point during the term of this Agreement, upon the written request of the City, the Owner shall either deed such parking/access area to the City or shall provide the City with a public access and parking easement covering such areas (at the City's preference), to allow the integration of such areas into a combined parking/public access area. The City and Owner shall reasonably cooperate on the design of such area to facilitate access into the Building by Owner and Owner’s
tenants or invitees. The City's ability to acquire such areas shall be limited to circumstances where the City is acquiring the area to provide common public parking. In such instance, the Parties shall ascertain the total number of parking spaces provided to Owner on Owner's Property prior to the conveyance to the City, and the City shall reserve a like number of parking spaces for Owner within the common public parking area.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner's Responsibility to Maintain:

The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots or other improvements within the Property and for maintaining the Building on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property's compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements and amenities as depicted in the approved final plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the "Common Facilities Maintenance"). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement ("Common Facilities Maintenance Easement") over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200/100) per $100.

Approval of this Agreement shall be deemed to constitute consent to the City's establishment of a special service area as herein described.
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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G, within ninety (90) days of the date of closing upon the last of the parcels comprising the Property, and prior to the issuance of any payment of the Development Incentive contemplated herein.

C. Stop Work Orders:

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.

D. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

E. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control
dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, Owner shall provide the Owner Surety in a form consistent with the Owner Surety referenced hereinabove. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke the Owner Surety. Owner shall, within 15 business days following written notice from the City, pay all such costs.

F. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

G. Fire Suppression / Alarm:

The Owner shall install a full fire alarm and fire suppression system in compliance with applicable code requirements and shall, except during reasonable periods of maintenance, thereafter keep such systems in service, operational and in good repair.

ARTICLE IV: PROJECT STAGING:

The Parties acknowledge that the construction of the project upon the Property shall be staged, as described below.

1) The Owner shall close upon the Property as expeditiously as possible.

2) At such time as Owner has acquired ownership of the Property, Owner shall submit final plans for review and approval by the City.
   a. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the Plans attached hereto. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. The City shall not unreasonably withhold or condition approval of the final plans, provided that they are in substantial conformance with the concept plans and the conditions and restrictions contained in this Agreement. As indicated above, final plans shall be subject to approval by the Community Development Director, and any denial of such approval may be appealed to the City Council.

3) Owner shall complete construction of the Building within eighteen (18) months of the date of approval of the final plans by the City.

ARTICLE V: INFRASTRUCTURE:

A. Water Mains and Potable Water Supply:
The Property is currently serviced by an existing connection to the City’s potable water system. The Owner shall have the right to connect to and use such system and mains upon payment of the costs of connecting to the City’s water mains and the costs of any water meters or related devices. 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. Storm Water Retention, Facilities and Improvements:

The City acknowledges that no storm water improvements are contemplated herein, and the Property shall comply with applicable regulations.

C. Sanitary Sewers:

Owner shall comply with all applicable regulations, codes and ordinances.

D. Utility Connections:

The installation of the necessary and appropriate on-site electric, natural gas, cable, television, telephone facilities, and future internet access facilities (when available) to the Property shall be by underground installation (where reasonably possible) and pursuant to the requirements of such utility companies or pursuant to the agreement of the City with such entities and at no cost to the City. The City agrees to cooperate with the Owner to permit the extension of all such utilities along existing public right-of-ways and/or City owned property and otherwise allow the extension of all necessary utilities to the Property, provided, however, that the City’s agreement to cooperate with the Owner to allow the extension of utilities to the Property shall in no way relieve the Owner of its obligations to obtain any and all easements and permits necessary to do so, at Owner’s sole cost and expense.

E. 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 VI: 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 and planning and engineering review fees as proposed to be developed and constructed.

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 including but not limited to the Owner Surety. 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 Development.

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 VII: INTENTIONALLY OMITTED:

ARTICLE VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that the Property has not experienced beneficial redevelopment or growth and has remained vacant for a significant period, notwithstanding the existence of a TIF District intended to improve property valuation. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Owner is undertaking a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate substantial new revenues for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce in the City’s Central Business District and other areas. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not acquire the properties and would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive. Further, the Parties have determined that in the absence of this Development Incentive, the Owner could purchase, lease or construct new commercial/retail space either within or outside the City of DeKalb at a lesser cost than the Owner incurs by purchasing and repurposing an existing building within the core of the City’s Central Business District. The City acknowledges the value of encouraging beneficial reuse of such structures, and provides this Development Incentive to encourage and enable such redevelopment which would not happen but for this Agreement.
B. Development Incentive Defined:

The Owner commits that it shall invest approximately One Million Two Hundred Thousand Dollars ($1,200,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser of: a) $400,000; b) the amount which is one third (1/3) of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Owner fails to incur Project Completion Costs of $1,200,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is one third of the Project Completion Costs (i.e. if Project Completion Costs total $1,000,000, the Development Incentive shall not exceed $333,333.33).

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the Building and the Property, incurred after the date of approval of this Agreement. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; management fees not to exceed twelve percent (12%) of total actual project costs; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. 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 Owner obtains in order to facilitate the redevelopment of the Property, and the City Manager shall be authorized and directed to execute any subordination agreement or other similar documentation, without
requirement of separate City Council approval.

2. The approval of this Agreement shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on an as-incurred basis towards TIF Eligible Costs incurred prior to the approval of the final plans, including but not limited to demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.
   a. The 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 E. For payment of property acquisition costs at a real property closing, the City staff shall be authorized to make direct payment to the title company or escrow office processing the closing. Such payments, as time-sensitive payments, shall be processed in accordance with the established closing schedule for an individual real estate closing. For payment of other TIF Eligible Costs such as professional fees or related expenses, such payments shall be made on a monthly basis, again in accordance with Exhibit E. At the time of payment, Owner shall provide the City with satisfactory evidence of title.
   b. The City’s intention in providing direct payment of such expenditures, including property acquisition costs, is to facilitate the rapid redevelopment of the Property to ensure its conversion and return to beneficial commercial use.

3. At such time as the Owner obtains a final certificate of occupancy for the Building, it is contemplated that the Owner will transition from construction financing to permanent financing. At such time, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Owner’s permanent financing, and any subsequent private financing obtained by the Owner.
   a. In the event that the Project Completion Costs do not include $1,200,000 of total expenses, then the Development Incentive shall be reduced to not exceed one-third of Project Completion Costs.
   b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Owner following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than one-third of Project Completion Costs, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.
   c. The Parties acknowledge that the Owner shall be receiving as-incurred payments of the Development Incentive, prior to the time that the City and Owner have the final figures for the Project Completion Costs. The City and Owner shall use their best efforts to ensure that the Development Incentive paid to Owner does not exceed one-third of Project Completion Costs. However, in the event that the final accounting for the project shows that more than one-third of the Project Completion Costs were reimbursed to Owner, Owner shall provide repayment of any excess reimbursement to the City within thirty (30) days of the date of the City’s written request for the same.
E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten year period, with ten percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or, the date of the first commercial occupancy of any portion of the Building (after renovation). The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and ownership rights of the Property for the duration of the forgiveness period, as an operational business in the current industry, generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).

F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City’s rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City’s annual budget adopted in accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions as in effect now and as hereafter amended.

G. Incentive Security:

The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage which may be subordinate to other loans, liens and encumbrances. The Parties further acknowledge that the City undertakes and accepts certain risks during the conduct of the construction and prior to the issuance of a final certificate of occupancy, in that the City will be advancing sums prior to being assured that the project shall be completed. Accordingly, in order to induce the City to provide the incentive described herein, payable as described herein, the Owner agrees that it shall provide the City with security for the City’s incentive payment, in form and content acceptable to the City Manager with the recommendation of City staff, prior to the payment of any portion of the Development Incentive. Such security shall be maintained in place until the commencement of the forgiveness period of the Development Incentive as described above. The security may be in the form of an irrevocable letter of credit, a performance bond, a payment bond a surety bond or another acceptable format, provided that such bond either secures the repayment of the Development Incentive to the City in the event that the project for any reason fails to be completed, or provided that such bond secures the completion of improvements funded by the City through the payment of the Development...
Incentive.
In the event that the security is provided in the form of a cash bond, surety bond or similar "economic" bond, the proceeds shall be utilized to repay the City for any portion of the Development Incentive previously paid and the City shall have sole discretion in the use of such funds after repaid to the City. In the event that the security is provided in the form of a performance bond, such bond shall be utilized to guarantee the completion of any work initiated or paid through the use of the Development Incentive, and such additional work as shall be within the scope of such bond.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Public Safety Regulations: Trespass/Patrol Agreement:

The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the Building (including but not limited to the common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

B. Knox Boxes:

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.

C. Common Area Surveillance:

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.
D. Commercial Property Registration and Inspection:

The Owner shall comply with the then-current requirements of any applicable commercial property registration or inspection ordinance maintained by the City, and shall voluntarily comply with an annual inspection of the premises in accordance therewith. The Owner shall secure all such permissions and shall include in any leases for any portion of the Property such authorization as shall be required to permit the full inspection of any portion of the Building or Property. 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.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the acquisition, demolition and remediation of existing structures and improvements. Those timelines may be extended by the City Manager, with agreement of the Owner, from time to time by written agreement, without requiring an amendment of this Agreement or approval of the City Council, for good cause shown by Owner, in the City Manager’s discretion.

2. In the event that Owner fails to complete the renovation of the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45)
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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE XII: TERM:

This agreement shall have a term of fifteen (15) 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 Development Incentive is ruled invalid, in whole or in part, the Corporate Authorities, 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, lessees, 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. This Agreement may be assigned 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 Building is constructed and 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.

   a. The Owner may request that the City pay a portion of the Development Incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

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:

City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2060
Email: Annemarie.gaura@cityofdekalb.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:

With a Copy To: Mark P. Doherty
The Doherty Law Firm, LLC
125 North First Street
DeKalb, IL 60115
Email: mark@dohertylawfirm.com

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:**

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 insured without right of subrogation.

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 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.

H. Exhibits:

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

| Exhibit A:                | Legal Description         |
| Group Exhibit B:         | Plans                     |
| Exhibit C:               | No-Trespass / Patrol Agreement |
| Exhibit D:               | Traffic Enforcement Agreement |
| Exhibit E:               | Project Cost Documentation Requirements |
| Group Exhibit F:         | Form of Promissory Note, Corporate Undertaking, Mortgage |
| Exhibit G:               | Waiver of Objection to Special Service Area |

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 DEKALB, an Illinois Municipal corporation

By: _____________________________
    John Rey, Mayor

City Clerk ___________________________
    Jennifer Jeep Johnson
03/08/17

OWNER:

THE BANDIT'S CASTLE, LLC, an Illinois Limited Liability Company

By: Jordan Barnes
owner/manager/member 3/15/17

Subscribed and Sworn to Before
Me this 15th day of March, 2017.

Attest
Notary Public

[Seal]

OFFICIAL SEAL
MICHELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/06/21
I, RUTH A. SCOTT, do hereby certify that I am the duly appointed Deputy 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:

RESOLUTION 2018-030

AUTHORIZING AN AMENDMENT TO THE 230 EAST LINCOLN HIGHWAY DEVELOPMENT INCENTIVE AGREEMENT (THE BANDIT'S CASTLE, LLC).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 12th day of March, 2018, and the original is now on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 12th day of March, 2018.

RUTH A. SCOTT, Deputy City Clerk

Prepared by and Return to:

Deputy City Clerk Ruth Scott
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
I, RUTH A. SCOTT, do hereby certify that I am the duly appointed Deputy 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:

RESOLUTION 2018-089

AUTHORIZING A TAX INCREMENT FINANCING DEVELOPMENT INCENTIVE FOR THE REHABILITATION OF THE PROPERTY LOCATED AT 211 NORTH 1ST STREET, DEKALB, ILLINOIS.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 9th day of July, 2018, and the original is now on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 24th day of October, 2018.

RUTH A. SCOTT, Deputy City Clerk

Prepared by and Return to:
City of DeKalb
Deputy City Clerk Ruth Scott
200 S. Fourth Street
DeKalb, Illinois 60115
RESOLUTION 2018-089        PASSED: JULY 9, 2018

AUTHORIZING A TAX INCREMENT FINANCING INCENTIVE FOR THE REHABILITATION OF THE PROPERTY LOCATED AT 211 NORTH 1ST STREET, DEKALB, ILLINOIS.

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

WHEREAS, the building located at 211 North 1st Street ("the Premises") is currently owned by Thomas and Jill Doherty ("Developers"); and,

WHEREAS, the City and Developers seek to enter into a development agreement for improvements to the Premises, and,

WHEREAS, the Developers have proposed to commit funds to the completion of renovations of the building on the Premises, subject to the City’s commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property;

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

Section 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"). The City Council also expressly approves of the provision of a City-funded incentive in an amount not to exceed the lesser of: 1) $120,000; 2) the total of all TIF-eligible costs incurred; or, 3) that sum which is 30% of the total project costs for the Improvements as defined in the Agreement. Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director. Said incentive shall be processed by the City as a TIF-funded grant, repaid as a forgivable loan over a period of ten years as described in the Agreement.

Section 2. The Community Development Director is authorized and directed to append the legal description and plans as exhibits to the Agreement after approval, but prior to signing and recording.

Section 3. That the Deputy City Clerk of the City of DeKalb is authorized and directed to attest the Mayor’s signature.
Section 4. 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 City Council approval of bids or vendors utilized by Owner and waives any applicable competitive bidding requirement (except to the extent required under the Agreement).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 9th day of July, 2018, and approved by me as Mayor on the same day. Passed on an 8-0 roll call vote. Aye: Jacobson, Finucane, Marquardt, Fagan, Noreiko, Verbic, Faivre, Smith. Nay: None.

ATTEST:

RUTH SCOTT, Deputy City Clerk

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

211 N. FIRST STREET
DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
This Development Incentive Agreement (the "Agreement") is made and entered the ___ day of July 2018 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and Thomas and Jill Doherty (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 that certain real property identified as 211 N. First Street, situated at the northwest intersection of First Street and Locust Street in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property."

B. The Property is comprised of one parcel and one existing two-story structure with a basement. The Owner has acquired the Property and each parcel therein, and proposes to redevelop the Property as a mixed-use, commercial and residential development in accordance with this Agreement. The Property is proposed to be developed in accordance with the description of work attached hereto as Exhibit B ("the Plans"), except as such description is required to be modified under the terms of this Agreement. The Plans contemplate the modification of the existing building upon the Property ("the Building"), and provide preliminary architectural and elevation information.

C. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

E. The City acknowledges that the Owner's proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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 Parties further acknowledge that the Property is zoned Neighborhood Commercial (NC) and Multi-Family Residential (MFR).

F. All notices, publications, procedures, and other matters attendant to the consideration and approval of this Agreement 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.

I. 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 I, 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: ZONING OF THE PROPERTY

A. Zoning Applicability:
   The Parties acknowledge and agree that the combination NC/MFR zoning applicable under existing zoning regulations is and shall be the zoning for the Property unless and until the Parties mutually agree to an amendment thereto. The Parties acknowledge that this Agreement is not being utilized to modify the zoning applicable to the Property. However, use of the Property in contravention of the provisions of this Agreement shall constitute a material breach of this Agreement and shall authorize immediate declaration of a default by the City.

B. Permitted Residential Uses:
   1) Not more than two (2) residential units shall be permitted on the second floor of the Property.
   2) The single residential apartment permitted shall be finished and maintained with Premium Finishes as defined herein, with such requirements to include the following minimum standards within the residential units:
      a. Premium flooring such as hardwood, tile or similar coverings within the residential units.
      b. Solid-surface, non-laminate countertops.
      c. In-room kitchen with refrigerator, oven/stove, microwave, and dishwasher.
   Compliance with these standards shall be determined by the Community Development Director, whose approval shall not be unreasonably withheld or conditioned.

C. Permitted Commercial Uses:
   Within the non-residential portions of the first and second floors of the Building and any portion of the basement of the Building allocated to supporting such non-residential areas, the permitted commercial uses shall be exclusively limited to those uses which are permitted in an NC zoning district.

D. Prohibited Uses:
   None of the following uses shall be allowed in or on the Property:
   1) Any use which is not expressly authorized as a Permitted or Special Use in the NC zoning district.
   2) Any residential use other than one standalone residential apartment as contemplated above (and more specifically, any use which would constitute a “rooming house” or dormitory under applicable City Ordinances, or which contemplates the use of shared bathroom or kitchen facilities, shall be prohibited).
   3) Community residences.
   4) Group homes.
   5) Parking lots, as a principal use (and more specifically, any lease, rental or otherwise offering use of on-site parking by any party other than a resident or employee of the Property).
   6) Outdoor storage of any form not expressly authorized herein.
   7) Sales or construction trailers, intermodal shipping containers, van trailers or similar items used for storage or office purposes, temporary structures or similar appurtenances used for office, work or storage purposes. Any such item shall be deemed to be used for office, work or storage purposes if it remains on the Property in one exterior location for more than twenty-four (24) hours at any given time. Notwithstanding the foregoing, this Section shall not apply during any time when there is a building or demolition permit outstanding.
   8) Adult oriented uses; adult bookstores or other establishment displaying, leasing, trading, or
selling pornographic materials or any similar use as defined in the UDO, whether as a principal use or accessory to an allowed principal use (the foregoing not prohibiting a general audiences bookstore with not more than 1% of its merchandise being adult-oriented).

9) Animal boarding.
10) Fire, bankruptcy sale, wholesale, overstock auction house or their equivalent (except that a Court-Ordered bankruptcy sale of less than thirty days duration shall be permitted).
11) Massage parlor or other similar massage establishment.
12) "Head shop", marijuana dispensary, hookah bars, or establishments that specialize primarily in the sale of tobacco, tobacco paraphernalia, glass pipes, implements utilized to burn or concentrate a substance for the purpose of permitting the smoke, fumes or vapor therefrom to be inhaled, or drug paraphernalia.
13) Cemeteries and mausoleums.
14) Funeral homes and mortuaries.
15) Automobile, truck, motorcycle, ATV, motor-scooter or motor vehicle/recreational vehicle/implement repair, service, sales, rentals, parts or components sales or installation, or maintenance.
16) Contractor offices associated with onsite storage of vehicles, supplies or equipment, building material or equipment sales, building or equipment service or maintenance offices, or the equivalent (except that temporary contractor offices present during demolition or construction activities on the Property shall be permitted).
17) Warehouses, whether accessory to a retail use, or self-service storage.
18) Tattoo parlor, massage parlor, psychic reading / tarot card shop.
19) Church or religious uses.
20) Gas or fuel station or any form of car wash or auto detailing center.
21) A dollar store or a discount department store or wholesale establishment.
22) A second-hand store.
23) A cash for gold store.
24) A full service, FDIC-insured bank, credit union, retail bank, consumer banking institution or savings and loan.
25) Currency exchange, money wiring, check cashing facility or equivalent (as a primary use).
26) Auto title loan or post-dated check or payday loan facility or equivalent, unless associated with a full-service federally-insured bank, credit union or savings and loan.
27) Pawn shops.
28) Fitness clubs or workout facilities (other than as permitted subordinate to the residential use described above).
29) Drive-thru facilities.

F. Building Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the zoning relief granted herein.

1) All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, which contemplate replacing existing building materials with like-kind materials of similar appearance and quality, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans. The exterior design, elevations, appearance, dimensions and building materials proposed for any structure or sign proposed to be built on the Property which does not directly comply with these requirements shall be subject to separate review and approval by the City Council, in its
reasonable discretion. Following the installation of such materials, the Owner shall maintain such materials (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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

2) Any future proposal to remodel any portion of the Property which would: a) change the number of units or bedrooms at the Property; or, b) add additional or revised structures, outdoor signage, facilities or reductions in landscaping shall be subject to review and approval by the City Manager, or at the Manager’s discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City. In addition, any zoning review and approval contemplated under City Code shall be required.

3) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

4) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Building or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the proposed walkway at the east side of the Property and/or parking areas), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

H. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the zoning relief granted herein.

1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within the Building, Owner shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Owner shall provide building lighting and site lighting on the Property based upon a consistent
standard adopted at the time of final plan approval, acceptable to Owner and the City, and shall thereafter maintain lights in such locations in compliance with the adopted standards.

4) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

I. Parking Provisions:

Owner shall be required to submit a parking plan showing compliance with the UDO in form and content acceptable to the Community Development Director.

J. Permitted Outdoor Storage:

Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted on the Property in accordance with the approved final plans, provided that all such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services as contemplated by the Plans. Any proposed expansion or alteration of the outdoor rubbish disposal facilities and their related landscaping/screening shall be subject to prior review and reasonable approval by the City Council to confirm compliance with this section. No other outdoor storage shall be permitted, and no storage of dumpsters or garbage or recycling containers shall be permitted outside of the walled garbage enclosure. The outdoor trash facilities shall be constructed in accordance with the final plans, and shall be constructed of a high-quality weather-resistant material acceptable to the City. Once constructed, the trash facilities shall be maintained at all times in good repair, and the Owner shall take all steps as shall be required to ensure that the main entry gates to the trash facilities are kept closed at all times when the facilities are not actively being serviced by a garbage truck. Alternatively, trash receptacles may be stored indoors, in the garage at the Property.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner's Responsibility to Maintain:

The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots, detention or stormwater facilities, or other improvements within the Property and for maintaining all buildings on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property's compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements, pathways and amenities as depicted in the approved final plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal
and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the “Common Facilities Maintenance”). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement (“Common Facilities Maintenance Easement”) over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200¢ per $100.

Approval of this Agreement shall be deemed to constitute consent to the City’s establishment of a special service area as herein described.

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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G, within ninety (90) days of the date of closing upon the last of the parcels comprising the Property. Notwithstanding the foregoing, the SSA shall be dormant and inactive until such point in time as the City determines that activating the SSA is required in order to fulfill the purposes outlined above.

C. Environmental:

1) Prior to the start of any grading or development work on the Property, the Owner shall provide documentation, in form and content acceptable to the City (and additionally acceptable to DeKalb County if DeKalb County requests any such documentation), indicating that there are no pending IEPA investigations or environmental contamination issues with the Property (other than those to be remediated during the course of demolition).

D. Owner Surety:

The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage which may be subordinate to other loans, liens and encumbrances.

E. Security for Public Improvements:

In the event that the Owner constructs any public improvements (inclusive of improvements within or adjacent to a public right of way), then the provisions of this Agreement pertaining to such public improvements shall be invoked. Security to be provided by the Owner for the completion of the public improvements within or adjacent to the Property or related off-site improvements, if any, shall be provided
prior to the commencement of construction on the Property or right of way and shall be in accordance with the terms of this Agreement and applicable City ordinances, as modified by this Agreement. The Owner shall provide its Owner Surety to secure such obligation.

F. **Acceptance of Public Improvements and Maintenance Bond for Public Improvements:**

Upon completion of public improvements and acceptance by the City, the Owner shall provide a signed bill of sale for any items of personal property to be transferred to the City, and shall execute all documentation customarily required by the City to denote acceptance and transfer of ownership. Upon acceptance of any public improvement by the City as described above, Owner shall be entitled to a corresponding release or reduction of any required security, bond or letter of credit. For an 18 month period following acceptance of any public improvement, the Owner shall guarantee the workmanship of any public improvements constructed, and shall be responsible for the performance of any repairs or remediation required on such public improvements, as reasonably determined by the City Engineer, to return them to a condition in which they would be appropriate for initial acceptance by the City, including the repair of any ordinary wear and tear on the aforesaid improvements or the repair of any broken or damaged improvements. To secure the performance of this obligation, the Owner shall provide Owner Surety until payment of the Phase Two Incentive as described above.

G. **Stop Work Orders:**

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 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.

H. **Compliance with City Ordinances and Applicable Regulations:**

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and
acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

I. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, this Agreement shall constitute Owner’s guarantee of this obligation. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke this provision. Owner shall, within 15 business days following written notice from the City, pay all such costs.

J. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

ARTICLE IV: PROJECT STAGING:

Following approval of this Agreement, Owner shall work in collaboration with the City to submit final descriptions of work and building permit applications for review and approval by the City. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the description of work attached hereto. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. The City shall not unreasonably withhold or condition approval of the final plans, provided that they are in substantial conformance with the concept plans and the conditions and restrictions contained in this Agreement. Owner shall complete renovation of the Building within six (6) months of the date of approval of the final plans by the City.
ARTICLE V: INTENTIONALLY OMITTED:

ARTICLE VI: INTENTIONALLY OMITTED:

ARTICLE VII: FEES AND CONTRIBUTIONS:

A. Specified Fees:
   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.

   1. Building Permit Fees: The Parties acknowledge that the Property is subject to building permit fees as proposed to be developed and constructed. The Owner shall pay all such fees, which may be incorporated into the Owner’s reimbursement request.

B. 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.

C. 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 including but not limited to the Owner Surety. 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 Development.

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 VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that the Property, viewed as a whole, has declined in value over the preceding thirty (30) years, notwithstanding the existence of a TIF District intended to improve property
valuation. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive.

B. Development Incentive Defined:

The Owner has previously invested $161,306 in Property Acquisition Costs, and is estimated to invest $173,901 in Property Rehabilitation Costs. The Owner commits that it shall invest not less than Three Hundred and Thirty Five Thousand Dollars ($335,000) in the completion of the project (inclusive of both Property Acquisition Costs and Property Rehabilitation Costs) as defined herein (collectively, “Project Completion Costs”), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser of: a) $98,700, b) the amount which is not more than 30% of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred (“the Development Incentive”).

1. Notwithstanding the foregoing, the Parties acknowledge that the nature of construction projects on aged structures such as the Property carries with it certain inherent risks and challenges which are not capable of identification until renovation and destructive activities have commenced. While Owner has undertaken diligent investigation and has sought multiple quotes and estimates for repair work required to be completed, the Parties acknowledge the potential for unanticipated expenses and contingencies. It is the City’s intention to incentivize the Owner for redevelopment and renovation of the Property in an amount not to exceed 30% of the Project Completion Costs, subject to certain limits as described herein. In recognition of the risks associated with such renovation of historic structures, the City agrees that should the Owner encounter unanticipated expenses, the Community Development Director shall be authorized and directed to increase the total Development Incentive payable by the City from $98,700 to a sum not exceeding $120,000. In order to increase the Development Incentive, Owner must document additional costs which were not known at the time of preparation of this Agreement, or which are interest or borrowing costs incurred by the Owner during the term of this Agreement relating to construction financing. The total Development Incentive which the Community Development Director may authorize hereunder shall not exceed the of lesser of: a) $98,700 plus that sum which is 30% of any Project Completion Costs in excess of $335,000; b) $120,000; c) the amount which is not more than 30% of the Project Completion Costs; or, d) the total of all TIF-eligible costs incurred. Should the Community Development Director invoke this subsection VIII(B)(1), the Community Development Director shall make a report to the City Council, in writing, and shall require the Owner to complete new exhibits to this Agreement revised to match the final Development Incentive (e.g. the face value of the mortgage and promissory note shall be increased to match the final Development Incentive). The Community Development Director is authorized to take the actions contemplated in this subsection VIII(B)(1) without requirement of any further Council approval, and should the Director so act, any reference in this Agreement to a lesser sum (i.e. a lesser Development Incentive or lesser Project Completion Costs) shall be read to reflect the final amounts calculated under the Director’s authority. Should the Owner submit costs in excess of the original estimate that the Community Development Director does not approve of, the Community Development Director may refer the consideration of the request to the City Council for their determination.
C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to site assembly and acquisition costs, demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever. TIF Eligible Costs shall not include any cost incurred prior to the date of this Agreement.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. The mortgage shall be recorded against the existing parcel in the Property that Owner owns, and shall subsequently be recorded against each remaining parcel comprising the Property at the time of purchase, to include and be a valid first lien against each such parcel. Said documents shall secure the payment of up to the full Phase 1 Incentive as described below, and shall contemplate and secure further advances up to that amount.

2. The approval of this Agreement shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on a reimbursement basis towards TIF Eligible Costs including but not limited to demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.

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 E. For payment of TIF Eligible Costs, such payments shall be made on a monthly basis, again in accordance with Exhibit E. 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, including property acquisition costs, is to facilitate the rapid redevelopment of the Property to ensure its conversion and return to beneficial commercial use.

3. At the time of requesting payout of this incentive, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordnate the City’s mortgage(s) to the Owner’s permanent financing, and any subsequent private financing obtained by the Owner.

a. In the event that the Project Completion Costs do not include $335,000 of total expenses, then the Development Incentive shall be reduced to not exceed thirty percent of Project Completion Costs.

b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Owner following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than the estimated Development Incentive, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.

c. All payments contemplated hereunder shall be administered through a title agency acceptable to the City, at Lessee’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. All such payments shall be made at the conclusion of the project, upon approval of a temporary or final certificate of occupancy.

E. **Forgiveness of Development Incentive:**

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten(10) year period, with ten percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or the date of first commercial occupancy after issuance of a certificate of occupancy. The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, continues to operate the premises and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and lease of the Property for the duration of the forgiveness period, as an operational business generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).
F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. With regard to forgiveness of a portion of the Development Incentive under subsection VIII(E)(3) above, the sole source of funds for such forgiveness shall consist of revenues actually received by the City as defined above. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City’s rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City’s annual budget adopted in accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions as in effect now and as hereafter amended.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Acknowledgment of Application of Operational Standards:

The Parties acknowledge and agree that the provisions of this Article IX relating to the operation of the Property following its rezoning and redevelopment are critical and integral to the zoning standards provided for herein. The Owner agrees and acknowledges to comply with the following standards and requirements, and acknowledges that they have been drafted to address the public safety concerns otherwise arising out of the operation of a development with a zoning density that exceeds the density otherwise contemplated by permissible zoning allowances.

B. Operation and Lease Provisions:

In consideration of the provisions herein and in order to construct and maintain a development of the quality intended by the Owners and expected by the City, the Owners agree to secure, through covenants, operational policies or other means acceptable to the City, to provide management of the Property that will comport with the following standards, subject to applicable superior governmental mandates:

1. Any unit rented shall have a written lease that shall include a Crime Free Housing Lease Addendum in the format then-currently approved by the City.
2. Any person living in any rental unit, except for children under the age of eighteen (18), must be a party to the lease and must sign the lease.
3. A thorough criminal background check and other screening shall be implemented to all prospective tenants where permitted by law, a thorough credit check shall be implemented to all lease guarantors where permitted by law, and the Owner shall, to the fullest extent permissible under the applicable laws, make responsible tenant approval decisions based upon such information.
4. The Property shall satisfy all restrictions on consanguinity imposed under applicable City Codes or Ordinances.
Owner agrees and acknowledges that it believes each of the foregoing conditions are fully in accordance with all applicable superior governmental mandates, and that it intends to enforce such requirements based upon current law.

Owner shall either manage the Property itself, or shall utilize a professional property manager for the purpose of managing the Property, and shall ensure that the Building and Property are maintained and utilized in accordance with all applicable codes and regulations.

C. **Public Safety Regulations: Trespass/Patrol Agreement:**

The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the apartment buildings in each phase of the Property (including but not limited to the common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

D. **Knox Boxes:**

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.

E. **Crime Free Housing and Inspection Coordination:**

The Owner acknowledges that the City operates a Crime Free Housing Program requiring property lessors to register with the City and to undertake certain training and notification requirements. Owner agrees to comply with the then-current requirements of such a program, unless Owner reasonably demonstrates that its property manager has already completed such training and/or program. Further, the Parties acknowledge that the Crime Free Housing Program generally contemplates exterior inspections of properties to confirm compliance with applicable City Codes. Given the density of residential development contemplated for the Property, the Owner agrees that it shall coordinate and permit an annual inspection of the entirety of the Property by such personnel as the City shall reasonably designate, shall thereafter promptly remediate any violations observed during such inspections, and shall permit reasonable reinspection to confirm that all violations have been corrected. The Owner shall also grant consent to the City to inspect the Property at any time the City receives a complaint from any third party regarding an alleged violation of applicable codes or regulations. Nothing herein shall prohibit the Owner from objecting to the existence of any alleged violation as noted by the City, as provided by law.

Inspections pursuant to this consent may be conducted by the City Police Department, Building, Public Works, or Fire Department staff, City Manager, or City Attorney, for purposes of determining compliance with the provisions of City Code, or for purposes of determining compliance with any other
applicable code or regulation. The consent for inspection shall extend to any portion of the premises other than to an individual, presently leased residential space to which the Owner cannot unilaterally consent.

The Owner shall also, at any time that a given individual residential unit is not presently leased to a third party, grant the City reasonable access to such residential units for purposes of inspecting the same and verifying compliance with all City Codes. The Owner shall pay all fees associated with any generally applicable current or future inspection or registration program utilized by the City for commercial or residential rental properties. In the event that the City at any time terminates its Crime Free Housing Program or inspection protocol, the Property shall nonetheless continue to be inspection provisions otherwise provided by relevant City Code. With regard to individual residential units leased to third parties (i.e. tenants), the Owner shall utilize its best efforts to secure lawful access to the individual units for purposes of the inspection contemplated herein, but the Parties acknowledge the rights of individual tenants with regard to their occupancy of an individual unit.

F. **Common Area Surveillance:**

The Parties acknowledge that the Owner may prospectively 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. Should the Owner install such cameras and determine that it is feasible to do so, the Owner may provide to the City a connection and inter-link to any cameras so installed, so that the City can remotely monitor such common area surveillance videos from the City Police Department. The Owner shall be responsible for providing and maintaining all technology required to 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, 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. All security cameras and security equipment in place on the Property shall be maintained in good and fully-operable condition.

G. **Tenant Notification:**

The Owner shall provide each tenant or prospective tenant with a notice in a form acceptable to the City advising such tenants of the provisions of this Agreement pertaining to City of DeKalb involvement in policing common areas of the Property or otherwise inspecting or monitoring the Property.

H. **Notification Regarding Affordable Housing Status or Related Agreements:**

The Parties acknowledge that the Property is not anticipated to be utilized as affordable or subsidized housing, based upon the significant current supply of such housing within the community. Pursuant to applicable laws, this Agreement shall not prohibit such use. However, the Parties acknowledge that use of the Property as affordable or subsidized housing may have an impact on the services provided by the City and City-supported agencies or the demand for services. The Parties acknowledge that the City would require time to be able to arrange for and provide such services through itself or City-supported agencies. Accordingly, not less than six (6) months before the date on which any agreement relating to any portion of the Property and affecting or pertaining to its use as affordable housing under federal or state laws (e.g. LIHPHA agreements, HAP agreements, vouchers and other similar agreements) is proposed to be entered into, to be renewed or to be renegotiated, and not less than six (6) months before the Owner enters into any new or renewal agreement or terminates an existing agreement affecting or pertaining to the use of any portion of the Property as affordable housing under federal or state law, Owner shall provide the City with written notice of such agreement or circumstance.
I. Conflict with Federal Law and Regulations:

In the event that any provision of this Agreement conflicts with applicable federal laws or regulations, including those pertaining to affordable housing, the City and Owner recognize that the federal law shall supersede local regulation to the extent required under federal law. Nothing in this Agreement shall be construed in a fashion that violates any federal statute governing affordable housing. Notwithstanding the foregoing, the Owner and City agree and acknowledge that they have reviewed and negotiated the terms of this Agreement with great care and precision, and both agree and covenant that they believe in good faith that the terms hereof are in compliance with all applicable laws. In the event that a federal law supersedes any provision hereof, the Parties agree that they shall negotiate in good faith to approve an amendment to this Agreement that complies with the applicable federal law, and which accomplishes the objective of the term of this Agreement which violates federal law.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the remediation of existing structures. Those timelines may be extended by the City Council, with agreement of the Owner, from time to time by resolution, without requiring an amendment of this Agreement, for good cause shown by Owner, in the Council’s discretion. The Parties acknowledge that this Agreement is structured with a forgivable incentive. The Parties also acknowledge that there is an existing TIF District with a limited number of years remaining on its term, and during the term of that TIF District, the forgiveness of the Development Incentive is greatly expedited due to the generation of TIF increment that is credited against the Development Incentive. Accordingly, the Parties acknowledge that the failure of the Owner to comply with the timeline indicated herein, even if consented to by the City, will be at the Owner’s peril, as it may jeopardize the project’s ability to generate adequate revenues that are credited to Owner under this Agreement, and may thus generate an obligation for Owner to repay a portion of the Development Incentive to the City.

2. In the event that Owner fails to construct the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in substantial compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45) 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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE XII: TERM:

This agreement shall have a term of thirty (30) 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 of an affected Parcel, by adoption of an ordinance 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 zoning of the Property is ruled invalid, in whole or in part, the Corporate Authorities, 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. This Agreement may be assigned 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 Building is constructed and issued a final certificate of occupancy, the South Building is demolished, and all of the improvements described in the approved final plans have been constructed. 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.
   a. The Owner may request that the City pay a portion of the incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

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:
City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2060
Email:

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

If to the Owner:
Tom Doherty
(Address Redacted)

With a Copy To:
Law Offices of Mark Doherty
125 N. First Street
DeKalb, IL 60115

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:**
   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 insured without right of subrogation.

   The Parties acknowledge that this Agreement contemplates the payment, including direct payment, of expenses associated with the redevelopment of the Property under the Phase 1 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.

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

| Exhibit A: | Legal Description |
| Group Exhibit B: | Plans |
| Exhibit C: | No-Trespass / Patrol Agreement |
| Exhibit D: | Traffic Enforcement Agreement |
| Exhibit E: | Project Cost Documentation Requirements |
| Group Exhibit F: | Form of Promissory Note, Corporate Undertaking, Mortgage |
| Exhibit G: | Waiver of Objection to Special Service Area |

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 DEKALB, an Illinois Municipal corporation

By: ____________________________  ____________________________
    Jerry Smith, Mayor              Lynn A. Fazekas, City Clerk

STATE OF ILLINOIS
OWNER:

By: Thomas Doherty, Owner

By: Jill Doherty, Owner

Attest:

OFFICIAL SEAL
MICHIELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/06/21
The property is legally described as:

ASSESSOR’S LOT 10 OF SECTION 22, AND THAT PART OF ASSESSOR’S LOT 12 OF SECTION 22, LYNING NORTH OF THE WESTERLY EXTENSION OF THE NORTH LINE OF LOCUST STREET THROUGH SAID ASSESSOR’S LOT 12, ALL IN SECTION 22 TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM A PARCEL OF LAND HERETOFORE CONVEYED TO LEWIS M. MC EWEN AND WIFE TO FLORA N. KING OF THE WESTERLY SIDE THEROF DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF LOCUST STREET IN THE CITY OF DEKALB, ILLINOIS, 55 FEET EASTERLY FROM THE SOUTHEAST CORNER OF LOT 10 OF BLOCK “F” OF I.L. ELLWOOD’S ADDITION TO THE CITY OF DEKALB; THENCE WESTERLY ALONG THE NORTH LINE OF LOCUST STREET TO SAID SOUTHEAST CORNER OF LOT 10 OF I.L. ELLWOOD’S ADDITION; THENCE NORTH 15 DEGREES, 0 MINUTES, EAST 28.0 FEET; THENCE NORTH 68 DEGREES, 0 MINUTES WEST, 3.3 FEET, THENCE NORTH 19 DEGREES, 46 MINUTES EAST 106.0 FEET; THENCE SOUTH 67 DEGREES, 54 MINUTES EAST, 63.0 FEET; THENCE SOUTHERLY IN A DIRECT LINE TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILL. ALSO EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE ASSESSOR’S LOT 10 OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF LOCUST STREET IN THE CITY OF DEKALB AND THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET; THENCE NORTHERLY ALONG THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET 5.0 FEET; THENCE SOUTHWESTERLY TO A POINT ON THE NORTH LINE OF LOCUST STREET THAT IS 5.0 FEET WESTERLY OF THE PLACE OF BEGINNING; THENCE EASTERLY TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILLINOIS.
Group Exhibit B: Plans

The scope of work to be completed and considered as anticipated costs per the base incentive of $98,700 (up to the maximum amount of $120,000, if authorized by the Community Development Director) is the following:

- Window replacement and repair
- Installation of new complete HVAC system
- Repair to roof and replacement of roofing materials
- Interior plaster repair
- Removal of existing wallpaper
- Exterior and interior painting
- Plumbing repairs and upgrades
- Electrical repair and upgrades
- Asbestos Abatement and replacement of pipe insulation
- Restoration of existing hardwood floors where possible and replacement of flooring where not
- Installation of new cabinets and appliances on first floor and in second floor apartment
- Repair and replacement of paving
- Installation of decorative fencing along perimeter of property on First Street and Locust Street
- Removal of overgrown plants and dead trees
- Installation of new landscaping
- Architectural design and oversight
Exhibit C: No Trespass / Patrol Agreement

Common Area Patrol / No-Trespass Enforcement Agreement

Property Address: 211 North 1st Street
Commonly Known As: 211 North 1st Street
Property Owner: Thomas and Jill Doherty
Contact #: Tom: 815-739-6622 & Jill: 815-739-9937
Property Manager: N/A
Contact #: N/A
24 Hour Contact #: See Owner Contact #

This Common Area Patrol / No-Trespass Enforcement Agreement ("Agreement") is entered into by and between the Owner of the Property identified above ("Owner" and "the Property") and the City of DeKalb ("City"). Under the terms of this Agreement, the Owner expressly authorizes and requests that the City utilize its Police Department and City Employees to undertake the following actions:

- **No-Trespass Warnings and Arrests**: The Owner appoints the City of DeKalb, its employees and agents, as an agent of the Owner, authorized and requested to undertake any actions which the Owner could lawfully take with regard to persons unlawfully present relative to no-trespassing laws and ordinances on any public or private area of the Property. The City’s personnel shall be deemed to be representatives of the Owner for purposes of enforcing no-trespass laws and ordinances and signing and testifying with regard to related complaints only. This includes providing no-trespass warnings, verbal or written, to any person on the Property other than a tenant of the Property. The City shall also be authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated such a no-trespass warning, or who remains on the Property after being asked to leave. The City has the complete authority to enforce any State Statute or City Ordinance relating to trespass. The City shall maintain accurate records of all persons who have been advised not to trespass on the Property and shall provide a copy of the same to Owner upon request.

- **Patrol Common Areas**: The City, its employees and agents are authorized and requested to enter into any common area of the Property that is accessible either to the public or to tenants of the Premises, including parking lots, open spaces, common hallways, gathering areas, or other similar common areas of the Property, for purposes of patrolling, observing, and enforcing the Codes and Ordinances of the City of DeKalb or any applicable State Statutes. For purposes of this Agreement and any charges arising out of the City’s activities on the Property, the City and its personnel shall be deemed to have been invited upon the common areas of the Property. Notwithstanding the foregoing, this shall not constitute authority for the City to enter into tenant private areas (e.g. individual tenant apartments or individual tenant businesses) without required legal authority (such as a search warrant, probable cause, exigent circumstances, etc. where required). The City is authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated a State Statute or City Ordinance.
o **Report Cars for Relocation:** Owner employs the entity described at signs posted at the Property for purposes of relocating unlawfully parked cars from the Property (and Owner shall maintain such postings in accordance with City Code). The City is authorized and requested to contact the tow relocator to report any vehicles on the Property that appear to be unlawfully parked, so that said vehicles may be towed in accordance with applicable regulations.

o **Provisions of Development Agreement:** Owner shall further permit and consents to the conduct of any access or inspection authorized under the terms of any Development Agreement entered into by Owner and the City which is recorded against the Property of public record.

The Owner agrees that, if necessary, Owner or its authorized representative shall appear at any trial or proceeding arising out of the performance of this Agreement. Owner further acknowledges that the City shall not have any duty to patrol the Property, and that the Owner is responsible for the condition and monitoring of its Property. The City is not undertaking any special relationship with or obligation to Owner, other than the authority to enter the Property’s common areas, and to take the actions outlined above. The City is not an agent or representative of the Owner for any purpose other than having authority to provide warnings or direct persons to leave the Property, and for serving as complaining witness and for signing complaints for legal violations occurring on the Property.

The City agrees that it shall provide notice to the Owner of any legal violations occurring on the Property upon request, and also in accordance with the requirements of City Code.

Owner shall post appropriate signage on the Property advising that its common areas, including but not limited to parking lots and open areas, are posted for No Trespassing, and appropriate signage advising of any parking restrictions for vehicles in its parking lots. Owner is encouraged to post additional signage advising that the Police Department may engage in regular patrols of common areas.

This Agreement shall remain in full force and effect until terminated in writing by either party. Notices shall be delivered to Owner at the address listed above, or to the City at 200 S. Fourth Street, DeKalb, Illinois, 60115, Attention City Attorney.

Agreed this 26th day of December 2018

Owner(s) or Representative:

[Signature]
Thomas Doherty, Owner

[Signature]
Jill Doherty, Owner

City of DeKalb:

[Signature]
Jerry Smith
WHEREAS, Thomas and Jill Doherty, its affiliates or subsidiaries (hereinafter collectively "OWNER"), is the Owner of a certain commercial or residential facility, or other facility as described in the Illinois Vehicle Code identified below, and named or identified as "Complex XXX"; and,

WHEREAS, the OWNER and the CITY are desirous of protecting the public health, welfare and safety by the regulation of vehicles in those areas of the COMPLEX which have not been dedicated to the CITY and are intended for public use; and

WHEREAS, it is intended by the parties that this Agreement should apply to any property in the COMPLEX where a question may arise as to whether any particular portion of the COMPLEX which is intended to be or become public property through dedication or otherwise, has been so dedicated, or to any portion which is to remain private property but available for general public use; and

WHEREAS, the CITY has the authority to contract with the OWNER to provide such regulation under the provisions of §11-209 of the Illinois Vehicle Code (625 ILCS 5/11-209);

IT IS THEREFORE AGREED by and between the OWNER and the CITY, in consideration of the public health, welfare and safety, as follows:

1. That the CITY is empowered to accomplish all or any part of the provisions enumerated in the above referenced statutory provision, including, but not limited to the following, within the COMPLEX:
   A. Erect traffic regulatory signs, parking, including handicapped parking, and all other traffic control signs.
   B. Regulate the turning of vehicles or restrict vehicle types.
   C. Regulate pedestrian crosswalks within parking lots.
   D. Designate one-way traffic lanes.
   E. Establish and regulate loading zones.
   F. Regulate stopping, standing or parking in specified areas of lots.
   G. Designate fire lanes and safety zones.
   H. Provide for removal and storage of vehicles during public emergencies, or of abandoned vehicles, and the payment of reasonable charges therefor.
   I. Provide for cost sharing of planning, installation and maintenance of traffic regulations.
J. Contract for or provide by ordinance, resolution or other official action of the CITY, reasonable additional rules.

2. That the cost of the planning, installation and maintenance of parking and traffic regulations, markings, signs, striping and painting pursuant to this Agreement, and pursuant to the Development Agreement between the parties and the subdivision control ordinance of the CITY, shall be borne by the OWNER. OWNER shall be responsible for maintaining all traffic control measures and markings within the Property in good condition.

3. This Agreement shall be effective and enforceable three days after it has been recorded in the Office of the Recorder of Deeds of the county in which the COMPLEX is located and shall continue to be in full force and effect for a period of twenty years, except that after one year from the effective date of this Agreement, either party may cancel this Agreement upon sixty days’ written notice to the other party.

EXECUTED this 26th day of September, 2018.

CITY OF DEKALB
DEKALB COUNTY, ILLINOIS

By: [Signature]
Jerry Smith, Mayor

By: [Signature]
Thomas Doherty, OWNER

By: [Signature]
Jill Doherty, OWNER
Exhibit E: 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.
  - If property acquisition is included in the project costs, the third section must include a copy of the closing statement and deed for the property.
  - 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.
Group Exhibit F: Personal Guarantee and Undertaking, Promissory Note, Mortgage

THIS GUARANTEE dated the 26th day of September, 2018 is between Tom and Jill Doherty of 211 N. 1st Street, City of DeKalb, State of Illinois hereinafter known as the “Guarantor” or “Debtor” and the City of DeKalb, an Illinois Municipal Corporation, hereinafter known as the “Lender.”

IN CONSIDERATION OF the Lender extending a forgivable development incentive of One Hundred Twenty Thousand dollars ($120,000.00) to Guarantor plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness (the “Debt”) due to the Lender by the Debtor, up to a limit of One Hundred Twenty Thousand dollars ($120,000.00), under the terms of a Development Incentive Agreement signed the 26th day of September, 2018 between the Debtor and Guarantor (the “Agreement”) and in addition to the following terms and conditions:

The Guarantor guarantees that it will promptly pay the full amount of the Debt as and when the same will, in any manner, be or become due, either according to the terms and conditions provided by the Agreement or upon acceleration of the payment under the Agreement by reason of a default up to the aforesaid limit;

The Guarantor agrees not to pledge, hypothecate, mortgage, sell or otherwise transfer all or substantially all of Guarantor’s assets without the prior written consent of the Lender;

To the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the Debt of Debtor; and

This Personal Guarantee shall be construed exclusively in accordance with, and governed by, the laws of the State of Illinois. Any dispute arising hereunder may only be brought within the Courts of the Lender’s preference. This Personal Guarantee embodies the entire promise of Guarantor to personally guarantee the Debt and supersedes all prior agreements and understandings relating to the subject matter here, whether oral or in writing. This Personal Guarantee may not be assigned or transferred without a written document, signed by the Guarantor and Lender, permitting such assignment or transfer.

Lender’s Signature [Signature] Date 9-26-15
Guarantor’s Signature Tom Doherty, Owner Date 9-26-15
Guarantor’s Signature Jill Doherty, Owner Date 9-26-18
NOTARY ACKNOWLEDGMENT

State of Illinois
County of DeKalb

On 9/26/15 before me, Thomas Doherty and Jill Doherty (name and title of officer), personally appeared before me, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that she/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

OFFICIAL SEAL
MICHELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 02/06/21 (Seal)
PROMISSORY NOTE

DeKalb, Illinois

On September 26, 2018, for value received, Tom & Jill Doherty, 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 One Hundred Twenty Thousand Dollars ($120,000.00) (the “Face Value”). Repayment hereof shall be subject to the terms and conditions of that certain Planned Incentive Agreement by and between said individuals, and the City of DeKalb, executed on September 26, 2018, relating to the development of the property commonly 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 equal to sales and property tax revenues generated consistent with said Incentive 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 Development 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.

By: [Signature]
Thomas Doherty, Owner

By: [Signature]
Jill Doherty, Owner
ASSESSOR'S LOT 10 OF SECTION 22, AND THAT PART OF ASSESSOR'S LOT 12 OF SECTION 22, LYING NORTH OF THE WESTERLY EXTENSION OF THE NORTH LINE OF LOCUST STREET THROUGH SAID ASSESSOR'S LOT 12, ALL IN SECTION 22 TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM A PARCEL OF LAND HERETOFORE CONVEYED TO LEWIS M. MC EWEN AND WIFE TO FLORA N. KING OF THE WESTERLY SIDE THEROF DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF LOCUST STREET IN THE CITY OF DEKALB, ILLINOIS, 55 FEET EASTERLY FROM THE SOUTHEAST CORNER OF LOT 10 OF BLOCK "F" OF I.L. ELLWOOD'S ADDITION TO THE CITY OF DEKALB; THENCE WESTERLY ALONG THE NORTH LINE OF LOCUST STREET TO SAID SOUTHEAST CORNER OF LOT 10 OF I.L. ELLWOOD'S ADDITION; THENCE NORTH 15 DEGREES, 0 MINUTES, EAST 28.0 FEET; THENCE NORTH 68 DEGREES, 0 MINUTES WEST, 3.3 FEET, THENCE NORTH 19 DEGREES, 46 MINUTES EAST 106.0 FEET; THENCE SOUTH 67 DEGREES, 54 MINUTES EAST, 63.0 FEET; THENCE SOUTHERLY IN A DIRECT LINE TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILL. ALSO EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE ASSESSOR'S LOT 10 OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF LOCUST STREET IN THE CITY OF DEKALB AND THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET; THENCE NORTHERLY ALONG THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET 5.0 FEET; THENCE SOUTHWESTERLY TO A POINT ON THE NORTH LINE OF LOCUST STREET THAT IS 5.0 FEET WESTERLY OF THE PLACE OF BEGINNING; THENCE EASTERLY TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILLINOIS.
Pages 36-43 = Mortgage (to be recorded separately).
MORTGAGE

Dated July 9, 2018

Tom and Jill Doherty (Mortgagor) and the City of DeKalb (Mortgagee)

Commonly known as: 211 N. First Street, DeKalb, DeKalb County, Illinois 60115

PIN: 08-22-234-021

Prepared by:
Dean M. Frieders
City Attorney
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
(Resolution 2018-089)
RETURN TO:
City Clerk
City of DeKalb
200 S. Fourth Street
DeKalb IL 60115

Future Advances Mortgage
Maximum Value: $120,000.00

THIS MORTGAGE, dated this 30th day of Jul 2018, by Tom & Jill Doherty ("Mortgagor"),
WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of One Hundred Twenty Thousand ($120,000.00) payable to the City of DeKalb ("Mortgagor"), dated the same date as this Mortgage, whereby Mortgagor 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 Planned Incentive Agreement executed on 7-9-2018 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 Mortgagor, 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.: 08-22-234-021

which is referred to herein 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 Mortgagor, 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 Mortgagor 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. Mortgagor 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 Mortgagor the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such avails.

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

NOTICE: THIS MORTGAGE SECURES TOTAL CREDIT IN THE AMOUNT OF $120,000.00, AND IS
CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN DEVELOPMENT AGREEMENT ("DEVELOPMENT 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 INCENTIVE 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 INCENTIVE AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE DEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO REPAYMENT OF A DEVELOPMENT INCENTIVE AND THE OBLIGATION TO SECURE THE OWNER ESCROW (AS BOTH TERMS ARE DEFINED IN THE DEVELOPMENT 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 [mortgagor], with a note amount of $120,000.00 (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, Mortgagee 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 Mortgagee 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. Mortgagee, 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 Mortgagee, 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) Mortgagee 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 costs (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 
inversed 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, then 
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.

By: [Signature]

Tom Doherty, Owner

By: [Signature]

Jill Doherty, Owner

STATE OF ILLINOIS  )
                        ) ss
COUNTY OF DEKALB    )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Thomas and Jill Doherty, 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 26th day of September, 2018.

[Signature]
Notary Public

OFFICIAL SEAL
MICHELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 02/06/21
ASSESSOR’S LOT 10 OF SECTION 22, AND THAT PART OF ASSESSOR’S LOT 12 OF SECTION 22, LYING NORTH OF THE WESTERLY EXTENSION OF THE NORTH LINE OF LOCUST STREET THROUGH SAID ASSESSOR’S LOT 12, ALL IN SECTION 22 TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM A PARCEL OF LAND HERETOFORE CONVEYED TO LEWIS M. McEWEN AND WIFE TO FLORA N. KING OF THE WESTERNLY SIDE THEROF DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF LOCUST STREET IN THE CITY OF DEKALB, ILLINOIS, 55 FEET EASTERLY FROM THE SOUTHEAST CORNER OF LOT 10 OF BLOCK “F” OF I.L. ELLWOOD’S ADDITION TO THE CITY OF DEKALB; THENCE WESTERLY ALONG THE NORTH LINE OF LOCUST STREET TO SAID SOUTHEAST CORNER OF LOT 10 OF I.L. ELLWOOD’S ADDITION; THENCE NORTH 15 DEGREES, 0 MINUTES, EAST 28.0 FEET; THENCE NORTH 68 DEGREES, 0 MINUTES WEST, 3.3 FEET, THENCE NORTH 19 DEGREES, 46 MINUTES EAST 106.0 FEET; THENCE SOUTH 67 DEGREES, 54 MINUTES EAST, 63.0 FEET; THENCE SOUTHERLY IN A DIRECT LINE TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILL. ALSO EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE ASSESSOR’S LOT 10 OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF LOCUST STREET IN THE CITY OF DEKALB AND THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET; THENCE NORTHERLY ALONG THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET 5.0 FEET; THENCE SOUTHWESTERLY TO A POINT ON THE NORTH LINE OF LOCUST STREET THAT IS 5.0 FEET WESTERLY OF THE PLACE OF BEGINNING; THENCE EASTERLY TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILLINOIS.
Exhibit G: Waiver of Objection to Special Service Area

STATE OF ILLINOIS  
)  
) SS.  
COUNTY OF DEKALB  
)  

Waiver of Objection to Special Service Area  

THOMAS L. DOHERTY  
NOW COMES the affiant, JILL M. DOHERTY, 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 211 N. 1st Street, legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a mixed-use Planned Development.

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 backup source of funding to maintain common, private improvements located on and/or servicing the property. 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 Landowner 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 landowners 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: Thomas Doherty, Owner

By: Jill Doherty, Owner

SUBSCRIBED AND SWORN to before me this 1st day of September, 2018

[Signature]
NOTARY PUBLIC

[Seal]
OFFICIAL SEAL
MICHELLE JURECZEK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 02/05/21
ASSESSOR’S LOT 10 OF SECTION 22, AND THAT PART OF ASSESSOR’S LOT 12 OF SECTION 22, LYING NORTH OF THE WESTERLY EXTENSION OF THE NORTH LINE OF LOCUST STREET THROUGH SAID ASSESSOR’S LOT 12, ALL IN SECTION 22 TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM A PARCEL OF LAND HERETOFORE CONVEYED TO LEWIS M. MC EWEN AND WIFE TO FLORA N. KING OF THE WESTERLY SIDE THEROF DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF LOCUST STREET IN THE CITY OF DEKALB, ILLINOIS, 55 FEET EASTERLY FROM THE SOUTHEAST CORNER OF LOT 10 OF BLOCK “F” OF I.L. ELLWOOD’S ADDITION TO THE CITY OF DEKALB; THENCE WESTERLY ALONG THE NORTH LINE OF LOCUST STREET TO SAID SOUTHEAST CORNER OF LOT 10 OF I.L. ELLWOOD’S ADDITION; THENCE NORTH 15 DEGREES, 0 MINUTES, EAST 28.0 FEET; THENCE NORTH 68 DEGREES, 0 MINUTES WEST, 3.3 FEET; THENCE NORTH 19 DEGREES, 46 MINUTES EAST 106.0 FEET; THENCE SOUTH 67 DEGREES, 54 MINUTES EAST, 63.0 FEET; THENCE SOUTHERLY IN A DIRECT LINE TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILL. ALSO EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF THE ASSESSOR’S LOT 10 OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF LOCUST STREET IN THE CITY OF DEKALB AND THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET; THENCE NORTHERLY ALONG THE WESTERLY RIGHT OF WAY LINE OF FIRST STREET 5.0 FEET; THENCE SOUTHWESTERLY TO A POINT ON THE NORTH LINE OF LOCUST STREET THAT IS 5.0 FEET WESTERLY OF THE PLACE OF BEGINNING; THENCE EASTERLY TO THE PLACE OF BEGINNING, ALL SITUATED IN THE CITY OF DEKALB, DEKALB COUNTY, ILLINOIS.
The purpose of the formation of special service area in general is to authorize the maintenance, repair, regular care, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, pruning and trimming of trees and bushes, removal and replacement of diseased or dead landscape materials, aeration of stormwater basins, maintenance of underground stormwater facilities, the repair and replacement of monument signs, storm water detention basins, storm sewers and related areas and appurtenances, culverts, drains, ditches and tiles, landscape buffers and related areas and appurtenances, in the special service area, as well as the provision of snow removal services on public sidewalks along or within the area all in accordance with the final engineering plan and final plat of subdivision for the Area, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. Notwithstanding the foregoing, taxes shall not be levied hereunder and said Area shall be “dormant”, and shall take effect only if the applicable required owners association, condominium association or property owner fails to maintain, repair or replace the aforesaid required items and the City chooses to assume some or all of said responsibilities.

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.
I, RUTH A. SCOTT, do hereby certify that I am the duly appointed Deputy 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:

RESOLUTION 2018-090

AUTHORIZING A TAX INCREMENT FINANCING DEVELOPMENT INCENTIVE AGREEMENT WITH WIN AVIATION FOR THE REHABILITATION OF THE PROPERTY LOCATED AT: 2890 PLEASANT STREET, DEKALB, ILLINOIS.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 9th day of July, 2018, and the original is now on file at the City of DeKalb Municipal Building.

WITNESS my hand and the official seal of said City this 24th day of October, 2018.

RUTH A. SCOTT, Deputy City Clerk

Prepared by and Return to:
City of DeKalb
Deputy City Clerk Ruth Scott
200 S. Fourth Street
DeKalb, Illinois 60115
RESOLUTION 2018-090  

AUTHORIZING A TAX INCREMENT FINANCING DEVELOPMENT INCENTIVE AGREEMENT WITH WIN AVIATION FOR THE REHABILITATION OF THE PROPERTY LOCATED AT 2890 PLEASANT STREET, DEKALB, ILLINOIS.

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

WHEREAS, the building located at 2890 Pleasant Street ("the Premises") is currently owned by Win Aviation ("Developer"); and

WHEREAS, the City and Developer seek to enter into a development agreement for improvements to the Premises, and

WHEREAS, the Developer have proposed to commit funds to the completion of renovations of the building on the Premises, subject to the City's commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property;

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

Section 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit A ("the Agreement"). The City Council also expressly approves of the provision of a City-funded incentive in an amount not to exceed the lesser of: 1) $235,000; 2) the total of all TIF-eligible costs incurred; or 3) that sum which is 67% of the total project costs for the Improvements as defined in the Agreement. Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director. Said incentive shall be processed by the City as a TIF-funded grant, repaid as a forgivable loan over a period of ten years as described in the Agreement.

Section 2. That the Deputy 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 City Council approval of bids or vendors utilized by Owner and waives any applicable competitive bidding requirement (except to the extent required under the Agreement).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 9th day of July, 2018, and approved by me as Mayor on the same day. Passed by a 6-1-1 roll call vote. Aye: Finucane, Marquardt, Noreiko, Verbic, Faiivre, Smith. Nay: Jacobson. Absent: Fagan

ATTEST:

RUTH A. SCOTT, Deputy City Clerk

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

2890 PLEASANT STREET
WIN AVIATION / PART 145 CERTIFICATION HANGAR
DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
This Development Incentive Agreement (the "Agreement") is made and entered the \( \text{on the} \ 18^\text{th} \text{ day of} \) 2018 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and Win Aviation, Inc. (the "Lessee"). The City and the Lessee are collectively referred to as "Parties" and individually referred to as a "Party."

RECITALS

A. The City is the Owner of record of a certain aviation hangar located at 2890 Pleasant Street, DeKalb, Illinois which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property". The Lessee is the Lessee of record of the Property.

B. The Property is comprised of a single story general aviation hangar commercial building. The Lessee has acquired the contractual right to occupy the Property, and proposes to redevelop the Property as a FAA certified Part 145 aircraft maintenance facility in accordance with this Agreement. The Property is proposed to be developed in accordance with the plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate the improvement of the hangar upon the Property ("the Hangar"), and provide preliminary architectural information. The redevelopment of the Property and the Hangar is proposed to occur within the parameters of existing zoning restrictions applicable to the Property under the terms of the City's Unified Development Ordinance (UDO) Heavy Industrial (HI) zoning regulation that is currently in place. There is no proposed residential component of the development.

C. The City and the Lessee thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

D. The City acknowledges that the Lessee's proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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 Lessee 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 Lessee 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 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: ZONING AND IMPROVEMENT OF THE PROPERTY

A. Zoning Applicability:

The Property is presently zoned HI and shall remain zoned HI for the duration of this Agreement unless a mutually acceptable amendment to this Agreement is approved by both parties. The Lessee shall not permit any residential use of the Property to occur during the term of this Agreement.

B. Permitted Uses:

Other than as outlined above, all uses which are permitted or special uses in the HI zoning district shall be permitted or special uses as provided herein and this Agreement shall not alter the applicable zoning, save for the Lessee’s pledge to not undertake residential use of the Property during the term of this Agreement.

C. Improvements to Property:

Lessee shall construct, as a component of the redevelopment of the Property, improvements generally consisting of the following items:

1) Lessee shall undertake installation of a new hydraulic hangar door.
2) Lessee shall install an improved concrete pad and floor that includes a radiant heating system to service the needs of the Building.
3) Lessee shall undertake any window and roof repair or replacement required to render the Building secure against elements and in compliance with all applicable codes.
4) Lessee shall complete an interior buildout of the Building, inclusive of offices, new part storage, and a Part 145 quarantine area for used parts in accordance with final plans that are submitted to and approved by the Community Development Director.

All improvements shall be subject to any conditions or restrictions imposed pursuant to building permits or other approvals issued by the City, and Lessee shall obtain, at its cost, all such required permits and inspections. The final proposed floor plan, scope of improvement, façade materials and elevations shall be subject to review and approval by the Community Development Director, which approval shall not be unreasonably withheld or conditioned. In the event that the Community Development Director withholds approval, the Lessee may appeal such decision to the City Council, whose decision shall be final.

All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, in accordance with all applicable building codes. The Lessee shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans.

Following the installation of such materials, the Lessee shall maintain such materials (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 Lessee’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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

Any future proposal to remodel any portion of the Property which would add additional or revised structures, outdoor signage, facilities or changes in building materials shall be subject to review and approval by the Community Development Director, or at the Director’s discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City.

D. Required Revisions to Plans:

1) The final plans for the Building 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 Lessee shall reasonably comply with any request of the City to install, at the City’s cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

3) The Lessee shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Building or Property for use by the City.

4) Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall be permitted on the Property only in accordance with the approved final plans, provided that all such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services as contemplated by the Plans.

E. Property Related Provisions:

Lessee shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the incentive granted herein.

1) Lessee shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Lessee is installing fiber optic service within the Building, Lessee shall install additional fiber optic cables for use by the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Lessee shall reasonably collaborate with the City on such routing). Where Lessee is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Lessee shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Lessee shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.
F. Failure to Obtain Part 145 Certification:

In the event that the Lessee fails to acquire Federal Aviation Administration 14 CFR Part 145 Air Agency Certification of the Property and Hangar located thereupon within 12 months of the date of this Agreement, or in the event that Lessee fails to commence operation of the Hangar as a FAA certified Part 145 repair facility within 12 months of the date of this Agreement, the City may declare a default and exercise any rights contained herein. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Lessee is, through no fault of the Lessee’s, unable to obtain such certification and is working in good faith to correct the same.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Lessee’s Responsibility to Maintain:

The Lessee shall be responsible for the maintenance and care of any and all common areas, parking lots or other improvements within the Property and for maintaining the Hangar in accordance with all City Building, Zoning and Property Maintenance Codes, in accordance with all rules and regulations governing the operation of the DeKalb Taylor Municipal Airport, in accordance with all applicable state and federal laws, rules and regulations (including but not limited to FAA requirements) and in accordance with the terms set forth in this Agreement. The Lessee shall assume full responsibility for ensuring the property’s compliance with the applicable codes and requirements. The Lessee shall also be responsible for construction of all new improvements and amenities as depicted in the approved final plans.

B. Intentionally Omitted:

C. Stop Work Orders:

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 Lessee 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.

D. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 Lessee to comply with any and all requirements of this Agreement and applicable City Codes. Thus, in the event that up to, but prior to construction or any time after execution of this Agreement, 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 Lessee 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 Lessee 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. A utility easement with terms and provisions reasonably acceptable to Lessee and the City shall be provided by the Lessee as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the
Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any
are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements
commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have
not been reviewed by the City Engineer or City Public Works Department, and the Lessee agrees and
acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant
to their review.

E. Site Control:

Lessee agrees that it shall inspect and clean the apron and taxeways adjacent to and within 100 feet
of the entrance to Lessee’s construction site, and take measures to control dust and any form of construction
debris daily while construction is occurring on said site. Lessee shall also patch or repair damage to any
apron, taxiway, runway, roadway, path, driveway, sidewalk or other similar improvement which may be
damaged during the course of Lessee’s construction or maintenance activities in a fashion acceptable to the
City. As security for such obligations, and as a condition of the issuance of any filling or grading permits,
Lessee shall provide the Lessee Surety in a form consistent with the Lessee Surety referenced herein. In the
event Lessee 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
Lessee’s failure to comply with this provision, then the City may perform or contract with others to perform
such undertaking and invoke the Lessee Surety. Lessee shall, within 15 business days following written
notice from the City, pay all such costs.

F. Building Codes:

In constructing improvements and conducting renovation on the Property, the Lessee shall comply
with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the
Property, except as may be specifically modified and/or governed by this Agreement. At the time of any
future amendments or modifications of the building or the Property, the Lessee shall comply with the then-
current code requirements of the City, except as may be specifically modified and/or governed by this
Agreement.

G. Lease Agreement:

Lessee shall, at all times during the term of this Agreement, comply with all terms of the City of
DeKalb Lease for the Property and Hangar, and remain current on all payments, rents, charges and taxes
due thereunder.

ARTICLE IV: PROJECT STAGING:

The Parties acknowledge that the construction of the project upon the Property shall be staged, as
described below.

1) The Lessee has a current lease for the Property and Hangar.

2) Within 180 days, Lessee shall submit final plans for review and approval by the City.

   a. Proposed final plans shall be subject to review and revision in collaboration with City staff,
   and shall be required to be in substantial conformity with the Plans attached hereto.
   Deviation from the Plans shall be permitted where reasonably acceptable to the City and
   where resulting in an improvement to the Property. The City shall not unreasonably
   withhold or condition approval of the final plans, provided that they are in substantial
   conformance with the concept plans and the conditions and restrictions contained in this
   Agreement. As indicated above, final plans shall be subject to approval by the Community
Development Director, and any denial of such approval may be appealed to the City Council.

3) Lessee shall complete construction of the Hangar in accordance with approved final plans within Eighteen (18) months of the date of approval of the final plans by the City. The failure to comply with any of the foregoing requirements shall constitute a material breach of this Agreement. The City Manager shall be authorized and directed to extend this timeline without any further approval from the City Council in the event that the Lessee is, through no fault of the Lessee’s, unable to comply with such timelines and is working in good faith to correct the same.

ARTICLE V: INFRASTRUCTURE:

A. Water Mains and Potable Water Supply:

The Property is currently serviced by an existing connection to the City’s potable water system. The Lessee shall have the right to connect to and use such system and mains upon payment of the costs of connecting to the City’s water mains and the costs of any water meters or related devices. The Lessee 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 Lessee 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. Storm Water Retention, Facilities and Improvements:

The City acknowledges that no storm water improvements are contemplated herein, and the Property shall comply with applicable regulations.

C. Sanitary Sewers:

Lessee shall comply with all applicable regulations, codes and ordinances.

D. Utility Connections:

The installation of the necessary and appropriate on-site electric, natural gas, cable, television, telephone facilities, and future internet access facilities (when available) to the Property shall be by underground installation (where reasonably possible) and pursuant to the requirements of such utility companies or pursuant to the agreement of the City with such entities and at no cost to the City. The City agrees to cooperate with the Lessee to permit the extension of all such utilities along existing public right-of-ways and/or City owned property and otherwise allow the extension of all necessary utilities to the Property, provided, however, that the City’s agreement to cooperate with the Lessee to allow the extension of utilities to the Property shall in no way relieve the Lessee of its obligations to obtain any and all easements and permits necessary to do so, at Lessee’s sole cost and expense.

E. 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 Lessee 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 VI: FEES AND CONTRIBUTIONS:

The Lessee 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 Lessee 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 and planning and engineering review fees as proposed to be developed and constructed.

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 Lessee participated in the calculation and reconciliation of said fees, and the Lessee 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 Lessee pay any such fees under protest. Notwithstanding the foregoing, Lessee or the subsequent Lessees 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. Lessee Responsibility for Costs:

Lessee 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 Lessee, and the Lessee may become responsible for substantial charges and fees in order to perform its obligations under this Agreement including but not limited to the Lessee Surety. The City agrees that Lessee shall not be responsible for any costs incurred prior to the date of this Agreement. Lessee 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, Lessee agrees as follows:

1. Prior to the sale, assignment, lease or other transfer of any portion or portions of the Property, Lessee 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 Lessee with a calculation of the total amount believed to be outstanding as costs for which Lessee is responsible. Lessee 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 Lessee 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, Lessee shall cause all such
amounts to be paid to the City, unless an Lessee 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 Lessee and Lessee shall pay all such amounts within thirty days of the City providing such notice.

5. In the event of a failure of Lessee to comply with this subsection, Lessee, 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.

Lessee further acknowledges that, at any point, if Lessee 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 Lessee has paid all amounts due and/or restored any escrow accounts maintained by the Lessee by virtue of this Agreement:

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

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 Lessee or their successors or assigns.

4. Institution of appropriate legal action to recover any and all amounts due, or such an action by the Lessee 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 VII: INTENTIONALLY OMITTED:

ARTICLE VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

The Parties acknowledge that the property is not currently suitable to be operated as a FAA Part 145 maintenance facility and based on the current value of the property as-is, the cost of making improvements to the existing structure in order to meet FAA Part 145 standards would exceed the post-construction value of the property. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Lessee is undertaking a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate new revenues
for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce at the DeKalb Taylor Municipal Airport. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Lessee would not improve the property and would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive. The City acknowledges the value of encouraging beneficial reuse of such structures, and provides this Development Incentive to encourage and enable such redevelopment which would not happen but for this Agreement.

B. Development Incentive Defined:

The Property and Hangar is presently valued at approximately Five Hundred and Sixty Thousand Dollars ($560,000) ("Current Value"). The Lessee commits that it shall invest approximately Three Hundred and Fifty Thousand Dollars ($350,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The Parties acknowledge that following investment of the Project Completion Costs, the Property and Hangar shall have an estimated value of roughly Six Hundred and Seventy Five Thousand Dollars ($675,000) ("Projected Value"), leaving a financing gap of roughly Two Hundred and Thirty-Five Thousand Dollars ($235,000). The City shall provide a total Development Incentive of not more than the lesser of: a) $235,000; b) the amount which is the result of this formula: ((Current Value + actual Project Completion Costs) – Projected Value); or, c) the total of all TIF-eligible costs incurred ("the Development Incentive"). In the event that Lessee fails to incur Project Completion Costs of $350,000 or more, then the Development Incentive shall be reduced pro-rata based upon the figure which is two-thirds of the Project Completion Costs (i.e. if Project Completion Costs total $300,000, the Development Incentive shall not exceed $200,000).

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the Building and the Property, incurred after the date of approval of this Agreement. It shall include: demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must
be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Lessee shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. 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 City Manager shall be authorized and directed to execute any subordination agreement or other similar documentation, without requirement of separate City Council approval. Further, the City Manager 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 shorten the clawback period nor to reduce the Lessee's obligation to fully account for the entirety of the Development Incentive.

2. The approval of this Agreement shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on an as-incurred basis towards TIF Eligible Costs incurred prior to the approval of the final plans, including but not limited to demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.

   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 E. For payment of TIF Eligible Costs, such payments shall be made on a monthly basis, again in accordance with Exhibit E. At the time of payment, Lessee 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, including property acquisition costs, is to facilitate the rapid redevelopment of the Property to ensure its conversion and return to beneficial commercial use.

   c. All payments contemplated hereunder shall be administered through a title agency acceptable to the City, at Lessee’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.

3. At such time as the Lessee obtains a final certificate of occupancy for the Building, it is contemplated that the Lessee will transition from construction financing to permanent financing. At such time, the Lessee shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Lessee with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Lessee or its assignee, as requested by Lessee, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Lessee’s permanent financing, and any subsequent private financing obtained by the Lessee.
a. In the event that the Project Completion Costs do not include $350,000 of total expenses, then the Development Incentive shall be reduced to not exceed two-thirds of Project Completion Costs.

b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Lessee following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than the estimated Development Incentive, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.

c. The Parties acknowledge that the Lessee shall be receiving as-incurred payments of the Development Incentive, prior to the time that the City and Lessee have the final figures for the Project Completion Costs. The City and Lessee shall use their best efforts to ensure that the Development Incentive paid to Lessee do not exceed two-thirds of Project Completion Costs. However, in the event that the final accounting for the project shows that more than two-thirds of the Project Completion Costs were reimbursed to Lessee, Lessee shall provide repayment of any excess reimbursement to the City within thirty (30) days of the date of the City’s written request for the same.

E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten (10) year period, with five percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or, the date of the first use of the Hangar as a FAA certified Part 145 repair facility. The Lessee shall be entitled to each year’s forgiveness provided that the Lessee continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, continues to operate the premises under a lease with the City of DeKalb as a FAA certified Part 145 facility, continues to maintain the improvements funded herein, and satisfies the employment requirements outlined below. The Lessee agrees that it shall maintain its business operations and lease of the Property for the duration of the forgiveness period, as an operational business in the general aviation Part 145 certified repair industry, generating employment and sales tax revenue for the City. In the event that the Lessee fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Lessee contemplates leaving the Property within the forgiveness period due to the expansion of Lessee’s business or due to relocation within the City of DeKalb, the Lessee may request that the City Council waive the provisions of this Article VIII(E).

During each year of operation during the forgiveness period described herein, the Lessee shall provide the City with a sworn affidavit of employment (along with such supplemental documentation as shall be required by the City), evidencing that in year one, Lessee employs not fewer than four (4) full-time employees at the Property as a component of this Part 145 operation with an average annual salary of not less than $80,000, and evidencing in years two through ten that not fewer than eight (8) full-time employees are so-employed at the Property in the Part 145 operation, again with an average annual salary of not less than $80,000. Demonstrating compliance with this employment requirement shall be required for annual forgiveness to occur.

F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund
G. Lessee Security:

The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage which may be subordinate to other loans, liens and encumbrances. The Parties further acknowledge that the City undertakes and accepts certain risks during the conduct of the construction and prior to the issuance of a final certificate of occupancy, in that the City will be advancing sums prior to being assured that the project shall be completed. Accordingly, in order to induce the City to provide the incentive described herein, payable as described herein, the Lessee agrees that it shall provide the City with security for the City’s incentive payment, in form and content acceptable to the City Manager with the recommendation of City staff, prior to the payment of any portion of the Development Incentive. Such security shall be maintained in place until the commencement of the forgiveness period of the Development Incentive as described above. The security may be in the form of an irrevocable letter of credit, a performance bond, a payment bond a surety bond or another acceptable format, provided that such bond either secures the repayment of the Development Incentive to the City in the event that the project for any reason fails to be completed, or provided that such bond secures the completion of improvements funded by the City through the payment of the Development Incentive.

In the event that the security is provided in the form of a cash bond, surety bond or similar ‘economic’ bond, the proceeds shall be utilized to repay the City for any portion of the Development Incentive previously paid and the City shall have sole discretion in the use of such funds after repaid to the City. In the event that the security is provided in the form of a performance bond, such bond shall be utilized to guarantee the completion of any work initiated or paid through the use of the Development Incentive, and such additional work as shall be within the scope of such bond.

This security shall serve as the Lessee Security and shall serve to secure all Lessee obligations under the term of this Agreement until the date of initiation of Part 145 certified operations at the Hangar, after issuance of a final certificate of occupancy.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Knox Boxes:

The Lessee 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.

B. Common Area Surveillance:

The Parties acknowledge that the Lessee 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 Lessee acknowledges that the City requests that the Lessee 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 Lessee 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 Lessee 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 Lessee and Lessee 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.

C. Commercial Property Registration and Inspection:

The Lessee shall comply with the then-current requirements of any applicable commercial property registration or inspection ordinance maintained by the City, and shall voluntarily comply with an annual inspection of the premises in accordance therewith. The Lessee shall secure all such permissions and shall include in any leases for any portion of the Property such authorization as shall be required to permit the full inspection of any portion of the Building or Property. During the term of this Agreement, the Lessee 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.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the acquisition, demolition and remediation of existing structures and improvements. Those timelines may be extended by the City Manager, with agreement of the Lessee, from time to time by written agreement, without requiring an amendment of this Agreement or approval of the City Council, for good cause shown by Lessee, in the City Manager’s discretion.

2. In the event that Lessee fails to complete the renovation of the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Lessee fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.
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 forty-five (45) 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 forty-five (45) 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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE XII: TERM:

This agreement shall have a term of thirty (30) 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 Lessee, 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 Lessee.
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 Development Incentive is ruled invalid, in whole or in part, the Corporate Authorities, 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 Lessee 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 Lessee and its successors, grantees, lessees, 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. This Agreement may be assigned 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 Lessee 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 Building is constructed and 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.
   a. The Lessee may request that the City pay a portion of the Development Incentive directly to a third party, in satisfaction of an expense incurred by Lessee. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment of any debt, claim, lien, liability or damage pursuant to this Agreement.

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:
F. **Time of Essence:**

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

G. **Indemnification:**

The Lessee 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 Lessee, 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 Lessee’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 Lessee 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 insured without right of subrogation.

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 Lessee 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 Lessee 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 Lessee 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 Lessee or its contractors or subcontractors. The City shall have no liability for Lessee’s selection of personnel, employees or subcontractors, nor for the presence of dangerous conditions on any portion of the Property.

Lessee 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 Lessee 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 Lessee other than payment of the stated Development Incentive. The Lessee 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 Lessee 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 Lessee’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.

Lessee shall provide the City with a certificate of commercial general liability insurance naming the City as additional primary 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.

H. Exhibits:

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

| Exhibit A: | Legal Description          |
| Group Exhibit B: | Plans                         |
| Exhibit C: | Omitted                        |
| Exhibit D: | Omitted                        |
| Exhibit E: | Project Cost Documentation Requirements |
| Group Exhibit F: | Form of Promissory Note, Corporate Undertaking, Mortgage |
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 DEKALB, an Illinois Municipal corporation

By: ____________________________  Attest: ____________________________

Jerry Smith, Mayor                  Ruth Scott, Deputy City Clerk
07/09/18

LESSEE:

Win Aviation, Inc., an Illinois Corporation

By: Andrie Weise

Attest: [Signature]

[Notary Seal]
OFFICIAL SEAL
MICHELLE JURECZK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 02/08/21
The property is legally described as:

Parcel Identification Number: 0919100010

That part of the Northwest ¼ of Section 19, Township 40 North, Range 5, East of the Third Principal Meridian, in DeKalb County, Illinois, described as follows: commencing at the Northwest Corner of said Section 19, having an English State Plane coordinate North 1,919,719.461 East 880,485.931; thence south 00 degrees 22 minutes 28 seconds West, 2200.62 feet along the West line of said Northwest ¼ to State Plane coordinate North 1,917,518.887, East 880,471.447; thence South 89 degrees 55 minutes 32 Seconds East, 212.77 feet to State Plane coordinate North 1,917,518.610, East 880,684.20 and to the Point of Beginning, from said point of beginning; thence south 89 degrees 55 minutes 32 seconds East, 140.00 feet, parallel with the 234 feet northerly of the center line of the existing taxiway at the DeKalb Taylor Municipal Airport, to a point at State Plane coordinate North 1,917,518.428, East 890,824.220; thence South 00 degrees 04 minutes 28 seconds West, 100.00 feet to State Plane coordinate North 1,917,418.428, East 880,824.090; thence North 89 degrees 55 minutes 32 seconds West, 140,00 feet, parallel with and 145 feet Northerly of said Taxiway, to State Plane coordinate North 1,917418.610, East 980.684.090; thence North 00 degrees 04 minutes 28 seconds East, 100.00 feet to the Point of Beginning.
Group Exhibit B: Plans

The plans below are conceptual in nature and are not to be considered final for the purpose of issuing building permits.

2890 Pleasant St

Hangar Door
68 x 25

Part 145
Parts, tools, library

Store

Bathroom

Bathroom

N
Exhibit E: 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 Lessee 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 Lessee to provide certified payroll records unless the Lessee determines that such records are required under the Prevailing Wage Act. The Lessee shall indemnify, defend and hold harmless the City from any claims arising out of the alleged Lessee 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.
GROUP EXHIBIT F: FORM OF PROMISSORY NOTE, CORPORATE UNDERTAKING, MORTGAGE

COMPANY UNDERTAKING

for

Win Aviation, Inc. & Hangar Right, LLC

WHEREAS, the Companies known as Win Aviation, Inc. and Hangar Right, LLC, are a duly recognized and active corporation and limited liability company organized and doing business in the State of Illinois; and

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

NOW, THEREFORE:

BE IT RESOLVED this ___ day of July, 2018, that the undersigned, being a duly appointed and acting Member of the Companies, authorizes the Companies to execute any and all documents pursuant to that certain Development 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 Companies to fulfill its obligations pursuant to said Development Incentive Agreement and to permit and enable the City of DeKalb to perfect any and all liens on the assets of the Companies and/or Property.

1. Companies Further Agree as follows:

(a) “Companies’ Liabilities” shall mean all obligations and liabilities of Companies 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 Companies under the Loan Agreements.

(b) “Development Incentive Agreement” shall mean that certain 2890 Pleasant Street Development Incentive Agreement entered into by the Companies 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 Companies 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. Companies unconditionally, absolutely, and continuously guarantees and undertakes to City the prompt performance and payment (in full) of all of Companies' Liabilities, when such performance or payment is due or declared due by City, subject to the terms and provisions of the Development Incentive Agreement. In addition to the payment and performance of Companies' Liabilities specified in the preceding sentence, Companies 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 Companies or any other party to secure the repayment of Companies' Liabilities.

Companies' 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 Companies' 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 Companies' Liabilities.

3. Companies represents and warrants to City that:
   (a) The statements in the preamble to this Undertaking are true and correct.
   (b) Companies has reviewed and voluntarily entered into this Undertaking and the associated Note and Mortgage.
   (c) Companies 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 Companies, enforceable against Companies 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 Companies 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 Companies is now or hereafter a party or by which it is or may become bound.
   (f) Companies is now, and at all times hereafter shall be, solvent and generally able to pay its debts as such debts become due, and Companies now owns or will upon its acquisition of the Property which is the subject of the Development Incentive Agreement, and shall at all times hereafter own, property that, at a fair valuation, exceeds the sum of Companies' debts.
   (g) Companies now has, and shall have at all times hereafter, capital sufficient to carry on all business transactions and all businesses and transactions in which Companies are about to engage. Companies do not intend to incur or believe that Companies 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 Companies that might result in any material and adverse change in Companies' financial condition or materially affect Companies' ability to perform Companies' Liabilities.
   (i) Companies have reviewed independently the Loan Agreements, and Companies has made an independent determination as to the validity and enforceability thereof on the advice of Companies' own counsel, and in executing and delivering the Undertaking to City, Companies are 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, Companies agrees to furnish to City all pertinent facts relating to the ability of Companies to pay and perform Companies' Liabilities, and all
pertinent facts relating to Companies’ ability to pay and perform Companies’ Liabilities. Companies agrees to keep informed with respect to all such facts. Companies acknowledges and agrees that (1) City has relied and will continue to rely on the facts and information to be furnished to it by Companies; (2) in executing this Undertaking and at all times hereafter, Companies have relied and will continue to rely on Companies’ own investigation, and Companies have not and will not hereafter rely on City for any such information or facts.

4. Waivers

(a) To the extent permitted by law, Companies waive 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 Companies to City or acquired by City from Companies; and, (2) those based on the failure or adequacy of consideration.

(b) Companies hereby waive 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 Companies from Companies’ 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 Companies may be entitled;

5. Covenants and Agreements

Company covenant and agree with City that:

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

(b) All indebtedness, liability, or liabilities now and at any time or times hereafter owing to Companies by any party liable to City by reason of any security interests, liens, or encumbrances granted by Companies 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, Companies’ Liabilities, Companies grant to City a security interest in and lien on the Property ("Collateral").

Companies 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.

Companies warrant and represent to and covenant with City that (a) Companies have good, indefeasible, and merchantable title to the Collateral, or will upon its acquisition of same as contemplated by the Development 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) Companies 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 Development Incentive Agreement; (d) the addresses specified at the end of this Undertaking include and designate Companies’ principal residence and is Companies’
sole residence. Companies, by written notice delivered to City at least thirty (30) days prior thereto, shall advise City of Companies’ 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 Companies (Event of Default) under this Undertaking:

(a) if Companies fails to pay any of Companies’ Liabilities when due and payable or properly declared due and payable;
(b) if Companies fail or neglect 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 Companies, and Companies 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 Companies 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 Companies, or if Companies shall make an assignment for the benefit of its creditors, or if any case or proceeding is filed by Companies for their dissolution or liquidation;
(f) if a petition under Title 11, United States Code, or any similar law or regulation shall be filed against Companies, or if a case or proceeding is filed against Companies for its dissolution or liquidation and such proceeding shall not be dismissed within forty-five (45) days of its filing, during which time Companies shall be diligently contesting such action or proceeding;
(g) if Companies are 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 Companies shall be diligently contesting such action or proceeding;
(h) if a notice of lien, levy, or assessment is filed of record or given to Companies with respect to the Collateral;
(i) if Companies are 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 Companies is not true and correct;
(k) any material adverse change in the financial condition, operations, business, or assets of Companies, and Companies 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 Companies to City, which is not cured by Companies 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 Companies or if Companies 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 Companies, Companies' Liabilities shall be due and payable and enforceable against Companies, 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 Companies if Companies' Liabilities are not immediately paid by Companies 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 Companies; and/or

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

Companies recognize that in the event they 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 Lessee or the City employs counsel for advice or other representation with respect to this Undertaking or to represent the Lessee or City in any litigation, contest, dispute, suit, or proceeding relating to this Undertaking or Lessee's or City's rights thereunder, the reasonable costs, fees, and expenses incurred by either the Lessee or City in any manner or way with respect to the foregoing shall be payable by Companies to City, or by the City to the Lessee, 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 Companies' 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 Companies' enforcement of its rights and remedies hereunder. The obligation of Companies 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 Companies' 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 Companies' 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 Companies and the City and inure to the benefit of Companies 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 Companies shall be to the address or addresses
specified below.

This Undertaking shall continue in full force and effect until Companies' Liabilities are fully paid, performed, and discharged as provided in the Development Incentive Agreement and City gives Companies written notice thereof, such notice to be promptly sent by City after full performance of Companies' Liabilities. This Undertaking shall continue to be effective or be reinstated, as the case may be, if at any time payment of any of Companies' Liabilities is rescinded or must otherwise be returned by City upon the insolvency, bankruptcy, or reorganization of Companies 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 Companies' Liabilities, or any proceeds of Collateral are applied on account of Companies' Liabilities, and any such payment(s) and/or proceeds or any part thereof are subsequently invalidated, 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, Companies' 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 Companies' Liabilities. Companies agrees that Companies' Liabilities hereunder shall be revived to the extent of such revival of Companies' Liabilities.

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

Companies warrant and represent to City that Companies have read this Undertaking and understands the contents hereof and that this Undertaking is enforceable against Company in accordance with its terms.

COMPANIES 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. COMPANIES AND CITY CONSENT AND SUBMIT TO THE EXCLUSIVE JURISDICTION OF SAID COURT. COMPANIES 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:

Win Aviation:

Hangar Right, LLC:
The property is legally described as:

Parcel Identification Number: 0919100010

That part of the Northwest ¼ of Section 19, Township 40 North, Range 5, East of the Third Principal Meridian, in DeKalb County, Illinois, described as follows: commencing at the Northwest Corner of said Section 19, having an English State Plane coordinate North 1,919,719.461 East 880,485.931; thence south 00 degrees 22 minutes 28 seconds West, 2200.62 feet along the West line of said Northwest ¼ to State Plane coordinate North 1,917,518.887, East 880,471.447; thence South 89 degrees 55 minutes 32 Seconds East, 212.77 feet to State Plane coordinate North 1,917,518.610, East 880,684.20 and to the Point of Beginning, from said point of beginning; thence south 89 degrees 55 minutes 32 seconds East, 140.00 feet, parallel with the 234 feet northerly of the center line of the existing taxiway at the DeKalb Taylor Municipal Airport, to a point at State Plane coordinate North 1,917,518.428, East 890,824.220; thence South 00 degrees 04 minutes 28 seconds West, 100.00 feet to State Plane coordinate North 1,917,418.428, East 880.824.090; thence North 89 degrees 55 minutes 32 seconds West, 140.00 feet, parallel with and 145 feet Northerly of said Taxiway, to State Plane coordinate North 1,917418.610, East 980.684.090; thence North 00 degrees 04 minutes 28 seconds East, 100.00 feet to the Point of Beginning.
PROMISSORY NOTE

DeKalb, Illinois

7-9-18

On (date), for value received, Win Aviation, Inc. 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 TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS ($235,000.00) (the "Face Value"). Repayment hereof shall be subject to the terms and conditions of that certain Development Incentive Agreement by and between said Win Aviation, LLC, and the City of DeKalb, executed on July 9, 2018, 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 Development Incentive Agreement, and shall include a reduction of the balance due consistent with said Agreement. The City shall provide the Lessee 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 Development Incentive Agreement, at any time upon the request of Lessee.

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 Lessee over a period of time pursuant to the Development 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 Lessee, funds paid on behalf of Lessee, or funds held to secure the Lessee Escrow as defined in the Development Incentive Agreement.

Win Aviation, Inc.

By: [signature]

Andri Weise, Member
Exhibit 1

The property is legally described as:

Parcel Identification Number: 0919100010

That part of the Northwest ¼ of Section 19, Township 40 North, Range 5, East of the Third Principal Meridian, in DeKalb County, Illinois, described as follows: commencing at the Northwest Corner of said Section 19, having an English State Plane coordinate North 1,919,719.461 East 880,485.931; thence south 00 degrees 22 minutes 28 seconds West, 2200.62 feet along the West line of said Northwest ¼ to State Plane coordinate North 1,917,518.887, East 880,471.447; thence South 89 degrees 55 minutes 32 Seconds East, 212.77 feet to State Plane coordinate North 1,917,518.610, East 880,684.20 and to the Point of Beginning, from said point of beginning; thence south 89 degrees 55 minutes 32 seconds East, 140.00 feet, parallel with the 234 feet northerly of the center line of the existing taxiway at the DeKalb Taylor Municipal Airport, to a point at State Plane coordinate North 1,917,518.428, East 890,824.220; thence South 00 degrees 04 minutes 28 seconds West, 100.00 feet to State Plane coordinate North 1,917,418.428, East 880.824.090; thence North 89 degrees 55 minutes 32 seconds West, 140,00 feet, parallel with and 145 feet Northerly of said Taxiway, to State Plane coordinate North 1,917418.610, East 980.684.090; thence North 00 degrees 04 minutes 28 seconds East, 100.00 feet to the Point of Beginning.
Pages 34-41 = Mortgage (to be recorded separately).
MORTGAGE

Dated July 9, 2018

Win Aviation, Inc. (Mortgagor) and the City of DeKalb (Mortgagee)

Commonly known as: 2890 Pleasant Street, DeKalb, DeKalb County, Illinois 60115

PIN: 09-19-100-010

Prepared by:
Dean M. Frieders
City Attorney
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
(Resolution 2018-090)
07/09/18

MORTGAGE

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

Future Advances Mortgage
Maximum Value: $235,000.00

THIS MORTGAGE, dated this 10th day of October, 2018, by Win Aviation, Inc. ("Mortgagor"),
WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of Two Hundred Thirty
Five Thousand Dollars ($235,000.00) 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 2890 Pleasant Street Development Incentive Agreement executed on July 9, 2012
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.: 0919100010

which is referred to herein 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 lessee 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 $235,000.00, AND IS
CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS LESSEE UNDER THAT CERTAIN 2890 PLEASANT STREET DEVELOPMENT 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/LESSEE 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 Development 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 Development 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 Development Incentive Agreement and all extensions, renewals, modifications or substitutions thereof to WinAviation, LLC, with a note amount of $235,000.00 (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 Development Incentive Agreement such as obligations to defend and indemnify and obligations relating to the Lessee 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 Development 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 Development 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 Mortgageor 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 Lessee 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, MORTGAGOR 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, INVOLVE 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, Mortgagee 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 Mortgagee 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. Mortgagee, 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 agreement s 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 Mortgagee, 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) Mortgagee 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
costs (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
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 Mortgagor.

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 Mortgagor 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, then 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 Mortgagor 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.
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 Willem Weise, authorized Member of Win Aviation, 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 2nd day of October, 2018.

Notary Public
The property is legally described as:

Parcel Identification Number: 0919100010

That part of the Northwest ¼ of Section 19, Township 40 North, Range 5, East of the Third Principal Meridian, in DeKalb County, Illinois, described as follows: commencing at the Northwest Corner of said Section 19, having an English State Plane coordinate North 1,919,719.461 East 880,485.931; thence south 00 degrees 22 minutes 28 seconds West, 2200.62 feet along the West line of said Northwest ¼ to State Plane coordinate North 1,917,518.887, East 880,471.447; thence South 89 degrees 55 minutes 32 Seconds East, 212.77 feet to State Plane coordinate North 1,917,518.610, East 880,684.20 and to the Point of Beginning, from said point of beginning; thence south 89 degrees 55 minutes 32 seconds East, 140.00 feet, parallel with the 234 feet northerly of the center line of the existing taxiway at the DeKalb Taylor Municipal Airport, to a point at State Plane coordinate North 1,917,518.428, East 890,824.220; thence South 00 degrees 04 minutes 28 seconds West, 100.00 feet to State Plane coordinate North 1,917,418.428, East 880.824.090; thence North 89 degrees 55 minutes 32 seconds West, 140.00 feet, parallel with and 145 feet Northerly of said Taxiway, to State Plane coordinate North 1,917418.610, East 980.684.090; thence North 00 degrees 04 minutes 28 seconds East, 100.00 feet to the Point of Beginning.
Exhibit G: 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, Win Aviation, Inc. by and through its Member/Manager, Andri Weise, and for its LANDLEASEE 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 2890 Pleasant Street, legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a commercial development.

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 backup source of funding to maintain common, private improvements located on and/or servicing the property. 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 Lessee 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 Lessee 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 lessees 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 Lessees of the property, and may be recorded against the property.

FURTHER, AFFIANT SAYETH NAUGHT.
The property is legally described as:

Parcel Identification Number: 0919100010

That part of the Northwest ¼ of Section 19, Township 40 North, Range 5, East of the Third Principal Meridian, in DeKalb County, Illinois, described as follows: commencing at the Northwest Corner of said Section 19, having an English State Plane coordinate North 1,919,719.461 East 880,485.931; thence south 00 degrees 22 minutes 28 seconds West, 2200.62 feet along the West line of said Northwest ¼ to State Plane coordinate North 1,917,518.887, East 880,471.447; thence South 89 degrees 55 minutes 32 Seconds East, 212.77 feet to State Plane coordinate North 1,917,518.610, East 880,684.20 and to the Point of Beginning, from said point of beginning; thence south 89 degrees 55 minutes 32 seconds East, 140.00 feet, parallel with the 234 feet northerly of the center line of the existing taxiway at the DeKalb Taylor Municipal Airport, to a point at State Plane coordinate North 1,917,518.428, East 890,824.220; thence South 00 degrees 04 minutes 28 seconds West, 100.00 feet to State Plane coordinate North 1,917,418.428, East 880,824.090; thence North 89 degrees 55 minutes 32 seconds West, 140,00 feet, parallel with and 145 feet Northerly of said Taxiway, to State Plane coordinate North 1,917,418.610, East 980,684.090; thence North 00 degrees 04 minutes 28 seconds East, 100.00 feet to the Point of Beginning.
The purpose of the formation of special service area in general is to authorize the maintenance, repair, regular care, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, pruning and trimming of trees and bushes, removal and replacement of diseased or dead landscape materials, aeration of stormwater basins, maintenance of underground stormwater facilities, the repair and replacement of monument signs, storm water detention basins, storm sewers and related areas and appurtenances, culverts, drains, ditches and tiles, landscape buffers and related areas and appurtenances, in the special service area, as well as the provision of snow removal services on public sidewalks along or within the area all in accordance with the final engineering plan and final plat of subdivision for the Area, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. Notwithstanding the foregoing, taxes shall not be levied hereunder and said Area shall be "dormant", and shall take effect only if the applicable required Lessees association, condominium association or property Lessee fails to maintain, repair or replace the aforesaid required items and the City chooses to assume some or all of said responsibilities.

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.
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:

RESOLUTION 2018-095

AUTHORIZING A TAX INCREMENT FINANCING DEVELOPMENT INCENTIVE AGREEMENT WITH KEVIN AND MELISSA LOVELL TRUST FOR SITE IMPROVEMENTS AT 404 AND 424 E. LINCOLN HIGHWAY, AND 120 S. FOURTH STREET, DEKALB, ILLINOIS.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, on the 23rd day of July 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 8th day of April 2019.

LYNN A. FAZEKAS, City Clerk

Prepared by and Return to:

City Clerk's Office
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115
RESOLUTION 2018-095  

AUTHORIZING A TAX INCREMENT FINANCING DEVELOPMENT INCENTIVE AGREEMENT WITH KEVIN AND MELISSA LOVELL TRUST FOR SITE IMPROVEMENTS AT 404 AND 424 E. LINCOLN HIGHWAY AND 120 S. FOURTH STREET, DEKALB, ILLINOIS.

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

WHEREAS, the property located at 404 and 424 E. Lincoln Highway and 120 S. Fourth Street ("the Premises") is currently owned by Kevin and Melissa Lovell Trust ("Developers"); and

WHEREAS, the City and Developers seek to enter into a development agreement for improvements to the Premises, and

WHEREAS, the Developers have proposed to commit funds to the completion of improvements on the Premises, subject to the City's commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property;

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

Section 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"). Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director.

Section 2. That the Deputy 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 City Council approval of bids or vendors utilized by Owner and waives any applicable competitive bidding requirement (except to the extent required under the Agreement).
PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 23rd day of July 2018 and approved by me as Mayor on the same day. Passed by a 7-0-1 roll call vote. Aye: Jacobson, Finucane, Marquardt, Noreiko, Verbic, Faivre, Smith. Nay: None. Absent/Recused: Fagan.

ATTEST:

RUTH A. SCOTT, Deputy City Clerk

JERRY SMITH, Mayor
Exhibit 1

402 AND 424 E. LINCOLN HIGHWAY, AND 120 S. FOURTH
KEVIN AND MELISSA LOVELL TRUST
DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
This Development Incentive Agreement (the "Agreement") is made and entered the 24th day of April, 2019, by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and Kevin and Melissa Lovell Trust (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 that certain real property identified as 402 and 424 E. Lincoln Highway and 120 S. Fourth, situated at the southeast intersection of Fourth Street and Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property".

B. The Property is comprised of six (6) separate tax parcels with one existing single-story commercial structure. The Owner has acquired the Property and each parcel therein, and proposes to improve the property to maintain and expand its utility for use in vehicle repair and servicing in accordance with this Agreement. The Property is proposed to be developed in accordance with the plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate site modifications upon the Property ("the Project") to improve the parking lot.

C. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

D. The City acknowledges that the Owner's proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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 Parties further acknowledge that the Property is currently zoned CBD.

E. All notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement and the rezoning of the Property 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: ZONING OF THE PROPERTY

A. Zoning Applicability:

The Parties acknowledge and agree that the existing CBD zoning applicable under existing zoning regulations is and shall be the zoning for the Property unless and until the Parties mutually agree to an amendment thereto. The Parties acknowledge that this Agreement is not being utilized to modify the zoning applicable to the Property. However, use of the Property in contravention of the provisions of this Agreement shall constitute a material breach of this Agreement and shall authorize immediate declaration of a default by the City. Further, the Parties agree that at the time of approval of this Agreement, the Parties have been preparing for a rezoning of the Property to PD-C zoning, Planned Development—Commercial, to enable the utilization of the Property in a more productive fashion. The provisions of this Agreement, the incentives contemplated herein and the related benefits and consideration offered to the Owner are expressly contingent upon the Owner applying for and receiving a PD-C zoning designation within six months of the date of approval of this Agreement. Should Owner obtain such a rezoning, this Agreement shall be appended to the approved Planned Development Agreement for the Property as an exhibit. Should Owner fail to obtain such rezoning, then this Agreement shall be void and of no further force of effect, without regard to or requirement for the provision of any notice. If the Owner is then-presently pursuing the rezoning in good faith, the Community Development Director may extend this six-month period for a term not to exceed six additional months, but shall not be obligated to do so.

B. Permitted Commercial Uses:

Except as provided herein and as may be authorized by any rezoning to authorize vehicle repair and servicing, the Property shall be permitted to be utilized for any “Permitted Use” in the CBD zoning district as identified in the City of DeKalb Unified Development Ordinance (UDO).

C. Permitted Residential Uses:

There shall be no permitted residential uses on the Property.

D. Prohibited Uses:

None of the following uses shall be allowed in or on the Property:

1) Any use which is not expressly authorized as a Permitted or Special Use in the CBD zoning district.
2) Any residential use.
3) Community residences.
4) Group homes.
5) Parking lots, as a principal use (and more specifically, any lease, rental or otherwise offering use of on-site parking by any party other than a resident or employee of the Property).
6) Outdoor storage of any form not expressly authorized in the UDO.
7) Sales or construction trailers, intermodal shipping containers, van trailers or similar items used for storage or office purposes, temporary structures or similar appurtenances used for office, work or storage purposes. Any such item shall be deemed to be used for office, work or storage purposes if it remains on the Property in one exterior location for more than twenty-four (24) hours at any given time. Notwithstanding the foregoing, this Section shall not apply during any time when there is a building or demolition permit outstanding.
8) Adult oriented uses; adult bookstores or other establishment displaying, leasing, trading, or selling pornographic materials or any similar use as defined in the UDO, whether as a principal use or accessory to an allowed principal use (the foregoing not prohibiting a general audiences bookstore with not more than 1% of its merchandise being adult-oriented).
9) Animal boarding.
10) Fire, bankruptcy sale, wholesale, overstock auction house or their equivalent (except that a Court-Ordered bankruptcy sale of less than thirty days duration shall be permitted).
11) Massage parlor or other similar massage establishment.
12) "Head shop", marijuana dispensary, hookah bars, or establishments that specialize primarily in the sale of tobacco, tobacco paraphernalia, glass pipes, implements utilized to burn or concentrate a substance for the purpose of permitting the smoke, fumes or vapor therefrom to be inhaled, or drug paraphernalia.
13) Contractor offices associated with onsite storage of vehicles, supplies or equipment, building material or equipment sales, building or equipment service or maintenance offices, or the equivalent (except that temporary contractor offices present during demolition or construction activities on the Property shall be permitted).
14) Warehouses, whether accessory to a retail use, or self-service storage.
15) Psychic reading/Tarot card shop
16) Church or religious uses.
17) Gas or fuel station or any form of car wash or auto detailing center.
18) A dollar store or a discount department store or wholesale establishment.
19) A second-hand store.
20) A cash for gold store.
21) Currency exchange, money wiring, check cashing facility or equivalent (as a primary use).
22) Auto title loan or post-dated check or payday loan facility or equivalent, unless associated with a full-service federally-insured bank, credit union or savings
and loan.
23) Pawn shops.
24) Drive-thru facilities.

Use of the Property for any of the foregoing uses shall constitute a violation and breach of this Agreement which shall justify immediate termination by the City, and shall invoke the clawback contained herein. It is contemplated herein that the final permitted, special and prohibited use list shall be established through the zoning process described above, and memorialized through an amendment to this Agreement.

E. Project Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Project and Property, as a condition of this Agreement and the incentives included herein.

1) All Project improvements on the Property shall be built in compliance with the Plans in terms of design, appearance, aesthetics and landscape materials, or as modified as a result of the rezoning process. The Owner shall design, install and/or construct all pavement, landscaping, lighting and improvements in conformance with final plans to be approved by the Community Development Director in writing. Following the installation of such materials, the Owner shall maintain such materials (including the paved parking, landscaping and lighting 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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

2) The Owner shall reasonably comply with any request of the City to install, at the City's cost and expense, wireless internet access points or other similar and related equipment on the Project or Property to permit the use of the Project or Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Project.

3) The Owner shall reasonably comply with any request of the City to install, at the City's cost and expense, security cameras on the Project or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the proposed walkway at the east side of the Property and/or parking areas), and further
provided that such installation can be accomplished in such a fashion as to
not impede the aesthetic appearance of the Project.

4) Owner shall collaborate with the City on the location and installation of fiber
optic cables on the Property, in such locations as the City shall reasonably
request, to permit service of the Property or other properties by fiber optic
connections. Where and if Owner is installing fiber optic service within the
building, Owner shall install additional fiber optic cables for use by the City in
providing public wireless internet access and/or security cameras as
described herein, at the cost and expense of the City, upon request (and
Owner shall reasonably collaborate with the City on such routing). Where
Owner is running fiber optic cables on the Property or permitting others to
cross the Property with such cables, Owner shall provide the City an
opportunity to provide its own cables to be installed in the same location, at
the cost and expense of the City. 

5) Owner shall grant the City such public access and/or public utility easements
as shall be reasonably requested by the City at the time of final plan approval.

6) Owner shall provide building lighting and site lighting on the Property based
upon a consistent standard adopted at the time of final plan approval,
acceptable to Owner and the City, and shall thereafter maintain lights in such
locations in compliance with the adopted standards.

F. Parking Provisions:

Owner shall be required to construct Project in accordance with Plans attached
hereto as Exhibit B, as may be amended pursuant to the rezoning, after approval of the
final plans by the Community Development Director in writing.

G. Permitted Outdoor Storage:

Outdoor dumpsters, trash compactors, and similar rubbish disposal facilities shall
be permitted on the Property in accordance with the approved final plans, provided that
all such facilities shall be completely screened from view with a wall constructed of
materials and colors matching the principal building it services as contemplated by the
Plans. Any proposed expansion or alteration of the outdoor rubbish disposal facilities
and their related landscaping/screening shall be subject to prior review and reasonable
approval by the City Council to confirm compliance with this section. No other outdoor
storage shall be permitted, and no storage of dumpsters or garbage or recycling
containers shall be permitted outside of the walled garbage enclosure. The outdoor
trash facilities shall be constructed in accordance with the final plans, and shall be
constructed of a high-quality weather-resistant material acceptable to the City. Once
constructed, the trash facilities shall be maintained at all times in good repair, and the
Owner shall take all steps as shall be required to ensure that the main entry gates to the
trash facilities are kept closed at all times when the facilities are not actively being
serviced by a garbage truck. Owner shall also be permitted to maintain outdoor vehicle
storage of operable vehicles that are then-presently being serviced by the repair shop
located on the Property.
ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner's Responsibility to Maintain:

The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots, stormwater facilities, or other improvements within the Property and for maintaining all buildings on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the property's compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements, pathways and amenities as depicted in the approved final plans, unless the City agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, signage, rubbish disposal facility enclosures, and any other common areas of the Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, mosquito abatement, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the "Common Facilities Maintenance"). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement ("Common Facilities Maintenance Easement") over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200¢ per $100).
Approval of this Agreement shall be deemed to constitute consent to the City's establishment of a special service area as herein described.

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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G.

Prior to activating the Special Service Area, the City shall afford the Owner notice and an opportunity to cure consistent with the provisions of this Agreement.

C. Environmental:

Prior to the start of any grading or development work on the Property, the Owner shall provide documentation, in form and content acceptable to the City (and additionally acceptable to DeKalb County if DeKalb County requests any such documentation), indicating that there are no pending IEPA investigations or environmental contamination issues with the Property (other than those to be remediated during the course of demolition).

D. Owner Surety:

The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage which may be subordinate to other loans, liens and encumbrances.

E. Security for Public Improvements:

In the event that the Owner constructs any public improvements (inclusive of improvements within or adjacent to a public right of way), then the provisions of this Agreement pertaining to such public improvements shall be invoked. Security to be provided by the Owner for the completion of the public improvements within or adjacent to the Property or related off-site improvements, if any, shall be provided prior to the commencement of construction on the Property or right of way and shall be in accordance with the terms of this Agreement and applicable City ordinances, as modified by this Agreement. The Owner shall provide a surety in form and content acceptable to the Community Development Director to secure such obligation.

F. Acceptance of Public Improvements and Maintenance Bond for Public Improvements:

Upon completion of public improvements and acceptance by the City, the Owner shall provide a signed bill of sale for any items of personal property to be transferred to the City, and shall execute all documentation customarily required by the City to denote acceptance and transfer of ownership. Upon acceptance of any public improvement by
the City as described above, Owner shall be entitled to a corresponding release or reduction of any required security, bond or letter of credit. For an 18 month period following acceptance of any public improvement, the Owner shall guarantee the workmanship of any public improvements constructed, and shall be responsible for the performance of any repairs or remediation required on such public improvements, as reasonably determined by the City Engineer, to return them to a condition in which they would be appropriate for initial acceptance by the City, including the repair of any ordinary wear and tear on the aforesaid improvements or the repair of any broken or damaged improvements. To secure the performance of this obligation, the Owner shall provide Owner Surety until payment of the Phase Two Incentive as described above.

G.  Stop Work Orders:

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.

H.  Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public
Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.

I. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic entering and leaving a construction site creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 500 feet of the entrance to Owner’s construction site, and take measures to control dust daily while construction is occurring on said site. Owner further agrees to periodically mow weeds, pick up trash and debris and repair and replace soil erosion control fencing so as to comply with applicable ordinances of the City, all of which activities may be contracted to its development trades and contractors. 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. As security for such obligations, and as a condition of the issuance of any filling or grading permits, Owner shall provide the Owner Surety in a form consistent with the Owner Surety referenced hereinabove. In the event Owner fails to clean the Property, mow weeds, pick-up debris or repair or replace soil erosion control fencing as required, or fails to patch or repair any 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 invoke the Owner Surety. Owner shall, within 15 business days following written notice from the City, pay all such costs. In the event that the City takes any remedial action under this subsection, the City may thereafter require that Owner establish and post a cash escrow with the City as a nuisance bond to cover the cost of any required future abatements.

J. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

K. Railroad Right of Way:

The Parties acknowledge that the Property is immediately adjacent to a railroad right of way. Owner shall comply with all applicable laws, rules and regulations relating to access to the right of way and work in or near the right of way, at its sole cost and expense (except as otherwise provided herein).

ARTICLE IV: PROJECT STAGING:

Following approval of this Agreement, Owner shall work in collaboration with the
City to submit final plans for review and approval by the City. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the Plans attached hereto, subject to such changes as shall be approved through the rezoning process contemplated above. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. Owner shall complete Project within six (6) months of the date of approval of the final plans by the City.

**ARTICLE V: INTENTIONALLY OMITTED:**

**ARTICLE VI: INTENTIONALLY OMITTED:**

**ARTICLE VII: FEES AND CONTRIBUTIONS:**

A. **Specified Fees:**
   
The Owner shall pay all fees imposed under City Ordinance in the amount and in the time as described by such applicable Ordinance.

   1. **Building Permit and Plan Review Fees:** The Parties acknowledge that the Property is subject to building permit fees and planning, zoning and engineering review fees as proposed to be developed and constructed. The Owner shall pay all such fees.

B. **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.

C. **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 including but not limited to the Owner Surety. 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 Development.

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 VIII: DEVELOPMENT INCENTIVE:

A. Necessity of Incentive:

   The Parties acknowledge that the Property has deteriorated in condition and is served by public utilities and infrastructure that are not in an advantageous location. The Property is unique in that it is located at a complex area with intersecting utilities, two intersecting state highways and a railroad which complicate the development or redevelopment of the area. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive.

B. Development Incentive Defined:

   The Owner has previously invested $90,995.24 in Property Acquisition and Demolition Costs, and is estimated to invest $127,118.10 in Property Rehabilitation Costs. The Owner commits that it shall invest not less than $218,113.36 in the completion of the project (inclusive of both Property Acquisition Costs and Property Rehabilitation Costs) as defined herein (collectively, “Project Completion Costs”), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive as described below. The Development Incentive shall include the sum of the figures tallied under subsection VIII(B)(1) and (2), for costs of the MROW and DROW as
defined and limited therein.

1. Mandatory Right of Way Improvements ("MROW"): As a component of the construction of the project, the Owner is required to construct certain improvements to the public right of way and the curtilage of the Property, with a total estimated cost of $61,536.62. The Development Incentive shall include reimbursement for the costs of the MROW, in an amount not more than the lesser of: a) $61,536.62, b) the amount which is not more than 28% of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred in constructing the MROW. The MROW components are described as follows:

a. Concrete Curb and Gutter Removal and Replacement
b. Pavement and Sidewalk Removal and Replacement
c. Excavation
d. Subbase Materials
e. Curb and Walk
f. Striping
g. Storm Sewer Removal/Replacement
h. Hand-hole adjustment
i. Flaggers
j. Traffic Control
k. Other Improvements Required by Authorities Having Jurisdiction
l. In the event that the MROW has a total cost of less than $61,536.62, the incentive contemplated herein may be used to pay for the costs of other TIF-eligible expenses acceptable to the Community Development Director, provided that the limits described in Section VIII(B) are not exceeded. The Community Development Director is authorized and directed to approve of such additional TIF-eligible expenses.

2. Discretionary Right of Way Improvements ("DROW"): As a component of the construction of the project, the City has requested that Owner make certain additional improvements to the right of way, to extend the existing Lincoln Highway streetscape between its current terminus west of Fourth Street, and its current terminus east of the Property. The estimated additional costs of the DROW above the cost of the MROW improvements are $87,257.31. The Development Incentive shall include reimbursement for 100% of the TIF-eligible costs incurred in constructing the DROW. The DROW components are described as follows:

a. Underlayment for paver sidewalk
b. New Paver Sidewalk and Detectable Warnings
c. Street Light Removal and Replacement
d. Other Improvements Required by Authorities Having Jurisdiction
C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to site assembly and acquisition costs, demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever. TIF Eligible Costs shall not include any cost incurred prior to the date of this Agreement.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. Prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. The mortgage shall be recorded against the existing parcel in the Property that Owner owns, and shall subsequently be recorded against each remaining parcel comprising the Property at the time of purchase, to include and be a valid first lien against each such parcel. Said documents shall secure the payment of up to the full Development Incentive as described herein, and shall contemplate and secure further advances up to that amount.

2. The approval of this Agreement shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on a reimbursement basis towards TIF Eligible Costs including but not limited to demolition and remediation costs, and
professional fees associated with the design or engineering of the Property, Building or the project as a whole.

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 E. For payment of TIF Eligible Costs, such payments shall be made on a monthly basis, again in accordance with Exhibit E. 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, including property acquisition costs, is to facilitate the rapid redevelopment of the Property to ensure its conversion and return to beneficial commercial use.

3. At the time of requesting payout of this incentive, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after receipt of said documentation, provide the Owner with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Owner’s permanent financing, and any subsequent private financing obtained by the Owner.

a. In the event that the Project Completion Costs do not include $218,113.36 of total expenses, then the Development Incentive for the MROW shall be reduced to not exceed 28 percent of Project Completion Costs.

b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Owner following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than the estimated Development Incentive, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.

c. All payments contemplated hereunder shall be administered through a title agency acceptable to the City, at Lessee’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. All such payments shall be made at the conclusion of the project, upon approval of a temporary or final certificate of occupancy and acceptance of all public improvements. If payment is made at time of temporary certificate of occupancy, the City may withhold sums to cover any work which remains outstanding.
E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten (10) year period, with ten percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the date of last payment of the Development Incentive. The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, continues to operate the premises as an automotive repair shop (or an alternate use approved by the City Council) and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and lease of the Property for the duration of the forgiveness period, as an operational business generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).

F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. With regard to forgiveness of a portion of the Development Incentive under subsection VIII(E)(3) above, the sole source of funds for such forgiveness shall consist of revenues actually received by the City as defined above. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City’s rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City’s annual budget adopted in accordance with 65 ILCS 5/8-11-20 and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in 65 ILCS 5/8-11-20 are to provisions as in effect now and as hereafter amended.

ARTICLE IX. OPERATION OF THE PROPERTY:

A. Acknowledgment of Application of Operational Standards:

The Parties acknowledge and agree that the provisions of this Article IX relating to the operation of the Property following its rezoning and redevelopment are critical and
integral to the Development Incentive provided for herein. The Owner agrees and acknowledges to comply with the following standards and requirements, and acknowledges that they have been drafted to address the public safety concerns otherwise arising out of the operation of the development.

B. Public Safety Regulations: Trespass/Patrol Agreement:

The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

C. Knox Boxes:

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.

D. Common Area Surveillance:

The Parties acknowledge that should the Owner prospectively maintain cameras or other equipment utilized to provide video surveillance and security coverage for the parking lot areas of the Property, the Owner agrees to provide to the City a connection and inter-link to any cameras so installed, so that the City can remotely monitor such common area surveillance videos from the City Police Department. The Owner shall be responsible for providing and maintaining all technology required to 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, 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. All security cameras and security equipment in place on the Property shall be maintained in good and fully-operable condition.

E. Commercial Property Registration and Inspection:

The Lessee shall comply with the then-current requirements of any applicable commercial property registration or inspection ordinance maintained by the City, and shall voluntarily comply with an annual inspection of the premises in accordance therewith. The Lessee shall secure all such permissions and shall include in any leases for any portion of the Property such authorization as shall be required to permit the full inspection of any portion of the Building or Property. During the term of this Agreement, the Lessee 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.
ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the remediation of existing structures. Those timelines may be extended by the City Council, with agreement of the Owner, from time to time by resolution, without requiring an amendment of this Agreement, for good cause shown by Owner, in the Council's discretion. The Parties acknowledge that this Agreement is structured with a forgivable incentive. The Parties also acknowledge that there is an existing TIF District with a limited number of years remaining on its term, and during the term of that TIF District, the forgiveness of the Development Incentive is greatly expedited due to the generation of TIF increment that is credited against the Development Incentive. Accordingly, the Parties acknowledge that the failure of the Owner to comply with the timeline indicated herein, even if consented to by the City, will be at the Owner's peril, as it may jeopardize the project's ability to generate adequate revenues that are credited to Owner under this Agreement, and may thus generate an obligation for Owner to repay a portion of the Development Incentive to the City.

2. In the event that Owner fails to construct the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in substantial compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45) 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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE XII: TERM:

This agreement shall have a term of thirty (30) 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 of an affected Parcel, by adoption of an ordinance 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 zoning of the Property is ruled invalid, in whole or in part, the Corporate Authorities, 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. This Agreement may be assigned 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 Building is constructed and issued a final certificate of occupancy, the South Building is demolished, and all of the improvements described in the approved final plans have been constructed. 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.
   a. The Owner may request that the City pay a portion of the incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for
payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

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 S. Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2095

With copies to:

City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2090

City Attorney
City of DeKalb
200 S. Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2093

If to the Owner:

Kevin and Melissa Lovell Trust
1335 Florence Drive
Sycamore, IL 60178

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:

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 “Indemnified”) 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.

The Parties acknowledge that this Agreement contemplates the payment, including direct payment, of expenses associated with the redevelopment of the Property under the Phase 1 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.

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>
</tr>
</thead>
<tbody>
<tr>
<td>A Group Exhibit B:</td>
<td>Legal Description</td>
</tr>
<tr>
<td></td>
<td>Plans</td>
</tr>
<tr>
<td>C Exhibit D:</td>
<td>No-Trespass / Patrol Agreement</td>
</tr>
<tr>
<td>D Exhibit E:</td>
<td>Traffic Enforcement Agreement</td>
</tr>
<tr>
<td>E Exhibit F:</td>
<td>Project Cost Documentation Requirements</td>
</tr>
<tr>
<td></td>
<td>Form of Promissory Note, Corporate Undertaking, Mortgage</td>
</tr>
<tr>
<td>G Exhibit G:</td>
<td>Waiver of Objection to Special Service Area</td>
</tr>
</tbody>
</table>

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 DEKALB, an Illinois Municipal corporation

By: [Signature] Jerry Smith, Mayor

Attest: [Signature] Lynn A. Patek, City Clerk

OWNER:

Kevin and Melissa Lovell Trust

By: [Signature] [Signature] Melissa Lovell Co. Trustees

Print Name: Kevin Lovell Melissa Lovell

Attest: [Signature]

Print Name: [Signature] Richard D. Larson

[Seal]

"OFFICIAL SEAL" RICHARD D. LARSON
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 9/27/2019
Exhibit A: Legal Description

The property is legally described as:

SUBJECT PARCELS (Lots A, B, C, D, E, F, and G):

Group Exhibit B: Plans

(Attached, with page numbering separately tracked from the pages of this Agreement, but incorporated herein by reference.)
Exhibit C: No Trespass / Patrol Agreement

Common Area Patrol / No-Trespass Enforcement Agreement

Property Address: 462 and 424 E LI'l 120 S. 4th

Commonly Known As: Lovell's Tire

Property Owner: Kevin B. & Melissa G. Lovell Dec. of Trust DTD 4/03/98

Contact #: 815-751-1608

Property Manager: Kevin B. Lovell

Contact #: 815-751-1608

24 Hour Contact #: 815-751-1608

This Common Area Patrol / No-Trespass Enforcement Agreement ("Agreement") is entered into by and between the Owner of the Property identified above ("Owner" and "the Property") and the City of DeKalb ("City"). Under the terms of this Agreement, the Owner expressly authorizes and requests that the City utilize its Police Department and City Employees to undertake the following actions:

- **No-Trespass Warnings and Arrests:** The Owner appoints the City of DeKalb, its employees and agents, as an agent of the Owner, authorized and requested to undertake any actions which the Owner could lawfully take with regard to persons unlawfully present relative to no-trespassing laws and ordinances on any public or private area of the Property. The City’s personnel shall be deemed to be representatives of the Owner for purposes of enforcing no-trespass laws and ordinances and signing and testifying with regard to related complaints only. This includes providing no-trespass warnings, verbal or written, to any person on the Property other than a tenant of the Property. The City shall also be authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated such a no-trespass warning, or who remains on the Property after being asked to leave. The City has the complete authority to enforce any State Statute or City Ordinance relating to trespass. The City shall maintain accurate records of all persons who have been advised not to trespass on the Property and shall provide a copy of the same to Owner upon request.

- **Patrol Common Areas:** The City, its employees and agents are authorized and requested to enter into any common area of the Property that is accessible either to the public or to tenants of the Premises, including parking lots, open spaces, common hallways, gathering areas, or other similar common areas of the Property, for purposes of patrolling, observing, and enforcing the Codes and
Ordinances of the City of DeKalb or any applicable State Statutes. For purposes of this Agreement and any charges arising out of the City’s activities on the Property, the City and its personnel shall be deemed to have been invited upon the common areas of the Property. Notwithstanding the foregoing, this shall not constitute authority for the City to enter into tenant private areas (e.g. individual tenant apartments or individual tenant businesses) without required legal authority (such as a search warrant, probable cause, exigent circumstances, etc. where required). The City is authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated a State Statute or City Ordinance.

○ Report Cars for Relocation: Owner employs the entity described at signs posted at the Property for purposes of relocating unlawfully parked cars from the Property (and Owner shall maintain such postings in accordance with City Code). The City is authorized and requested to contact the tow relocator to report any vehicles on the Property that appear to be unlawfully parked, so that said vehicles may be towed in accordance with applicable regulations.

○ Provisions of Development Agreement: Owner shall further permit and consents to the conduct of any access or inspection authorized under the terms of any Development Agreement entered into by Owner and the City which is recorded against the Property of public record.

The Owner agrees that, if necessary, Owner or its authorized representative shall appear at any trial or proceeding arising out of the performance of this Agreement. Owner further acknowledges that the City shall not have any duty to patrol the Property, and that the Owner is responsible for the condition and monitoring of its Property. The City is not undertaking any special relationship with or obligation to Owner, other than the authority to enter the Property’s common areas, and to take the actions outlined above. The City is not an agent or representative of the Owner for any purpose other than having authority to provide warnings or direct persons to leave the Property, and for serving as complaining witness and for signing complaints for legal violations occurring on the Property.

The City agrees that it shall provide notice to the Owner of any legal violations occurring on the Property upon request, and also in accordance with the requirements of City Code.

Owner shall post appropriate signage on the Property advising that its common areas, including but not limited to parking lots and open areas, are posted for No Trespassing, and appropriate signage advising of any parking restrictions for vehicles in its parking lots. Owner is encouraged to post additional signage advising that the Police Department may engage in regular patrols of common areas.

This Agreement shall remain in full force and effect until terminated in writing by either party. Notices shall be delivered to Owner at the address listed above, or to the City at
200 S. Fourth Street, DeKalb, Illinois, 60115, Attention City Attorney. Agreed this __th day of __________, 2019.

Owner or Representative: _______________________

Print Name: Kevin B. & Melissa G. Lovell Dec. of Trust DTD 4/03/98

City of DeKalb: ____________________________

Jerry Smith, Mayor
Exhibit D: Traffic Enforcement Agreement

AGREEMENT

WHEREAS, Kevin B. & Melissa G. Lovell, its affiliates or subsidiaries (hereinafter collectively "OWNER"), is the Owner of a certain commercial or residential facility, or other facility as described in the Illinois Vehicle Code identified below, and named or identified as "[Signature] DeKalb"; and

WHEREAS, the OWNER and the CITY are desirous of protecting the public health, welfare and safety by the regulation of vehicles in those areas of the COMPLEX which have not been dedicated to the CITY and are intended for public use; and

WHEREAS, it is intended by the parties that this Agreement should apply to any property in the COMPLEX where a question may arise as to whether any particular portion of the COMPLEX which is intended to be or become public property through dedication or otherwise, has been so dedicated, or to any portion which is to remain private property but available for general public use; and

WHEREAS, the CITY has the authority to contract with the OWNER to provide such regulation under the provisions of §11-209 of the Illinois Vehicle Code (625 ILCS 5/11-209);

IT IS THEREFORE AGREED by and between the OWNER and the CITY, in consideration of the public health, welfare and safety, as follows:

1. That the CITY is empowered to accomplish all or any part of the provisions enumerated in the above referenced statutory provision, including, but not limited to the following, within the COMPLEX:

   A. Erect traffic regulatory signs, parking, including handicapped parking, and all other traffic control signs.
   
   B. Regulate the turning of vehicles or restrict vehicle types.
   
   C. Regulate pedestrian crosswalks within parking lots.
   
   D. Designate one-way traffic lanes.
   
   E. Establish and regulate loading zones.
   
   F. Regulate stopping, standing or parking in specified areas of lots.
   
   G. Designate fire lanes and safety zones.

Page 31 of 61
H. Provide for removal and storage of vehicles during public emergencies, or of abandoned vehicles, and the payment of reasonable charges therefor.

I. Provide for cost sharing of planning, installation and maintenance of traffic regulations.

J. Contract for or provide by ordinance, resolution or other official action of the CITY, reasonable additional rules.

2. That the cost of the planning, installation and maintenance of parking and traffic regulations, markings, signs, striping and painting pursuant to this Agreement, and pursuant to the Development Agreement between the parties and the subdivision control ordinance of the CITY, shall be borne by the OWNER. OWNER shall be responsible for maintaining all traffic control measures and markings within the Property in good condition.

3. This Agreement shall be effective and enforceable three days after it has been recorded in the Office of the Recorder of Deeds of the county in which the COMPLEX is located and shall continue to be in full force and effect for a period of twenty years, except that after one year from the effective date of this Agreement, either party may cancel this Agreement upon sixty days' written notice to the other party.

EXECUTED this 8th day of April, 2019.

CITY OF DEKALB
DEKALB COUNTY, ILLINOIS

By: ____________________
    Jerry Smith, Mayor

OWNER ____________________
    Kevin B. & Melissa G. Lovell Dec. of Trust

Print Name: Kevin B. & Melissa G. Lovell Dec. of Trust

DID 4/03/98
Exhibit E: 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 for private improvements unless the Owner determines that such records are required under the Prevailing Wage Act. The Owner shall provide certified payroll records and shall comply with the Prevailing Wage Act with regard to any public improvements constructed, unless the Owner determines that such compliance is not required by law. 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.
  - If property acquisition is included in the project costs, the third section must include a copy of the closing statement and deed for the property.
  - 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.
Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage

COMPANY UNDERTAKING
for
Kevin B. & Melissa G. Lovell Dec. of Trust
DTD 4/03/98

WHEREAS, the company known as Kevin B. & Melissa G. Lovell Dec. of Trust DTD 4/03/98 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 ______ day of __________, 2019, 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 Development DeKalb Planned 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 Development DeKalb Planned 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 continuingly 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 subsequently invalidated, 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, Mayor

Member:

Melissa Lovell, Co. Trustees

Print Name: Kevin B. & Melissa G. Lovell Dec. of Trust

DTD 4/03/98
Exhibit 1

(LEGAL)

THIS IS NOT A HOMESTEAD PROPERTY

The property or its address is commonly known as 402 AND 424 E. LINCOLN HIGHWAY, AND 120 S. FOURTH DEKALB, IL 60115. The property tax identification numbers are: 08-23-302-021
PROMISSORY NOTE

DeKalb, Illinois

4-8-19

Kevin B. & Melissa G. Lovell

On (date), for value received, Dec. of Trust DTD 4/03/98, 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 $819,300 Dollars (the "Face Value"). Repayment hereof shall be subject to the terms and conditions of that certain Development Incentive Agreement by and between said Kevin B. & Melissa G. Lovell, Dec. of Trust DTD 4/03/98, and the City of DeKalb, executed on (date), relating to the development of the property commonly 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 equal to sales and property tax revenues generated consistent with said Incentive 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 the 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 Development 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.

By: [Signature]

Print Name: Kevin B. & Melissa G. Lovell Dec. of Trust
DTD 4/03/98
Exhibit 1

(LEGAL)

THIS IS NOT A HOMESTEAD PROPERTY

The property or its address is commonly known as 402 AND 424 E. LINCOLN HIGHWAY, AND 120 S. FOURTH DEKALB, IL 60115. The property tax identification numbers are: 08-23-302-021
MORTGAGE

Dated: April 8, 2019

Kevin B. and Melissa G. Lovell Dec. of Trust DTD 4/3/1998 (Mortgagor) and the City of DeKalb (Mortgagee)

Commonly known as: 402 and 424 E. Lincoln Highway, and 120 S. Fourth Street, DeKalb, DeKalb County, Illinois 60115

PIN: 08-23-302-021

Prepared by and Return to:
Dean M. Frieders
City of DeKalb City Attorney
200 S. Fourth Street
DeKalb, Illinois 60115
(Resolution 2016-096)
MORTGAGE

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

Future Advances Mortgage
Maximum Value: $168,793.00

THIS MORTGAGE, dated this 8th day of April, 2019, by Kevin B. & Melissa G. ("Mortgagor"), WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of One Hundred Sixty-Eight Thousand Seven Hundred Dollars ($168,793.00) 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 Development Planned Incentive Agreement executed on 4-8-19 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.: 08-23-302-021

which is referred to herein 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 Mortgagor 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 $1,688,000.00, AND IS CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN DEVELOPMENT AGREEMENT ("DEVELOPMENT 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 INCENTIVE 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 INCENTIVE AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE DEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO REPAYMENT OF A DEVELOPMENT INCENTIVE AND THE OBLIGATION TO SECURE THE OWNER ESCROW (AS BOTH TERMS ARE DEFINED IN THE DEVELOPMENT 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 Kevin B. & Melissa G.*, with a note amount of $148,793.00 (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

*Lövell Dec. of Trust DTD 4/03/98

Page 49 of 61
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, Mortgagee 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 Mortgagee 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. Mortgagee, 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 Mortgagee, 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) Mortgagee 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, then 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.

By: [Signature]

Member

Co. Trustees

Print Name: Kevin B. & Melissa G. Lovell
Dec. of Trust DTD 4/03/98

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 Kevin B. &\n*Melissa G. Lovell Dec. of Trust DTD 4/03/98

Page 55 of 61
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 3rd day of April, 2019.

Notary Public
EXHIBIT 1
Legal Description

THIS IS NOT A HOMESTEAD PROPERTY

The property or its address is commonly known as 402 AND 424 E. LINCOLN HIGHWAY, AND 120 S. FOURTH STREET, DEKALB, IL 60115. The property tax identification number is 08-23-302-021.

Exhibit G: Waiver of Objection to Special Service Area

STATE OF ILLINOIS  
)  
COUNTY OF DEKALB  
)

Waiver of Objection to Special Service Area

NOW COMES the affiant, Kevin B. & Melissa G. Lovell by and through its Member/Manager, same, 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 40234 NE 114th, 1205 S. 4th St., legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a mixed-use Planned Development.

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 backup source of funding to maintain common, private improvements located on and/or servicing the property. 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 Landowner 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 landowners 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.

*Dec. of Trust DTD 4/03/98
FURTHER, AFFIANT SAYETH NAUGHT.

By: [Signature]

Print Name: Kevin B. & Melissa G. Lovell

Dec. of Trust DTD 4/03/98

Its: Co - [Signatures]

SUBSCRIBED AND SWORN to before me this 3rd day of

[Signature]

NOTARY PUBLIC

"OFFICIAL SEAL":
RICHARD D. LARSON
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 9/27/2019
Exhibit 1: Legal Description of the Property

The property is legally described as:

**SUBJECT PARCELS (Lots A, B, C, D, E, F, and G):**

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 Common Facilities including, without limitation, the mowing and fertilizing of grass, pruning and trimming of trees and bushes, removal and replacement of diseased or dead landscape materials, aeration of stormwater basins, maintenance of underground stormwater facilities, the repair and replacement of monument signs, storm water detention basins, storm sewers and related areas and appurtenances, culverts, drains, ditches and tiles, landscape buffers and related areas and appurtenances, in the special service area, as well as the provision of snow removal services on public sidewalks along or within the area all in accordance with the final engineering plan and final plat of subdivision for the Area, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. Notwithstanding the foregoing, taxes shall not be levied hereunder and said Area shall be “dormant”, and shall take effect only if the applicable required owners association, condominium association or property owner fails to maintain, repair or replace the aforesaid required items and the City chooses to assume some or all of said responsibilities.

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.
RESOLUTION 2018-167  
PASSED: DECEMBER 18, 2018

AUTHORIZING A PRELIMINARY TAX INCREMENT FINANCING INCENTIVE FOR THE REHABILITATION OF THE PROPERTIES LOCATED AT 241-249 EAST LINCOLN HIGHWAY, DEKALB, ILLINOIS.

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

WHEREAS, the buildings located at 241-249 East Lincoln Highway ("the Premises") is currently owned by Thomas and Kristine Schmidt ("Developers"); and

WHEREAS, the City and Developers seek to enter into a development agreement for improvements to the Premises, and

WHEREAS, the Developers have proposed to commit funds to the completion of renovations of the building on the Premises, subject to the City's commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise obsolete property;

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

Section 1. The City Council of the City of DeKalb hereby finds that funding the project in Fiscal Year 2019 ("FY19") is necessary in order to enable it to occur, and that but for the incentive, paid in accordance with the agreement, the project would not be viable. Council hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"), subject to such changes as shall be acceptable to the Mayor with the recommendation of the City Manager. The City Council also expressly approves of the provision of a City-funded incentive in an amount not to exceed the lesser of: 1) $167,616 (or such lesser amount as specified in the agreement if the contingency funds are not utilized). 2) the total of all TIF-eligible costs incurred; or, 3) that sum which is 27% of the total project costs for the Improvements as defined in the Agreement. Said incentive shall be provided to the Developer as a forgivable loan through the Central Area Tax Increment Financing District ("TIF 1") for eligible project costs, to be provided after submission of appropriate project cost documentation in form and content acceptable to the Community Development Director. Council also finds that based upon projections for FY19, TIF 1 will not have adequate fund balance or increment to cover the costs contemplated herein. Accordingly, the City Council directs the transfer or porting of funds from TIF 2 to the TIF 1 to cover the costs of the Project. The City Council approves of the Development Incentive contemplated therein and directs that funding be transferred or ported from TIF District 2 to the Central Area TIF District and allocated to this specified development project. The City Council expressly finds that this Agreement and the
project contemplated herein is in accordance with the presently adopted and applicable redevelopment plans, and makes this designation of approved project in order to comply with the TIF Act and designate projects for TIF 2 prior to the estimated completion date thereof.

Section 2. The Community Development Director is authorized and directed to append the legal description and plans as exhibits to the Agreement after approval, but prior to signing and recording.

Section 3. That the City Clerk of the City of DeKalb is authorized and directed to attest the Mayor's signature.

Section 4. 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 City Council approval of bids or vendors utilized by Owner and waives any applicable competitive bidding requirement (except to the extent required under the Agreement).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Special meeting thereof held on the 18th day of December 2018, and approved by me as Mayor on the same day. Passed by a 7-0 roll call vote. Aye: Jacobson, Finucane, Fagan, Noreiko, Verbic, Faivre, Smith. Nay: None.

ATTEST:

LYNN A. FAZEKAS, City Clerk

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

241-249 E. LINCOLN HIGHWAY
HOMETOWN SPORTS BAR
PRELIMINARY DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
This Development Incentive Agreement (the "Agreement") is made and entered the \textsuperscript{7th} day of January, 2019 by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and \textsuperscript{8} (the "Owner"). The City and the Owner are collectively referred to as "Parties" and individually referred to as a "Party."

**RECATALS**

A. The Owner is the owner of record of that certain real property identified as 241-249 E. Lincoln Highway, situated on the north side of Lincoln Highway in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property".

B. The Property is comprised of two parcels and two existing two-story structures with basements. The existing buildings are attached and share a common wall. The Owner has acquired the Property and each parcel therein, and proposes to redevelop the Property as a mixed-use, commercial and residential development in accordance with this Agreement. The Property is proposed to be developed in accordance with the description of work attached hereto as Exhibit B ("the Plans"), except as such description is required to be modified under the terms of this Agreement. The Plans contemplate the modification of the existing building upon the Property ("the Building"), and provide preliminary architectural and elevation information.

C. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement.

D. The City acknowledges that the Owner's proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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 Parties further acknowledge that the Property is zoned Central Business District (CBD).

E. All notices, publications, procedures, and other matters attendant to the consideration and approval of this Agreement 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 RECATALS**

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: ZONING OF THE PROPERTY

A. Zoning Applicability and Contingency:

The Parties acknowledge and agree that the CBD zoning applicable under existing zoning regulations is and shall be the zoning for the Property unless and until the Parties mutually agree to an amendment thereto. The Parties acknowledge that this Agreement is not being utilized to modify the zoning applicable to the Property. However, use of the Property in contravention of the provisions of this Agreement shall constitute a material breach of this Agreement and shall authorize immediate declaration of a default by the City.

The Parties also acknowledge that under Section 5.09.03 of the Unified Development Ordinance, the outdoor patio proposed for the Property requires issuance of a Special Use Permit. Owner agrees that it shall apply for such special use permit as soon as possible; the incentive contemplated herein is contingent upon such special use permit being granted. In the event that the special use permit is granted (with or without conditions), then Owner’s compliance with any conditions of approval shall result in the waiver of this contingency. In the event that the special use permit is not granted, then the City may either amend this Agreement and waive this contingency, or this Agreement shall terminate (if not amended within sixty (60) days of the date of denial of the special use permit).

Further, notwithstanding anything contrary in this Agreement, this Agreement shall be a Preliminary Incentive and Development Agreement. While Owner may incur eligible costs on or after the date of approval of this Agreement and such costs shall be included as eligible costs hereunder, the City shall not be obligated to make any payment of the Development Incentive unless and until this Agreement is ratified and approved by the City of DeKalb City Council via Resolution or Ordinance, at a date occurring after the date of approval hereof (it being recognized that this Agreement shall serve to obligate TIF funds and reserve the same for the purpose of paying the Development Incentive contemplated herein, should this Agreement later be ratified as outlined above).

B. Permitted Residential Uses:
1) Not more than three (3) residential units shall be permitted on the second floor of the Property.
2) The residential apartments permitted shall be furnished and maintained with Premium Finishes, which shall be determined by the Community Development Director, whose approval shall not be unreasonably withheld or conditioned.
3) No residential use shall be permitted on the first floor or basement level of the Property.

C. Permitted Commercial Uses:

Within the non-residential portions of the first and second floors of the Building and any portion of the basement of the Building allocated to supporting such non-residential areas, the permitted commercial uses shall be exclusively limited to those uses which are permitted in a CBD zoning district.

D. Prohibited Uses:

None of the following uses shall be allowed in or on the Property:

1) Any use which is not expressly authorized as a Permitted or Special Use in the CBD zoning district.
2) Any residential use other than one standalone residential apartment as contemplated above (and more specifically, any use which would constitute a “rooming house” or dormitory under applicable City Ordinances, or which contemplates the use of shared bathroom or kitchen facilities, shall be prohibited).
3) Community residences.
4) Group homes.
5) Parking lots, as a principal use (and more specifically, any lease, rental or otherwise offering use of on-site parking by any party other than a resident or employee of the Property).
6) Outdoor storage of any form not expressly authorized herein.
7) Sales or construction trailers, intermodal shipping containers, van trailers or similar items used for storage or office purposes, temporary structures or similar appurtenances used for office, work or storage purposes. Any such item shall be deemed to be used for office, work or storage purposes if it remains on the Property in one exterior location for more than twenty-four (24) hours at any given time. Notwithstanding the foregoing, this Section shall not apply during any time when there is a building or demolition permit outstanding.
8) Adult oriented uses; adult bookstores or other establishment displaying, leasing, trading, or selling pornographic materials or any similar use as defined in the UDO, whether as a principal use or accessory to an allowed principal use (the foregoing not prohibiting a general audiences bookstore with not more than 1% of its merchandise being adult-oriented).
9) Animal boarding.
10) Fire, bankruptcy sale, wholesale, overstock auction house or their equivalent (except that a Court-Ordered bankruptcy sale of less than thirty days duration shall be permitted).
11) Massage parlor or other similar massage establishment.
12) "Head shop", marijuana dispensary, hookah bars, or establishments that specialize primarily in the sale of tobacco, tobacco paraphernalia, glass pipes, implements utilized to burn or concentrate a substance for the purpose of permitting the smoke, fumes or vapor therefrom to be inhaled, or drug paraphernalia.
13) Cemeteries and mausoleums.
14) Funeral homes and mortuaries.
15) Automobile, truck, motorcycle, ATV, motor-scooter or motor vehicle/recreational vehicle/implement repair, service, sales, rentals, parts or components sales or installation, or maintenance.
16) Contractor offices associated with onsite storage of vehicles, supplies or equipment, building material or equipment sales, building or equipment service or maintenance offices, or the equivalent (except that temporary contractor offices present during demolition or construction activities on the Property shall be permitted).
17) Warehouses, whether accessory to a retail use, or self-service storage.
18) Tattoo parlor, massage parlor, psychic reading / tarot card shop.
19) Church or religious uses.
20) Gas or fuel station or any form of car wash or auto detailing center.
21) A dollar store or a discount department store or wholesale establishment.
22) A second-hand store.
23) A cash for gold store.
24) A full service, FDIC-insured bank, credit union, retail bank, consumer banking institution or savings and loan.
25) Currency exchange, money wiring, check cashing facility or equivalent (as a primary use).
26) Auto title loan or post-dated check or payday loan facility or equivalent, unless associated with a full-service federally-insured bank, credit union or savings and loan.
27) Pawn shops.
28) Fitness clubs or workout facilities (other than as permitted subordinate to the residential use described above).
29) Drive-thru facilities.

E. Building Related Provisions:
Owner shall comply with the following restrictions which shall be deemed to be applicable to the
entire Building and Property, as a condition of this Agreement and the incentives included herein, and as a component of the zoning relief granted herein.

1) All renovations on the Property shall be built in compliance with the Plans in terms of design, elevations, appearance, aesthetics and building materials, which contemplate replacing existing building materials with like-kind materials of similar appearance and quality, in accordance with all applicable building codes. The Owner shall design, install and/or construct all signage, landscaping, lighting and improvements in conformance with the approved final plans. The exterior design, elevations, appearance, dimensions and building materials proposed for any structure or sign proposed to be built on the Property which does not directly comply with these requirements shall be subject to separate review and approval by the City Council, in its reasonable discretion. Following the installation of such materials, the Owner shall maintain such materials (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, landscaping or other aesthetic components of the Property that are either described herein or contemplated in the Plans shall constitute a violation of this Agreement.

2) Any future proposal to remodel any portion of the Property which would: a) change the number of units or bedrooms at the Property; or, b) add additional or revised structures, outdoor signage, facilities or reductions in landscaping shall be subject to review and approval by the City Manager, or at the Manager’s discretion, may be required to be submitted to the City Council for review and approval. Such approval shall be at the reasonable discretion of the City. In addition, any zoning review and approval contemplated under City Code shall be required.

3) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, wireless internet access points or other similar and related equipment on the Building or Property to permit the use of the Building or Property to aide in the provision of public internet and communications access, provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

4) The Owner shall reasonably comply with any request of the City to install, at the City’s cost and expense, security cameras on the Building or Property for use by the City, provided that such cameras are installed to monitor only public property or public access areas of the Property (e.g. the alley at the rear of the Property), and further provided that such installation can be accomplished in such a fashion as to not impede the aesthetic appearance of the Building.

F. Property Related Provisions:

Owner shall comply with the following restrictions which shall be deemed to be applicable to the entire Building and Property, as a condition of this Agreement and the incentives included herein.

1) Owner shall collaborate with the City on the location and installation of fiber optic cables on the Property, in such locations as the City shall reasonably request, to permit service of the Property or other properties by fiber optic connections. Where and if Owner is installing fiber optic service within the Building, Owner shall install additional fiber optic cables for use by
the City in providing public wireless internet access and/or security cameras as described herein, at the cost and expense of the City, upon request (and Owner shall reasonably collaborate with the City on such routing). Where Owner is running fiber optic cables on the Property or permitting others to cross the Property with such cables, Owner shall provide the City an opportunity to provide its own cables to be installed in the same location, at the cost and expense of the City.

2) Owner shall grant the City such public access and/or public utility easements as shall be reasonably requested by the City at the time of final plan approval.

3) Any marketing signs, off-site signage or temporary signs of any form shall be installed only in strict compliance with the applicable provisions of the UDO pertaining to permitting and authorization of such signs.

G. Parking Provisions:
The Parties acknowledge that Owner is not required to provide parking within the development standards applicable in the CBD zoning district.

H. Permitted Outdoor Storage:
Owner presently utilizes the regional garbage disposal facilities in the City’s Central Business District. Should Owner seek to utilize separate outdoor dumpsters, trash compactors, and similar rubbish disposal facilities, they shall be permitted on the Property only in accordance with plans that are reviewed and approved by the City. All such facilities shall be completely screened from view with a fence constructed of materials and colors matching the principal building it services. No other outdoor storage shall be permitted, and no storage of dumpsters or garbage or recycling containers shall be permitted outside of the walled garbage enclosure (if one should later be approved and constructed). Any later permitted outdoor trash facilities shall be constructed in accordance with their respective approved plans, and shall be constructed of a high-quality weather-resistant material acceptable to the City. If constructed, the trash facilities shall be maintained at all times in good repair, and the Owner shall take all steps as shall be required to ensure that the main entry gates to the trash facilities are kept closed at all times when the facilities are not actively being serviced by a garbage truck. Should the Owner apply for approval to construct such facilities, the Community Development Director shall determine the procedure for review and approval of the proposed plans, whether by building permit or through any applicable zoning review process.

ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:

A. Owner’s Responsibility to Maintain:
The Owner shall be responsible for the maintenance and care of any and all common areas, parking lots or other improvements within the Property and for maintaining all buildings on the Property in accordance with all City Building, Zoning and Property Maintenance Codes, and in accordance with the terms set forth in this Agreement. The Owner shall assume full responsibility for ensuring the Property’s compliance with the applicable codes and requirements. The Owner shall also be responsible for construction of all new improvements and amenities as depicted in the approved final plans, unless the City later agrees, in writing, that it shall be responsible for some portion of construction of a public improvement.

B. Backup 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 final plan approval, for the Property, to be utilized as a backup mechanism for the care and maintenance of the Common Facilities, which include but are not limited to, lighting, parking lots, private roads, paved areas, drains, tiles, waterways, valves and related appurtenances, common landscaped areas, bike/pedestrian paths, racks, property monumentation, signage, rubbish disposal facility enclosures, park areas, open space and any other common areas of the
Property.

Owner shall have the primary responsibility of providing for the regular care, maintenance, renewal and replacement of the Common Facilities including, without limitation, the mowing and fertilizing of grass, removal of debris or garbage, pruning and trimming of trees and bushes, lighting, sidewalks, removal and replacement of diseased or dead landscape materials, property monumentation and signage, maintenance of valves and related appurtenances, landscaping, maintenance of all private curbs and roadways, driveways and drive aisles, and the repair and replacement of signs, so as to keep the same in a clean, sightly and first class condition (the "Common Facilities Maintenance"). Common Facilities Maintenance shall be limited to the maintenance and upkeep of existing improvements, improvements described herein, and any then-current improvements at the time of performing maintenance.

If at any time the Owner fails to conduct the Common Facilities Maintenance within a reasonable time after being notified by the City to do so, then the City shall have the right, but not the obligation, to undertake such maintenance and utilize the SSA to provide sufficient funds to pay the costs of the Common Facilities Maintenance undertaken by the City. The Owner shall, upon the request of the City, grant the City an easement ("Common Facilities Maintenance Easement") over all of those Common Facilities located on the Property in favor of the City. The substance of the Common Facilities Maintenance Easement shall be as approved by legal counsel for the City. Said SSA shall have a rate as reasonably determined by the City Engineer not in excess of two hundred-hundredths percent (2.0%, being 200¢ per $100). Approval of this Agreement shall be deemed to constitute consent to the City’s establishment of a special service area as herein described.

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.

Owner shall execute a copy of the Waiver of Objection to Special Service Area in the form substantially as attached hereto as Exhibit G contemporaneously with the execution of this Agreement. Notwithstanding the foregoing, the SSA shall be dormant and inactive until such point in time as the City determines that activating the SSA is required in order to fulfill the purposes outlined above.

C. Owner Surety:
The Parties acknowledge and agree that the City is advancing sums pursuant to the Development Incentive that shall be secured by a mortgage, note and personal guarantee which may be subordinate to other loans, liens and encumbrances.

D. Security for Public Improvements:
In the event that the Owner constructs any public improvements (inclusive of improvements within or adjacent to a public right of way), then the provisions of this Agreement pertaining to such public improvements shall be invoked. Security to be provided by the Owner for the completion of the public improvements within or adjacent to the Property or related off-site improvements, if any, shall be provided prior to the commencement of construction on the Property or right of way and shall be in accordance with the terms of this Agreement and applicable City ordinances, as modified by this Agreement. The Owner shall provide its Owner Surety to secure such obligation.
E. Acceptance of Public Improvements and Maintenance Bond for Public Improvements:

Upon completion of public improvements (if any) and acceptance by the City, the Owner shall provide a signed bill of sale for any items of personal property to be transferred to the City, and shall execute all documentation customarily required by the City to denote acceptance and transfer of ownership. Upon acceptance of any public improvement by the City as described above, Owner shall be entitled to a corresponding release or reduction of any required security, bond or letter of credit. For an 18 month period following acceptance of any public improvement, the Owner shall guarantee the workmanship of any public improvements constructed, and shall be responsible for the performance of any repairs or remediation required on such public improvements, as reasonably determined by the City Engineer, to return them to a condition in which they would be appropriate for initial acceptance by the City, including the repair of any ordinary wear and tear on the aforesaid improvements or the repair of any broken or damaged improvements. To secure the performance of this obligation, the Owner shall provide appropriate performance security as required by City Code.

F. Stop Work Orders:

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.

G. Compliance with City Ordinances and Applicable Regulations:

The Parties agree that, except as specifically modified in this Agreement and the attached drawings and Exhibits, the Property shall be developed 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 up to, but prior to construction or any time after execution of this Agreement, 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. A utility easement with terms and provisions reasonably acceptable to Owner and the City shall be provided by the Owner as may be requested by the City Engineer. All construction shall be in accordance with the City codes and ordinances and any comments of the City Engineer, City Planner 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 the Illinois Environmental Protection Agency or any other agency with jurisdiction over the Property, if any are applicable, must be issued prior to work on water main, sanitary sewer or storm sewer improvements commences. The Parties acknowledge that, at the time of preparation of this Agreement, the Plans have not been reviewed by the City Engineer or City Public Works Department, and the Owner agrees and acknowledges that it shall make all such amendments to the Plans as may be reasonably required pursuant to their review.
H. Site Control:

Owner acknowledges that, depending on weather conditions, construction traffic creates debris, especially dirt, dust, and mud clots on streets and roadways adjacent to the construction site. Owner agrees that it shall inspect and clean the streets and roadways adjacent to and within 300 feet of the entrance to Owner’s construction site, and take measures to control dust and 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. As security for such obligations, and as a condition of the approval granted herein, this Agreement shall constitute Owner’s guarantee of this obligation. In the event Owner fails to clean the Property, pick-up debris or repair, or fails to patch or repair any 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 invoke this provision. Owner shall, within 15 business days following written notice from the City, pay all such costs.

I. Building Codes:

In constructing improvements and conducting renovation on the Property, the Owner shall comply with all then-current building codes of the City of DeKalb or any other agency having jurisdiction over the Property, except as may be specifically modified and/or governed by this Agreement. At the time of any future amendments or modifications of the building or the Property, the Owner shall comply with the then-current code requirements of the City, except as may be specifically modified and/or governed by this Agreement.

ARTICLE IV: PROJECT STAGING:

Following approval of this Agreement, Owner shall work in collaboration with the City to submit final descriptions of work and building permit applications for review and approval by the City. Proposed final plans shall be subject to review and revision in collaboration with City staff, and shall be required to be in substantial conformity with the description of work attached hereto. Deviation from the Plans shall be permitted where reasonably acceptable to the City and where resulting in an improvement to the Property. The City shall not unreasonably withhold or condition approval of the final plans, provided that they are in substantial conformance with the concept plans and the conditions and restrictions contained in this Agreement. Owner shall complete renovation of the Building within six (6) months of the date of approval of the final plans by the City. The City Manager may extend this time period by up to an additional six (6) months upon written request of the Owner, without requirement for further City Council action.

ARTICLE V: FINAL PLAN APPROVAL:

The Parties acknowledge that approval of the final plans, as contemplated herein, shall require multiple, independent approvals, as described below. The final plans shall include all plans and documents as required by the Community Development Director.

1. Special Use Permit: Approval of a Special Use Permit for outdoor patio use shall be required as a component of final plan approval, unless waived in accordance with Article II. Any plans approved through the Special Use Permit approval process shall constitute final approval (once revised to comply with any conditions of approval).

2. Building Plans: Approval of building plans and issuance of associated building permits shall constitute approval of the final plans relative to the building.

3. Other Plans: Any other plans or documents required to be included in the final plans as defined herein shall be subject to approval by the party authorized to issue such approvals pursuant to City Code or, if no person is specified, by the City Manager or designee.
ARTICLE VII: FEES AND CONTRIBUTIONS:

A. Specified Fees:

   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.

   1. Building Permit Fees: The Parties acknowledge that the Property is subject to building permit fees as proposed to be developed and constructed. The Owner shall pay all such fees, the costs of which may be incorporated into the Owner’s reimbursement request.

B. 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.

C. 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 including but not limited to the Owner Surety. 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 Development.

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 VIII: DEVELOPMENT INCENTIVE:**

**A. Necessity of Incentive:**

The Parties acknowledge that the Property contains conditions that are deficient compared to applicable building codes, are under-occupied and under-utilized, and otherwise present elements of blight, notwithstanding the existence of a TIF District intended to improve property valuation. Further, the Parties acknowledge that but for the provision of the incentive described herein, the Developer would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive.
B. Development Incentive Defined:

The Owner has previously invested $368,271 in Property Acquisition Costs, and is estimated to invest $190,664 in Property Rehabilitation Costs. The Owner commits that it shall invest not less than $558,935 in the completion of the project (inclusive of both Property Acquisition Costs and Property Rehabilitation Costs) as defined herein (collectively, “Project Completion Costs”), and shall proceed to construct all phases of the project (after obtaining required approvals) in a good and workmanlike manner. The City shall provide a total Development Incentive of not more than the lesser of: a) $150,000, b) the amount which is not more than 27% of the Project Completion Costs; or, c) the total of all TIF-eligible costs incurred (“the Development Incentive”).

1. Notwithstanding the foregoing, the Parties acknowledge that the nature of construction projects on aged structures such as the Property carries with it certain inherent risks and challenges which are not capable of identification until renovation and destructive activities have commenced. While Owner has undertaken diligent investigation and has sought multiple quotes and estimates for repair work required to be completed, the Parties acknowledge the potential for unanticipated expenses and contingencies. It is the City’s intention to incentivize the Owner for redevelopment and renovation of the Property in an amount not to exceed 27% of the Project Completion Costs, subject to certain limits as described herein. In recognition of the risks associated with such renovation of historic structures, the City agrees that should the Owner encounter unanticipated expenses, the Community Development Director shall be authorized and directed to increase the total Development Incentive payable by the City from $150,000 to a sum not exceeding $167,616. In order to increase the Development Incentive, Owner must document additional costs which were not known at the time of preparation of this Agreement, or which are interest or borrowing costs incurred by the Owner during the term of this Agreement relating to construction financing. The total Development Incentive which the Community Development Director may authorize hereunder shall not exceed the of lesser of: a) $150,000 plus that sum which is 27% of any Project Completion Costs in excess of $558,935; b) $167,616; c) the amount which is not more than 27% of the Project Completion Costs; or, d) the total of all TIF-eligible costs incurred. Should the Community Development Director invoke this subsection VIII(B)(1), the Community Development Director shall make a report to the City Council, in writing, and shall require the Owner to complete new exhibits to this Agreement revised to match the final Development Incentive (e.g. the face value of the mortgage and promissory note shall be increased to match the final Development Incentive). The Community Development Director is authorized to take the actions contemplated in this subsection VIII(B)(1) without requirement of any further Council approval, and should the Director so act, any reference in this Agreement to a lesser sum (i.e. a lesser Development Incentive or lesser Project Completion Costs) shall be read to reflect the final amounts calculated under the Director’s authority. Should the Owner submit costs in excess of the original estimate that the Community Development Director does not approve of, the Community Development Director may refer the consideration of the request to the City Council for their determination.

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property. It shall include: all costs of property acquisition and closing costs, including costs necessary for buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees;
costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary sewers or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction of the Building and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to site assembly and acquisition costs, demolition and remediation costs, costs associated with providing public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, and any other TIF eligible costs, whatsoever. TIF Eligible Costs shall not include any cost incurred prior to the date of this Agreement.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements appended hereto as Exhibit E.

D. Payment of Development Incentive:

1. No portion of the Development Incentive shall be paid until this Agreement has been ratified and approved pursuant to Article II(A), above. If not ratified, this Agreement shall be void and of no further force or effect.

2. Following the ratification of this Agreement and prior to the making of any payment of the Development Incentive under this Agreement, the Owner shall execute a corporate undertaking, promissory note and mortgage substantially in the form attached hereto as Group Exhibit F. The mortgage shall be recorded against the Property, to include and be a valid lien against each such parcel. Said documents shall secure the payment of up to the full Development Incentive, and shall contemplate and secure further advances up to that amount.

3. The ratification of this Agreement (if ratified) shall constitute the full and final approval of the payment of the Development Incentive in the amount described above. This sum shall be payable on a reimbursement basis towards TIF Eligible Costs including but not limited to demolition and remediation costs, and professional fees associated with the design or engineering of the Property, Building or the project as a whole.
   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 E. For payment of TIF Eligible Costs, such payments shall be made on a monthly basis, again in accordance with Exhibit E. 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 redevelopment of the Property to ensure its renovation and return to beneficial commercial use.

4. At the time of requesting payout of this incentive, the Owner shall provide the City with documentation of Project Completion Costs and TIF Eligible Costs in the form required under Exhibit E. Said documentation of project costs may include any anticipated interest or closing costs associated with transitioning from construction financing to permanent financing, provided that all such costs are properly documented to the City at the time of closing on such permanent financing and are TIF eligible. The City shall, within a reasonable period after
receipt of said documentation, provide the Owner with the final payment of the Development Incentive (if any). The final payment of the Development Incentive shall be paid to Owner or its assignee, as requested by Owner, and the City Manager shall be authorized to and shall subordinate the City’s mortgage(s) to the Owner’s permanent financing, and any subsequent private financing obtained by the Owner.

a. In the event that the Project Completion Costs do not include $558,935 of total expenses, then the Development Incentive shall be reduced to not exceed twenty-seven percent of Project Completion Costs.

b. The Development Incentive shall be payable solely from TIF revenues actually received by the City, and in no event shall the Development Incentive exceed the total of TIF-eligible expenses incurred by Owner following the date of approval of this Agreement. In the event that TIF-eligible expenses are less than the estimated Development Incentive, the Development Incentive shall be reduced to an amount not to exceed the TIF-eligible component thereof.

c. All payments contemplated hereunder shall be administered through a title agency acceptable to the City, at Lessee’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. The City shall deposit the anticipated Development Incentive Amount ($150,000) in escrow with the aforesaid title company upon approval of Owner’s final plans, and payments may be made from such escrow as costs are incurred. Such progress payments shall be paid in such a fashion that they do not exceed the percentage limitation described in Section VII(B) above (i.e. any payment from the Development Incentive shall not be paid unless Owner satisfactorily demonstrates that it has incurred and paid Project Completion Costs in an amount such that the payment of the Development Incentive is equal to or lesser than 27% of the Project Completion Costs incurred and paid at the time of partial payment of the Development Incentive).

e. Owner is required to provide a personal guaranty, note and mortgage under the terms of this Agreement. The Parties acknowledge that should Owner fail to construct the improvements contemplated herein and/or fail to obtain a final certificate of occupancy after such construction (with successful inspection of all improvements and all portions of the Property), it shall constitute a material breach of this Agreement, which shall entitle the City to immediately declare any portion of the Development Incentive which has been paid to be due and owing to the City, and which shall further entitle the City to take immediate legal action to compel such payment, including but not limited to calling upon the personal guaranty or note, or declaring a default on the mortgage and filing to foreclose the same. Owner acknowledges these provisions and consents to them in order to induce the City to make progress payments from the Development Incentive. The City agrees to the making of progress payments as contemplated herein in order to reduce the Owner’s borrowing cost for construction loans, so as to reduce the overall project cost.

5. The Parties acknowledge that the Property is presently underutilized, and that completing the renovations contemplated herein is necessary in order to restore the Property to full utilization, as well as to address current conditions within portions of the interior of the Property that fail to comply with applicable building codes and that constitute conditions of blight as defined in the TIF Act. Accordingly, the Owner has requested that the City provide the incentive contemplated herein immediately, and the project would not be possible but-for the immediate undertaking thereof. The Parties acknowledge that for Fiscal Year 2019 (“FY19”), the City is presently projecting a deficit in the Central Area TIF District, commonly referred to as TIF 1, and thus in order to enable this project to be undertaken, the City shall transfer or port funds from TIF 2 to TIF 1 to fund the costs contemplated herein.
6. Further, the Parties acknowledge that the area in which the Property is located is presently contemplated to be subject to the potential creation of new TIF District 3. Should the City proceed with the creation of TIF 3, it is not projected to generate adequate increment within FY19 to cover the costs contemplated herein. Accordingly, should the City create TIF 3, the Parties agree that they shall mutually approve an amendment to this Agreement, providing for the transfer of obligations (and funding) from TIF 1 to TIF 3.

E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable incentive. The incentive shall be forgiven over a ten (10) year period, with ten percent (10%) forgiveness for each year. The term of forgiveness shall commence upon the date which is the later of: the date of last payment of the Development Incentive; the date of issuance of a final certificate of occupancy; the date of any repayment under VIII(D)(3)(c) above; or the date of first commercial occupancy after issuance of a certificate of occupancy. The Owner shall be entitled to each year’s forgiveness provided that the Owner continues to comply with all terms of this Agreement, continues to maintain and utilize the Property in compliance with all then-applicable codes, ordinances and regulations, continues to operate the premises and continues to maintain the improvements funded herein. The Owner agrees that it shall maintain its business operations and lease of the Property for the duration of the forgiveness period, as an operational business generating employment and sales tax revenue for the City. In the event that the Owner fails to comply with these standards, the City shall be authorized to declare a breach of this Agreement and to demand repayment of any portion of the Development Incentive not previously forgiven as of the date of the breach. In the event that the Owner contemplates leaving the Property within the forgiveness period due to the expansion of Owner’s business or due to relocation within the City of DeKalb, the Owner may request that the City Council waive the provisions of this Article VIII(E).

F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City’s rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City’s annual budget adopted in accordance with the Illinois Municipal Code and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary.

**ARTICLE IX. OPERATION OF THE PROPERTY:**

A. Acknowledgment of Application of Operational Standards:

The Parties acknowledge and agree that the provisions of this Article IX relating to the operation of the Property following its rezoning and redevelopment are critical and integral to the zoning standards provided for herein. The Owner agrees to comply with the following standards and requirements, and acknowledges that they have been drafted to address the public safety concerns otherwise arising out of the operation of a development with a zoning density that exceeds the density otherwise contemplated by permissible zoning allowances.
B. **Operation and Lease Provisions:**

In consideration of the provisions herein and in order to construct and maintain a development of the quality intended by the Owners and expected by the City, the Owners agree to secure, through covenants, operational policies or other means acceptable to the City, to provide management of the Property that will comport with the following standards, subject to applicable superior governmental mandates:

1. Any unit rented shall have a written lease that shall include a Crime Free Housing Lease Addendum in the format then-currently approved by the City.
2. Any person living in any rental unit, except for children under the age of eighteen (18), must be a party to the lease and must sign the lease.
3. A thorough criminal background check and other screening shall be implemented to all prospective tenants where permitted by law, a thorough credit check shall be implemented to all lease guarantors where permitted by law, and the Owner shall, to the fullest extent permissible under the applicable laws, make responsible tenant approval decisions based upon such information.
4. The Property shall satisfy all restrictions on consanguinity imposed under applicable City Codes or Ordinances.

Owner agrees and acknowledges that it believes each of the foregoing conditions are fully in accordance with all applicable superior governmental mandates, and that it intends to enforce such requirements based upon current law.

Owner shall either manage the Property itself, or shall utilize a professional property manager for the purpose of managing the Property, and shall ensure that the Building and Property are maintained and utilized in accordance with all applicable codes and regulations.

C. **Public Safety Regulations: Trespass/Patrol Agreement:**

The Parties shall keep in place at all times a No-Trespass Enforcement Agreement, in the then-current format utilized by the City of DeKalb (with such agreement currently being in the form attached hereto as Exhibit C), and shall cooperate at all times with regard to the enforcement of such Agreements. Further, and without regard to the content of such Agreements, the Owner agrees that it shall provide the City with all keys, codes, passes or other items required to gain access to the interior common areas of the apartment buildings in each phase of the Property (including but not limited to the common hallways on each floor, and other common areas available for use by all occupants of the Property), and shall authorize and request the routine patrol of such areas by the City of DeKalb Police Department or other sworn officers, based upon the availability of resources for such details, at any time without prior notice. At any time that the Owner changes locking mechanisms, passcodes or other entry devices, the Owner shall provide the City with updated access mechanisms.

Owner shall also make itself and its management representative available for meetings with the City on a periodic basis (or as otherwise requested by the City) for the purpose of reviewing security plans, trespass enforcement lists or similar issues.

D. **Knox Boxes:**

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.
E. Crime Free Housing and Inspection Coordination:

The Owner acknowledges that the City operates a Crime Free Housing Program requiring property lessors to register with the City and to undertake certain training and notification requirements. Owner agrees to comply with the then-current requirements of such a program, unless Owner reasonably demonstrates that its property manager has already completed such training and/or program. Further, the Parties acknowledge that the Crime Free Housing Program generally contemplates exterior inspections of properties to confirm compliance with applicable City Codes. Given the density of residential development contemplated for the Property, the Owner agrees that it shall coordinate and permit an annual inspection of the entirety of the Property by such personnel as the City shall reasonably designate, shall thereafter promptly remediate any violations observed during such inspections, and shall permit reasonable reinspection to confirm that all violations have been corrected. The Owner shall also grant consent to the City to inspect the Property at any time the City receives a complaint from any third party regarding an alleged violation of applicable codes or regulations. Nothing herein shall prohibit the Owner from objecting to the existence of any alleged violation as noted by the City, as provided by law.

Inspections pursuant to this consent may be conducted by the City Police Department, Building, Public Works, or Fire Department staff, City Manager, or City Attorney, for purposes of determining compliance with the provisions of City Code, or for purposes of determining compliance with any other applicable code or regulation. The consent for inspection shall extend to any portion of the premises other than to an individual, presently leased residential space to which the Owner cannot unilaterally consent.

The Owner shall also, at any time that a given individual residential unit is not presently leased to a third party, grant the City reasonable access to such residential units for purposes of inspecting the same and verifying compliance with all City Codes. The Owner shall pay all fees associated with any generally applicable current or future inspection or registration program utilized by the City for commercial or residential rental properties. In the event that the City at any time terminates its Crime Free Housing Program or inspection protocol, the Property shall nonetheless continue to be inspection provisions otherwise provided by relevant City Code. With regard to individual residential units leased to third parties (i.e. tenants), the Owner shall utilize its best efforts to secure lawful access to the individual units for purposes of the inspection contemplated herein, but the Parties acknowledge the rights of individual tenants with regard to their occupancy of an individual unit.

The Owner also acknowledges and agrees that the commercial portions of the Property shall require the issuance of a Fire Life-Safety license under the terms of City Code and this Agreement, which Owner shall obtain and maintain at all times. Such portions of the Property shall be subject to the then-current City Code provisions relating to inspection and review.

F. Common Area Surveillance:

The Parties acknowledge that the Owner may prospectively 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. Should the Owner install such cameras and determine that it is feasible to do so, the Owner may provide to the City a connection and inter-link to any cameras so installed, so that the City can remotely monitor such common area surveillance videos from the City Police Department. The Owner shall be responsible for providing and maintaining all technology required to 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, 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.
All security cameras and security equipment in place on the Property shall be maintained in good and fully-operable condition.

G. Tenant Notification:

The Owner shall provide each tenant or prospective tenant with a notice in a form acceptable to the City advising such tenants of the provisions of this Agreement pertaining to City of DeKalb involvement in policing common areas of the Property or otherwise inspecting or monitoring the Property.

H. Notification Regarding Affordable Housing Status or Related Agreements:

The Parties acknowledge that the Property is not anticipated to be utilized as affordable or subsidized housing, based upon the significant current supply of such housing within the community. Pursuant to applicable laws, this Agreement shall not prohibit such use. However, the Parties acknowledge that use of the Property as affordable or subsidized housing may have an impact on the services provided by the City and City-supported agencies or the demand for services. The Parties acknowledge that the City would require time to be able to arrange for and provide such services through itself or City-supported agencies. Accordingly, not less than six (6) months before the date on which any agreement relating to any portion of the Property and affecting or pertaining to its use as affordable housing under federal or state laws (e.g. LIHPIERA agreements, HAP agreements, vouchers and other similar agreements) is proposed to be entered into, to be renewed or to be renegotiated, and not less than six (6) months before the Owner enters into any new or renewal agreement or terminates an existing agreement affecting or pertaining to the use of any portion of the Property as affordable housing under federal or state law, Owner shall provide the City with written notice of such agreement or circumstance.

I. Conflict with Federal Law and Regulations:

In the event that any provision of this Agreement conflicts with applicable federal laws or regulations, including those pertaining to affordable housing, the City and Owner recognize that the federal law shall supersede local regulation to the extent required under federal law. Nothing in this Agreement shall be construed in a fashion that violates any federal statute governing affordable housing. Notwithstanding the foregoing, the Owner and City agree and acknowledge that they have reviewed and negotiated the terms of this Agreement with great care and precision, and both agree and covenant that they believe in good faith that the terms hereof are in compliance with all applicable laws. In the event that a federal law supersedes any provision hereof, the Parties agree that they shall negotiate in good faith to approve an amendment to this Agreement that complies with the applicable federal law, and which accomplishes the objective of the term of this Agreement which violates federal law.

ARTICLE X: 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 XI: REMEDIES:

A. Failure to Construct:

1. This Agreement contains specific timelines for the remediation of existing structures. Those timelines may be extended by the City Council, with agreement of the Owner, from time to time by resolution, without requiring an amendment of this Agreement, for good cause shown
by Owner, in the Council’s discretion.

2. In the event that Owner fails to construct the Building or complete all of the improvements authorized by the final plans, the City may exercise the remedies described herein.

3. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not in substantial compliance with the Plans and this Agreement (and if the City determines that the proposed final plans should not be approved), then the City may exercise the remedies described herein.

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 forty-five (45) 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 forty-five (45) 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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE XII: TERM:

This agreement shall have a term of thirty (30) 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 of an affected Parcel, by adoption of an ordinance 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 zoning of the Property is ruled invalid, in whole or in part, the Corporate Authorities, 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. This Agreement may be assigned 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 Building is constructed and issued a final certificate of occupancy, the South Building is demolished, and all of the improvements described in the approved final plans have been constructed. 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.

a. The Owner may request that the City pay a portion of the incentive directly to a third party, in satisfaction of an expense incurred by Owner. However, the Parties expressly disclaim any third-party beneficiaries and expressly disclaim the right of any third party to pursue a claim against the City for payment or satisfaction of any debt, claim, lien, liability or damage pursuant to this Agreement.

3. The Parties acknowledge that the Property is presently owned by Owner in an individual capacity. Owner may create a corporate entity to own the Property; should Owner do so, the City agrees that
it shall release the Personal Guaranty, Note and Mortgage from Owner, as attached hereto, upon receipt of a similar Corporate Guaranty, Note and Mortgage from the corporate entity, provided that the corporate entity is 100% owned by Owner. Should the corporate entity be owned by any other party or parties, in whole or in part, then the assignment provisions included herein must be satisfied. The transaction contemplated in this subsection (transfer of obligation from Owner to Owner’s wholly-owned corporate designee) shall not require an amendment of this Agreement, and may be approved by the City Manager without requirement of approval by the City Council.

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:
City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2090

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

If to the Owner: Thomas Schmidt
Hometown Sports Bar+Grill
241 E. Lincoln Hwy.
DeKalb, IL 60115

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:
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 insured without right of subrogation.

The Parties acknowledge that this Agreement contemplates the payment, including direct payment, of expenses associated with the redevelopment of the Property under the Phase 1 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.

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

Exhibit A: Legal Description
Group Exhibit B: Plans
Exhibit C: No-Trespass / Patrol Agreement
Exhibit D: Intentionally Omitted
Exhibit E: Project Cost Documentation Requirements
Group Exhibit F: Form of Promissory Note, Corporate Undertaking, Mortgage
Exhibit G: Waiver of Objection to Special Service Area

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 DEKALB, an Illinois Municipal corporation

By: 
Jerry Smith, Mayor

Attest: 
Lynn A. Fazekas, City Clerk

OWNER:

By: 
Owner Signature

Attest: 
Signature

Print Name: Thomas Schmidt

Print Name: Ruth A. Scott

By: 
Owner Signature

Print Name: ____________________________
The property is legally described as:

08-23-159-043  241 E LINCOLN
LOT 60 OF COUNTY CLERK'S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN, NOW CITY, OF DEKALB, COUNTY OF DEKALB, AND STATE OF ILLINOIS ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS ON PAGE 42, RECORDER'S OFFICE, DEKALB COUNTY, ILLINOIS, EXCEPTING THEREFROM ALL THAT PART OF SAID LOT LYING NORTHEASTERLY OF A LINE PARALLEL TO AND 16 FEET SOUTHWESTERLY OF WHEN MEASURED AT RIGHT ANGLES TO THE NORTHEASTERLY LINE OF SAID LOT BEING THAT PART TAKEN IN CONDEMNATION CASE NUMBER 73-ED-247, IN THE CIRCUIT COURT OF DEKALB COUNTY, ILLINOIS.

08-23-159-037  249 E. LINCOLN
LOT 62 IN COUNTY CLERK'S SUBDIVISION, A SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS; EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 61; THENCE SOUTH 70 DEGREES 40 MINUTES 21 SECONDS EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT, 24.08 FEET TO THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 19 DEGREES 35 MINUTES 51 SECONDS WEST, ALONG THE SOUTHEASTERLY LINE OF SAID LOT, 27.13 FEET; THENCE NORTH 70 DEGREES 43 MINUTES 24 SECONDS WEST, 22.33 FEET; THENCE NORTH 19 DEGREES 34 MINUTES 53 SECONDS EAST, 11.13 FEET; THENCE NORTH 70 DEGREES 40 MINUTES 22 SECONDS WEST, 1.86 FEET TO THE NORTHW ESTERLY LINE OF SAID LOT; THENCE NORTH 19 DEGREES 35 MINUTES 51 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 16.0 FEET TO THE POINT OF BEGINNING; ALSO EXCEPTING THEREFROM THE SOUTH 12 FEET OF SAID LOT, SITUATED IN THE CITY OF DEKALB, COUNTY OF DEKALB, STATE OF ILLINOIS.
Group Exhibit B: Plans

SOUTH ELEVATION

Scale: 1/4" = 1'-0"
Exhibit C: No Trespass / Patrol Agreement

Common Area Patrol / No-Trespass Enforcement Agreement

Property Address: 241/249 E, Lincoln Hwy
Commonly Known As: Hometown Sports Bar & Grill
Property Owner: Thomas Scamior
Contact #: 630 978-9182
Property Manager: Thomas Scamior
Contact #: Same

24 Hour Contact #: Same

This Common Area Patrol / No-Trespass Enforcement Agreement ("Agreement") is entered into by and between the Owner of the Property identified above ("Owner" and "the Property") and the City of DeKalb ("City"). Under the terms of this Agreement, the Owner expressly authorizes and requests that the City utilize its Police Department and City Employees to undertake the following actions:

- **No-Trespass Warnings and Arrests:** The Owner appoints the City of DeKalb, its employees and agents, as an agent of the Owner, authorized and requested to undertake any actions which the Owner could lawfully take with regard to persons unlawfully present relative to no-trespassing laws and ordinances on any public or private area of the Property. The City’s personnel shall be deemed to be representatives of the Owner for purposes of enforcing no-trespass laws and ordinances and signing and testifying with regard to related complaints only. This includes providing no-trespass warnings, verbal or written, to any person on the Property other than a tenant of the Property. The City shall also be authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated such a no-trespass warning, or who remains on the Property after being asked to leave. The City has the complete authority to enforce any State Statute or City Ordinance relating to trespass. The City shall maintain accurate records of all persons who have been advised not to trespass on the Property and shall provide a copy of the same to Owner upon request.

- **Patrol Common Areas:** The City, its employees and agents are authorized and requested to enter into any common area of the Property that is accessible either to the public or to tenants of the Premises, including parking lots, open spaces, common hallways, gathering areas, or other similar common areas of the Property, for purposes of patrolling, observing, and enforcing the Codes and Ordinances of the City of DeKalb or any applicable State Statutes. For purposes of this Agreement and any charges arising out of the City’s activities on the Property, the City and its personnel shall be deemed to have been invited upon the common areas of the Property. Notwithstanding the foregoing, this shall not constitute authority for the City to enter into tenant private areas (e.g. individual tenant apartments or individual tenant businesses) without required legal authority (such as a search warrant, probable cause, exigent circumstances, etc. where required). The City is authorized to sign complaints, serve as complaining witness, and arrest or cite any person who has violated a State Statute or City Ordinance.
Report Cars for Relocation: Owner employs the entity described at signs posted at the Property for purposes of relocating unlawfully parked cars from the Property (and Owner shall maintain such postings in accordance with City Code). The City is authorized and requested to contact the tow relocator to report any vehicles on the Property that appear to be unlawfully parked, so that said vehicles may be towed in accordance with applicable regulations.

Provisions of Development Agreement: Owner shall further permit and consents to the conduct of any access or inspection authorized under the terms of any Development Agreement entered into by Owner and the City which is recorded against the Property of public record.

The Owner agrees that, if necessary, Owner or its authorized representative shall appear at any trial or proceeding arising out of the performance of this Agreement. Owner further acknowledges that the City shall not have any duty to patrol the Property, and that the Owner is responsible for the condition and monitoring of its Property. The City is not undertaking any special relationship with or obligation to Owner, other than the authority to enter the Property’s common areas, and to take the actions outlined above. The City is not an agent or representative of the Owner for any purpose other than having authority to provide warnings or direct persons to leave the Property, and for serving as complaining witness and for signing complaints for legal violations occurring on the Property.

The City agrees that it shall provide notice to the Owner of any legal violations occurring on the Property upon request, and also in accordance with the requirements of City Code.

Owner shall post appropriate signage on the Property advising that its common areas, including but not limited to parking lots and open areas, are posted for No Trespassing, and appropriate signage advising of any parking restrictions for vehicles in its parking lots. Owner is encouraged to post additional signage advising that the Police Department may engage in regular patrols of common areas.

This Agreement shall remain in full force and effect until terminated in writing by either party. Notices shall be delivered to Owner at the address listed above, or to the City at 200 S. Fourth Street, DeKalb, Illinois, 60115, Attention City Attorney.

Agreed this ___ day of ______, 20____.

Owner(s) or Representative:

Signature

[Signature]

Printed Name

City of DeKalb:

[Signature]

Jerry Smith, Mayor
Exhibit E: 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.
  - If property acquisition is included in the project costs, the third section must include a copy of the closing statement and deed for the property.
  - 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.
THIS GUARANTEE dated this 7th day of January, 2019, is between Homestead Bar & Grill, State of Illinois hereinafter known as the “Guarantor” or “Debtor” and the City of DeKalb, an Illinois Municipal Corporation, hereinafter known as the “Lender”.

IN CONSIDERATION OF the Lender extending a forgivable development incentive of One Hundred Sixty Seven Thousand Six Hundred and Sixteen dollars ($167,616) to Guarantor plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness (the “Debt”) due to the Lender by the Debtor, up to a limit of One Hundred Sixty Seven Thousand Six Hundred and Sixteen dollars ($167,616) under the terms of a Development Incentive Agreement signed the 7th day of January, 2019, between the Debtor and Guarantor (the “Agreement”) and in addition to the following terms and conditions:

The Guarantor guarantees that it will promptly pay the full amount of the Debt as and when the same will, in any manner, be or become due, either according to the terms and conditions provided by the Agreement or upon acceleration of the payment under the Agreement by reason of a default up to the aforesaid limit;

The Guarantor agrees not to pledge, hypothecate, mortgage, sell or otherwise transfer all or substantially all of Guarantor’s assets without the prior written consent of the Lender;

To the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the Debt of Debtor; and

This Personal Guarantee shall be construed exclusively in accordance with, and governed by, the laws of the State of Illinois. Any dispute arising hereunder may only be brought within the Courts of the Lender’s preference. This Personal Guarantee embodies the entire promise of Guarantor to personally guarantee the Debt and supersedes all prior agreements and understandings relating to the subject matter here, whether oral or in writing. This Personal Guarantee may not be assigned or transferred without a written document, signed by the Guarantor and Lender, permitting such assignment or transfer.

Lender’s Signature: ___________________________ Date: 1/4/19

Jerry Smith, Mayor

Guarantor’s Signature: ___________________________ Date: 1/7/19

Thomas Schmidt
NOTARY ACKNOWLEDGMENT

State of Illinois
County of DeKalb

On 1/7/19 before me, Ruth A. Scott (name and title of officer), personally appeared Thomas Schmidt, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that she/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]

(Seal)
PROMISSORY NOTE

DeKalb, Illinois

Date: 1-7-19

On 1/7/19, for value received, Thomas Schmidt 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 One Hundred Sixty Seven Thousand Six Hundred and Sixteen dollars ($167,616) (the "Face Value"). Repayment hereof shall be subject to the terms and conditions of that certain Planned Incentive Agreement by and between said individuals, and the City of DeKalb, executed on 1-7-19, relating to the development of the property commonly 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 equal to sales and property tax revenues generated consistent with said Incentive 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 Development 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.

By: 

Printed Name: Thomas Schmidt

By: ________________________________

Printed Name: ________________________________
LEGAL DESCRIPTION

08-23-159-043  241 E. LINCOLN HIGHWAY

LOT 60 OF COUNTY CLERK'S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN, NOW CITY, OF DEKALB, COUNTY OF DEKALB, AND STATE OF ILLINOIS ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS ON PAGE 42, RECORDER'S OFFICE, DEKALB COUNTY, ILLINOIS, EXCEPTING THEREFROM ALL THAT PART OF SAID LOT LYING NORTHEASTERLY OF A LINE PARALLEL TO AND 16 FEET SOUTHWESTERLY OF WHEN MEASURED AT RIGHT ANGLES TO THE NORTHEASTERLY LINE OF SAID LOT BEING THAT PART TAKEN IN CONDEMNATION CASE NUMBER 73-ED-247, IN THE CIRCUIT COURT OF DEKALB COUNTY, ILLINOIS.

08-23-159-037  249 E. LINCOLN HIGHWAY

LOT 62 IN COUNTY CLERK'S SUBDIVISION, A SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS; EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 61; THENCE SOUTH 70 DEGREES 40 MINUTES 21 SECONDS EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT, 24.08 FEET TO THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 19 DEGREES 35 MINUTES 51 SECONDS WEST, ALONG THE SOUTHEASTERLY LINE OF SAID LOT, 27.13 FEET; THENCE NORTH 70 DEGREES 43 MINUTES 24 SECONDS WEST, 22.33 FEET; THENCE NORTH 19 DEGREES 34 MINUTES 53 SECONDS EAST, 11.13 FEET; THENCE NORTH 70 DEGREES 40 MINUTES 22 SECONDS WEST, 1.86 FEET TO THE NORTHWESTERLY LINE OF SAID LOT; THENCE NORTH 19 DEGREES 35 MINUTES 51 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 16.0 FEET TO THE POINT OF BEGINNING; ALSO EXCEPTING THEREFROM THE SOUTH 12 FEET OF SAID LOT, SITUATED IN THE CITY OF DEKALB, COUNTY OF DEKALB, STATE OF ILLINOIS.
MORTGAGE

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

Future Advances Mortgage
Maximum Value: $167,616

THIS MORTGAGE, dated this ______ day of January, 20____, by ("Mortgagor"), WITNESSETH:

WHEREAS, Mortgagor has executed a Promissory Note in the principal sum of One Hundred Sixty Seven Thousand Six Hundred and Sixteen dollars ($167,616) 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 Planned Incentive Agreement executed on _______ 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.: 08-23-159-037 & 08-23-159-043

which is referred to herein 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 $167,616, AND IS CONSTRUED IN CONNECTION WITH THE OBLIGATIONS OF MORTGAGOR AS OWNER UNDER THAT CERTAIN
DEVELOPMENT AGREEMENT ("DEVELOPMENT 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 INCENTIVE AGREEMENT ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLYRecorded OR FILED MORTGAGES AND LIENS, UNLESS AND UPON THE CITY'S SUBORDINATION OF THIS MORTGAGE LIEN AS PROVIDED IN THE INCENTIVE AGREEMENT. THIS MORTGAGE HAS BEEN PROVIDED TO SECURE THE REPAYMENT OF OBLIGATIONS OF THE DEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO REPAYMENT OF A DEVELOPMENT INCENTIVE AND THE OBLIGATION TO SECURE THE OWNER ESCROW (AS BOTH TERMS ARE DEFINED IN THE DEVELOPMENT 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 _mortgagor_, with a note amount of $167,616 (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, INVOC 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, Mortgagee 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 Mortgagee 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. Mortgagee, 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 Mortgagee, 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) Mortgagee 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, then 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.

By: [Signature]

Printed Name: [Name]

By: [Signature]

Printed Name: [Name]

STATE OF ILLINOIS  
COUNTY OF DEKALB  

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that [Name] 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 ___ day of January, 20__.

[Signature]

Notary Public

[Seal]

[Seal]

RUTH A SCOTT  
NOTARY PUBLIC, STATE OF ILLINOIS  
My Commission Expires July 24, 2022
08-23-159-043  241 E LINCOLN HIGHWAY

LOT 60 OF COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN, NOW CITY, OF
DEKALB, COUNTY OF DEKALB, AND STATE OF ILLINOIS ACCORDING TO THE PLAT THEREOF
RECORDED IN BOOK “C” OF PLATS ON PAGE 42, RECORDER’S OFFICE, DEKALB COUNTY, ILLINOIS,
EXCEPTING THEREFROM ALL THAT PART OF SAID LOT LYING NORTHEASTERLY OF A LINE
PARALLEL TO AND 16 FEET SOUTHWESTERLY OF WHEN MEASURED AT RIGHT ANGLES TO THE
NORTHEASTERLY LINE OF SAID LOT BEING THAT PART TAKEN IN CONDEMNATION CASE NUMBER
73-ED-247, IN THE CIRCUIT COURT OF DEKALB COUNTY, ILLINOIS.

08-23-159-037  249 E. LINCOLN HIGHWAY

LOT 62 IN COUNTY CLERK’S SUBDIVISION, A SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN
(NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS,
PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS; EXCEPTING THEREFROM THAT
PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 61;
THENCE SOUTH 70 DEGREES 40 MINUTES 21 SECONDS EAST, ALONG THE NORTHEASTERLY LINE OF
SAID LOT, 24.08 FEET TO THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 19 DEGREES 35
MINUTES 51 SECONDS WEST, ALONG THE SOUTHEASTERLY LINE OF SAID LOT, 27.13 FEET; THENCE
NORTH 70 DEGREES 43 MINUTES 24 SECONDS WEST, 22.33 FEET; THENCE NORTH 19 DEGREES 34
MINUTES 53 SECONDS EAST, 11.13 FEET; THENCE NORTH 70 DEGREES 40 MINUTES 22 SECONDS
WEST, 1.86 FEET TO THE NORTHWESTERLY LINE OF SAID LOT; THENCE NORTH 19 DEGREES 35
MINUTES 51 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 16.0 FEET TO THE
POINT OF BEGINNING; ALSO EXCEPTING THEREFROM THE SOUTH 12 FEET OF SAID LOT, SITUATED
IN THE CITY OF DEKALB, COUNTY OF DEKALB, STATE OF ILLINOIS.
Exhibit G: 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, [Signature] 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 [Address], legally described on the attached Exhibit 1 ("the property"), with said improvements consisting generally of the construction and development of a mixed-use Planned Development.

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 backup source of funding to maintain common, private improvements located on and/or servicing the property. 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 Landowner 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 landowners 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: 

Printed Name: Thomas Schmitz

By: 

Printed Name: 

SUBSCRIBED AND SWORN to before me this 2nd day of January 2019

Ruth A. Scott
NOTARY PUBLIC

OFFICIAL SEAL
RUTH A SCOTT
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires July 24, 2022
Exhibit 1: Legal Description of the Property

08-23-159-043   241 E LINCOLN HIGHWAY

LOT 60 OF COUNTY CLERK’S SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN, NOW CITY, OF DEKALB, COUNTY OF DEKALB, AND STATE OF ILLINOIS ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS ON PAGE 42, RECORDER’S OFFICE, DEKALB COUNTY, ILLINOIS, EXCEPTING THEREFROM ALL THAT PART OF SAID LOT LYING NORTHEASTERLY OF A LINE PARALLEL TO AND 16 FEET SOUTHWESTERLY OF WHEN MEASURED AT RIGHT ANGLES TO THE NORTHEASTERLY LINE OF SAID LOT BEING THAT PART TAKEN IN CONDEMNATION CASE NUMBER 73-ED-247, IN THE CIRCUIT COURT OF DEKALB COUNTY, ILLINOIS.

08-23-159-037   249 E. LINCOLN HIGHWAY

LOT 62 IN COUNTY CLERK’S SUBDIVISION, A SUBDIVISION OF BLOCK 12 OF THE ORIGINAL TOWN (NOW CITY) OF DEKALB, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK “C” OF PLATS, PAGE 42, ON SEPTEMBER 15, 1902, IN DEKALB COUNTY, ILLINOIS; EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 61; THENCE SOUTH 70 DEGREES 40 MINUTES 21 SECONDS EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT, 24.08 FEET TO THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 19 DEGREES 35 MINUTES 51 SECONDS WEST, ALONG THE SOUTHEASTERLY LINE OF SAID LOT, 27.13 FEET; THENCE NORTH 70 DEGREES 43 MINUTES 24 SECONDS WEST, 22.33 FEET; THENCE NORTH 19 DEGREES 34 MINUTES 53 SECONDS EAST, 11.13 FEET; THENCE NORTH 70 DEGREES 40 MINUTES 22 SECONDS WEST, 1.86 FEET TO THE NORTHWESTERLY LINE OF SAID LOT; THENCE NORTH 19 DEGREES 35 MINUTES 51 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 16.0 FEET TO THE POINT OF BEGINNING; ALSO EXCEPTING THEREFROM THE SOUTH 12 FEET OF SAID LOT, SITUATED IN THE CITY OF DEKALB, COUNTY OF DEKALB, STATE OF 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 Common Facilities including, without limitation, the mowing and fertilizing of grass, pruning and trimming of trees and bushes, removal and replacement of diseased or dead landscape materials, aeration of stormwater basins, maintenance of underground stormwater facilities, the repair and replacement of monument signs, storm water detention basins, storm sewers and related areas and appurtenances, culverts, drains, ditches and tiles, landscape buffers and related areas and appurtenances, in the special service area, as well as the provision of snow removal services on public sidewalks along or within the area all in accordance with the final engineering plan and final plat of subdivision for the Area, and the proposed municipal services are unique and are in addition to the improvements provided and/or maintained by the City generally. Notwithstanding the foregoing, taxes shall not be levied hereunder and said Area shall be “dormant”, and shall take effect only if the applicable required owners association, condominium association or property owner fails to maintain, repair or replace the aforesaid required items and the City chooses to assume some or all of said responsibilities.

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.
RESOLUTION 2018-168 PASSED: DECEMBER 18, 2018

AUTHORIZING A PRELIMINARY DEVELOPMENT INCENTIVE AGREEMENT FOR THE RENOVATION OF THE EGYPYTN THEATRE, 135 N. 2ND STREET, DEKALB, ILLINOIS.

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

WHEREAS, the property located at 135 N. 2nd Street ("the Theatre"), is currently owned by Preservation of the Egyptian Theatre ("Owner"), and

WHEREAS, the City has identified the Theatre as being of significant importance to the identity and character of the downtown; and

WHEREAS, the success of the Theatre results in a direct economic benefit to businesses throughout the community; and

WHEREAS, the Theatre in its current configuration is underutilized and meets the definitions within 65 ILCS 5/11-74.4 for the City to support redevelopment of the Theatre through the use of Tax Increment Financing; and

WHEREAS, the City and Owner seek to enter into an agreement for improvements to the Theatre; and

WHEREAS, Owner has proposed to commit funds to the completion of improvements of the Theatre, subject to the City's commitment to provide economic development funding for this project; 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 an economic incentive to ensure the revitalization of an otherwise underutilized property;

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

SECTION 1. The City Council of the City of DeKalb hereby approves of the Development Incentive Agreement in the format attached hereto as Exhibit 1 ("the Agreement"), subject to such amendments as shall be acceptable to the Mayor with the recommendation of the City Manager. Staff is authorized to negotiate and proceed with presentation of Final Development Agreement for consideration of approval at a future date. The City Council approves of the Development Incentive contemplated therein and directs that funding be transferred or ported from TIF District 2 to the Central Area TIF District and allocated to this specified development project. The City Council expressly finds that this Agreement and the project contemplated herein is in accordance with the presently adopted and applicable redevelopment plans, and makes this designation of approved project in order
to comply with the TIF Act and designate projects for TIF 2 prior to the estimated completion date thereof.

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. Provided that the work performed under the Agreement is performed in accordance with the Agreement, the City Council waives any otherwise applicable requirement for City Council approval of bids or vendors utilized by Owner and waives any applicable competitive bidding requirement (except to the extent required under the Agreement).

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Special meeting thereof held on the 18th day of December 2018 and approved by me as Mayor on the same day. Passed by a 7-0 roll call vote. Aye: Jacobson, Finucane, Fagan, Noreiko, Verbic, Faivre, Smith. Nay: None.

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

EGYPTIAN THEATRE
PRELIMINARY DEVELOPMENT INCENTIVE AGREEMENT
CITY OF DEKALB
This Preliminary Incentive Agreement (the "Agreement") is made and entered
the 9th day of January, 2019, by and among the City of DeKalb, an Illinois municipal corporation located in DeKalb County, Illinois, (the "City"), and Preservation of Egyptian Theatre, Inc. (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 approximately 0.4 contiguous acres of real property at 135 N. 2nd Street, situated with frontage on 2nd Street and Locust Street in the City of DeKalb, DeKalb County, Illinois, which property is legally described on Exhibit A attached hereto and incorporated herein by reference as the "Property."

B. The Property is comprised of 1 parcel of land. The Property has been operated as a not for profit theatre ("the Theatre") and requires public and private financial support to operate the Theatre and maintain the Property. The Theatre is unable to pay for the operation and generate adequate revenue to keep up with the ongoing maintenance and make necessary capital improvements to preserve the building and make it operational year round. The Theatre requires major investment and renovation in order to be useful on a year-round basis (and so as to generate adequate revenue to cover both operational and capital expenditures), and failing such investment, the Theatre will be unable to function in an economically viable fashion, will decline in value, will deteriorate, and will contribute to neighborhood blight. The Theatre has been identified as having a significant positive economic impact on the value of surrounding properties, generating positive impacts on tourism, spending, sales tax generation, restaurant and bar sales tax generation, hotel-motel tax, resulting positive impacts on business and property valuation and thereby further generating an increase in neighborhood property taxes. The Owner has developed conceptual plans to undertake major capital improvements to the Theatre to expand its utility, profitability, ability to draw audiences (and generate the secondary benefits contemplated above), and to maintain the Theatre and address blight in accordance with this Agreement. The Property is proposed to be improved in accordance with the conceptual plans attached hereto as Group Exhibit B ("the Plans"), except as such plans are required to be modified under the terms of this Agreement. The Plans contemplate the construction of an expansion to the Theatre to provide modern restroom facilities, guest services areas and hospitality areas, the inclusion of provisions to serve food and beverages, renovation required to improve access to the Theatre to persons with disabilities, and related improvements. The Plans contemplate the improvement of portions of the Property and Theatre in a fashion necessary to complete the capital improvements and make it operational year-round, bring the Theatre into compliance with applicable building codes, as the existing conditions, having been constructed in 1929, are deficient with respect to accessibility for persons with disabilities and related building code requirements. The Plans also contemplate the installation of a modern heating, ventilation and air-conditioning system necessary to provide climate stabilization for the Theatre, as the present lack of air-conditioning generates conditions within the Theatre that render it unusable in warm months, and that also cause the incursion of significant high-humidity within the Theatre,
C. The Parties acknowledge that in order to permit the redevelopment of the Property in accordance with the Plans, it will be necessary to approve final plans for the Property. The Property is presently zoned in a fashion anticipated to be consistent with the Plans. If, however, final plans show conditions that require the granting of any zoning permits or permissions, then undertaking that rezoning process will require the completion of certain public hearings, and other conditions precedent to final approvals being granted. However, the proposed development is adequately advanced in planning as to be eligible for consideration of an incentive agreement. Further, the Owner is at a point of incurring substantial professional fees and related costs which are eligible for reimbursement through the development incentive contemplated herein. Because the preliminary analysis of costs on the project has demonstrated that the project has a significant financing gap and would not independently be financeable, the Owner has indicated that but-for the provision of the incentive contemplated herein, it would not undertake the project. Accordingly, the Parties have entered into this Agreement so as to provide an incentive for the Owner to complete further preparation of final plans, to incur the expenses associated with rezoning the Property (if necessary), and otherwise to proceed with the proposed project, subject to the contingencies outlined herein. The Owner has also indicated that a substantial source of funding for the project contemplated herein, to supplement the incentive contemplated herein, is the solicitation of charitable donations and fundraising efforts. The Owner has indicated that such efforts are more productive where the Owner can demonstrate a committed source of dollars to match contributions and/or to meet a portion of the costs of completing the project, thus necessitating the City to commit to the project as described herein, and to provide the funding contemplated herein on an expedited basis.

D. The City and the Owner thus have negotiated and have voluntarily entered into this Agreement for purposes of enabling the redevelopment of the Property consistent with the Plans and this Agreement, subject to further agreement or amendment as described below.

E. The City acknowledges that the Owner’s proposed use of the Property, as set forth in this Agreement, will be compatible with and will further the planning objectives of the City and that the redevelopment of the Property to the City 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 contemplated herein, and that the City’s agreement to conditionally approve 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.
F. All other and further notices, publications, procedures, public hearings and other matters attendant to the consideration and approval of this Agreement and the conditional approval of an incentive for the Property 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.

G. 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 G, 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: ZONING OF THE PROPERTY

A. Preliminary Contingencies:

The Parties acknowledge and agree that the Property, as presently zoned, is anticipated to be appropriate for the use contemplated by the Plans. If it should be necessary to address the zoning of the Property, the Parties agree that they shall collaborate regarding the granting of any variances, special uses, or other zoning changes of the Property. The Parties shall determine conclusively whether any zoning change is required within ninety (90) days of the date of approval of this Agreement, and if any zoning action is required, the Owner shall promptly petition the City to initiate the same, and the City shall diligently process the petition(s) consistent with the City’s Unified Development Ordinance.

Providing that the Owner fully satisfies all contingencies outlined in this Agreement the City hereby pledges the TIF funds the City has then available, up to the amount identified herein, for the Project. Owner acknowledges and agrees that the City is not representing that it currently has sufficient TIF funds to satisfy the City’s funding obligations anticipated by this Agreement, and in evaluating this Agreement and the potential to develop the Property, Owner has not relied upon any statement or condition not expressly outlined herein.

Notwithstanding the foregoing, the City agrees that, at such point in time that all contingencies outlined herein are satisfied in accordance with the terms of this Agreement, the City shall provide the funding contemplated herein, in accordance with the terms hereof. The intention and legally binding agreement of the Parties is to commit to the payment of the development incentive contemplated herein, subject to conditions that both of the Parties agree are reasonable and commercially customary conditions with respect to the payment of a development incentive. The City agrees and acknowledges
that, by virtue of the approval of this Agreement, it hereby allocates and dedicates the TIF funding it has available towards the costs of the project contemplated herein, and shall reserve such funding for use towards the eligible costs outlined herein.

B. **Additional Property:**

The Parties acknowledge that, during the course of planning the development of the Property, Owner may elect to, or may be required to, purchase or acquire other parcels of land in the vicinity of the Property, in order to facilitate the orderly development of the Property, to provide access thereto, or to address stormwater detention or other utility related issues. Such acquisitions shall be considered to be a component of this Agreement and eligible components of the costs incentivized hereunder. Should the Parties later agree, by virtue of a final development agreement or otherwise, to include additional properties within the development, then the intent of the Parties is to read this Agreement as including such additional properties within the definition of Property as contained herein, to subject such additional properties to the zoning and related contingencies described herein, and otherwise to treat such additional properties as a component of the Property, notwithstanding that Owner has not, at time of approval of this Agreement, acquired such other properties. Should the Parties determine that additional property is required, the Parties agree to collaborate in good faith regarding the acquisition of lease or purchase rights to such additional property in accordance with applicable laws.

In addition, the Parties acknowledge that the Owner is required to acquire, from the City, a portion of the existing alleyway commonly referred to as Palmer Court, which the City owns in fee simple. The Parties acknowledge that pursuant to the Plans, a portion of such alleyway is required by Owner for completion of the project described herein. The City agrees that, contingent upon approval of the final development agreement contemplated herein, it shall initiate the process required to consider conveyance of such property pursuant to applicable law. The configuration and exact location of the area considered for conveyance shall be as specified in the final development agreement.

**ARTICLE III: DEVELOPMENT AND MAINTENANCE OF THE PROPERTY:**

A. **Further Agreement Required:**

The Parties acknowledge that under the terms of development agreements customarily utilized by the City, the Owner will be required to commit to developing the Property in accordance with applicable zoning and development standards, to install and/or connect to such utility connections as shall be required for the Property, to construct such road improvements, traffic control devices or access points as shall be necessary to access the Property, to pay such fees as shall be applicable to the development of the Property, to commit to the future maintenance of the Property, to consent to the creation of a backup special service area for the Property, to agree to indemnify, defend, hold harmless and insure the City and specified related parties, and with regard to any component of the operation of the Property that is subject to licensure (such as liquor licensure or fire life-safety licenses), agree to reasonable operational
standards to be identified in a final development agreement requiring the Owner to consent to the licensure of the Property, provision of public safety camera access on the outside of the building, and consent to inspections of the Property and related conditions. The Owner will also be required to agree to provisions relating to the orderly development and construction of the Property, provision of financial security for public improvements, if any are required, site control regulations, review and permitting processes and related matters in keeping with the City’s codes and policies that are generally applicable to similar development projects. The Owner acknowledges that the city’s customary requirements shall be incorporated into a final development agreement for the Property, with Owner’s acceptance of such terms being required in order to satisfy the contingency described in herein.

The Parties further agree and acknowledge that they have discussed the operation of the Property by Owner, as well as the disposition of the Property should Owner cease operation of the Property or should its use as a not-for-profit operation propose to cease. The final development agreement contemplated above shall be required to include terms and conditions mutually acceptable to the Parties with respect to the ownership and operation of the Theatre, as well as conditions securing its continuing benefit and availability to the community. The final development agreement shall also provide the City with membership on the Owner’s governing body, in form and content mutually acceptable to both Parties.

The Owner shall also, at the time of approval of the final development agreement, provide adequate assurance and evidence of its financial capacity to complete the project as described herein, or such portion of it as the City shall be contributing funds towards the costs of.

**ARTICLE IV: PROJECT STAGING:**

The Parties acknowledge that the construction of the project upon the Property shall be staged. The Parties further acknowledge that the timeline contained in this Agreement may be extended by the City Council from time to time without requiring an amendment of this Agreement.

1) The Owner shall submit preliminary (or proposed final) plans, engineering documents and related documents and any required petitions or applications or rezoning or other required approvals, and shall initiate any zoning changes of the Property necessitated by the Project, within ninety (90) days of the date of approval of this Agreement. Such plans shall include detail regarding the conceptual floorplans, proposed architectural elevations, site layout and setbacks, utility connections and stormwater management, traffic flow, proposed uses and such additional information as shall be required by the Community Development Director.

2) The Owner shall immediately collaborate with City staff with regard to the identification of any additional properties which are required to be acquired for the orderly development of the Property pursuant to Article II(B) above, and shall
expeditiously proceed to purchase or secure options to purchase such parcels.

3) The Parties acknowledge that portions of the additional properties (if any) may remain in use pending completion of the renovation/construction on the Property, and pending the date of rightful and/or voluntary termination of the subject occupancies.

4) Before or contemporaneously with the approval of preliminary (or final) plans, Owner shall consult with the Chief Building Official of the City regarding proposed architectural plans for the renovation of the Property.

5) Upon approval of the final plans and a final development agreement by the City Council, Owner shall expeditiously generate and submit final architectural plans, seek and apply for building permits and shall undertake construction or renovation of the buildings on the Property in accordance with the approved final plans.

6) Owner shall complete all construction on the Property within eighteen (18) months of the date of approval of the final plans by City Council.

7) Pending completion of the construction, and at all times prior to and subsequent to the approval of final plans by the City Council, Owner shall maintain the existing facilities on the Property in a condition that complies with applicable Property Maintenance Codes.

**ARTICLE V: DEVELOPMENT INCENTIVE:**

A. **Necessity of Incentive:**

The Parties acknowledge that the Property, as currently configured, does not allow for realization of its full economic impact to the downtown, nor does the lack of modern mechanical equipment provide adequate climate control necessary for the preservation of its unique architectural features. The Parties further acknowledge that the buildings comprising the Property are blighted within the statutory definitions contemplated by the Tax Increment Financing Allocation Act ("TIF Act"), and that the Owner is proposing to undertake a project that will incur substantial TIF-eligible expenses. The Parties further acknowledge that the Project is anticipated to generate substantial new revenues for the City and for other affected taxing districts and public entities, along with substantial new opportunities for commerce in the City's downtown and other areas. Further, the Parties acknowledge that but-for the provision of the incentive described herein, the Owner would be unable to undertake the project contemplated herein, as based upon extensive study of the proposed project and its costs, and the Parties have mutually concluded that this project would not be economically feasible and the Owner would not undertake the project. Accordingly, the Parties agree and acknowledge that the Development Incentive as described herein is necessary in order to induce this project to occur, and satisfies all requirements applicable to such an incentive.

B. **Development Incentive Defined:**

The Owner commits that it shall invest not less than Four Million Dollars ($4,000,000) in the completion of the project as defined herein ("Project Completion Costs"), and shall proceed to construct all phases of the project (after obtaining required approvals and satisfying contingencies outlined herein) in a good and workmanlike manner. Following such approvals and contingencies, the City shall provide a total
Development Incentive of Two Million Five Hundred Thousand Dollars ($2,500,000), payable through one or more phases as described herein ("the Development Incentive"). All provisions of this Article V are contingent upon the Owner obtaining final approval of its plans as described above. The total Development Incentive shall be an amount not to exceed the lesser of: 1) $2,500,000; or, 2) the sum of all TIF Eligible Costs as defined herein. Should the Project Completion Costs for the completion of the entirety of the project as described herein cost less than the anticipated $4,000,000, the City shall not diminish the amount of the Development Incentive, but Owner shall be required to deposit such savings (calculated as the sum of $4,000,000 less the actual Project Completion Costs) into a segregated account for expenditure towards future Capital Costs associated with the future and further improvement of the Property, and shall provide the City with documentation of such segregation of funds, and proof of use of such funds, in form and content acceptable to the City. "Capital Costs", for purposes of this limitation, shall exclude maintenance and operational costs, and shall be limited to capital costs for future improvements to the Property for projects described in the attached Exhibit C, or any amendments thereto that may be approved by the City hereafter.

C. Definition of Eligible Costs:

1. Project Completion Costs, as described above, shall include all costs relating to the planning, purchase, demolition, remediation, restoration or construction of the project on the Property inclusive of the buildings on the Property, and such other costs as shall be included within the definition of Project Completion Costs as contemplated within the final development agreement. It shall include: all costs of property acquisition and closing costs, including costs necessary to buyout of and/or relocation of existing tenancies, without the expenditure of which by Owner this project could not move forward as described and contemplated herein; demolition, environmental remediation and site restoration costs; professional design and engineering fees; costs of utility service, installation or relocation, including without limitation underground storm water pipes, sanitary runs or pipes, relocation of electric services and equipment, grease traps; interim financing and construction bridge loan interest costs; legal and other professional fees; costs associated with processing lien waivers and payment of project expenses; contractor, subcontractor and materialmen costs; mobilization, site-heating, temporary utility or other construction related costs; permit fees, tap-on, connection or recapture fees; delivery expenses; costs of permanent fixtures, furnishings and equipment; costs of constructing any public improvements that are directly associated with the completion of the project (e.g. sidewalks, driveway aprons, lighting); and other costs that are directly related to the construction on the Property and the improvements contemplated by the approved final plans.

2. TIF Eligible Costs shall include those costs which are eligible for reimbursement under the TIF Act to the fullest extent of the law, including but not limited to site assembly and acquisition costs, demolition and remediation costs, costs associated with providing or relocating public utilities to the Property, professional fees associated with the design, architecture, and/or engineering of the Property, costs associated with making permanent physical
improvements to existing structures on the Property, and any other TIF eligible costs, whatsoever. TIF Eligible Costs shall only include costs incurred after the date of approval of this Agreement. Such costs shall be eligible for inclusion within the TIF Eligible Costs without regard to whether they are incurred before or after the contingencies contemplated herein are satisfied, and without regard to whether they are incurred before or after the property is rezoned and/or subjected to the requirements of a final development agreement.

3. For any cost to be included as a Project Completion Cost or TIF Eligible Cost, said cost must be documented in accordance with the Project Cost Documentation requirements that the City customarily utilizes, which shall be appended to the final development agreement for the Property, if approved.

D. Payment of Development Incentive:

The timing of payments of the Development Incentive shall be as established in the final development agreement for the Property, if all contingencies contemplated herein are satisfied.

E. Forgiveness of Development Incentive:

The Development Incentive described herein is intended to be repaid as a forgivable grant. The Forgiveness Period shall be for a period of thirty (30) years, commencing upon the last date of payment of any portion of the Development Incentive from the escrow account described above (i.e. complete payment of all incentivized expenses), and concluding on the date which is the thirtieth anniversary of said date. The terms of forgiveness shall require the Owner to maintain operations of the Theatre for the duration specified above, in accordance with the terms of this Agreement and the final development agreement for the Property (and any amendments thereto). Should Owner so perform, the incentive contemplated herein shall be deemed to have been forgiven in full. Should the Owner fail to perform, the City may, at such point, enforce its right of repayment by virtue of a contract action seeking damages for violation of this Agreement (if Owner refuses to pay upon demand), may initiate an action for foreclosure of the City’s mortgage(s), or may pursue such other legal or equitable remedies as may exist. Notwithstanding the foregoing to the contrary, the City understands and agrees that the Owner may have legitimate need to borrow additional funds in the future from third party sources for necessary capital improvements or other things, and the City hereby agrees that it shall subordinate its mortgage to other commercially reasonable mortgages and/or interests that are reasonably necessary for operation of the Theatre and maintenance of the Property, provided that Owner is not in default and there is no other similar cause for the City to refuse to subordinate its loan and mortgage. The City Manager shall be authorized and directed to approve such subordination without requirement of City Council approval.

F. Limitation of Liability:

The Parties acknowledge that the City’s liability to pay the Development Incentive shall be expressly limited to funds available to the City in the City’s Special Tax Allocation Fund, which Fund has as its sole source of revenue incremental taxes collected in the City’s TIF Districts. Should the City not have adequate funding within
the Special Tax Allocation Fund for any reason, the City shall not be obligated to make payments of the Development Incentive hereunder, without regard to whether Owner has satisfied the contingencies contemplated herein.

Owner may not compel any exercise of taxing authority by the City to make payments provided for hereunder. The provisions of this Agreement do not constitute indebtedness or a loan of credit of either Party within the meaning of any constitutional or statutory provision, except to the extent required to permit enforcement of the City's rights under the corporate undertaking, promissory note and mortgage required herein. To the extent required by law, for each year during the term of this Agreement, the City hereby agrees that it will budget for and appropriate funds necessary to satisfy its obligations hereunder. Such appropriation shall be a part of City's annual budget adopted in accordance with the Illinois Municipal Code and applicable provisions of City Code. The City shall make any appropriation necessary for the year that the Agreement is entered into by means of a budget amendment, if any is necessary. All references to provisions in the Illinois Municipal Code are to provisions as in effect now and as hereafter amended.

G. Need for Present Development Incentive Commitment:

The Parties agree and acknowledge that, in order for Owner to secure commercial financing to render the redevelopment of the Property possible, Owner is required to secure the City's commitment to utilize a development incentive as contemplated herein. The Parties further acknowledge Owner's intention to initiate and work diligently towards completion of the redevelopment project contemplated herein within calendar year (and City fiscal year ("FY")) 2019. In order to secure commercial financing and donated funds, the Owner is required to demonstrate the funding and availability of the Development Incentive, and in order to make that demonstration, the City is obligated to allocate presently available funds to this project, to budget and appropriate said funds within FY2019 for this project and this Property, and otherwise to comply with this Agreement. Such actions are required in order to enable Owner to proceed with the plans contemplated herein which are required to satisfy the contingencies of this Agreement.

The City agrees that, for FY2019, it shall budget an adequate sum to cover the incentive contemplated herein. Immediately upon approval of the plans and a final development agreement for the Property and the satisfaction of the contingencies outlined herein (and any conditions precedent identified in the final development agreement), the City agrees that it shall transfer such budgeted funds from the Special Tax Allocation Fund to a commercial escrow account for the purpose of providing funding to pay TIF Eligible Costs as defined above. The transfer of funds to such commercial escrow and the payment of any funds from the escrow shall be subject to the implementation of restrictions acceptable to the City with regard to project and TIF eligibility demonstration and documentation in accordance with the City's usual and customary practices for development projects of this nature. Such requirements shall be documented in the final development agreement for the Property. The Parties agree and acknowledge that the City's commitment to budgeting funds in FY2019 and transferring funds to a commercial escrow account as contemplated herein is necessary
in order to enable the financing of the Property and the project contemplated herein, and thus necessary to eliminate the blight contained on the Property.

The City acknowledges that the Property is within the Central Area Tax Increment Financing District, commonly referred to as TIF 1. The financial projections for TIF 1 for FY2019 presently show TIF 1 lacking adequate funding in order to cover the costs associated with the project and the redevelopment of the Property. Accordingly, the City agrees that it shall commit funding from the adjacent Tax Increment Financing District 2 ("TIF 2") to funding of the project and redevelopment of the Property, and shall port and transfer such funds from TIF 2 to TIF 1, for retention in the TIF 1 Special Tax Allocation Fund and for ultimate transfer to the commercial escrow, pending satisfaction of the contingencies contemplated herein. The Parties further agree that should the City take action to create the proposed TIF 3, the Parties shall undertake a mutually acceptable amendment to this Agreement, to transfer the obligation contemplated herein from TIF 1 to TIF 3. The Parties further acknowledge that TIF 3, if created, is projected to not have adequate fund balance or incremental revenue to cover the costs and obligations contemplated herein, again rendering the transfer or porting of funds necessary.

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:

1. This Agreement contains specific timelines for the development of the Property. Those timelines may be extended by the City Council, with agreement of the Owner, from time to time by resolution, without requiring an amendment of this Agreement, for good cause shown by Owner, in the Council's discretion.

2. In the event the Owner fails to obtain approval of the final plans or if the City reasonably determines that the final plans are not acceptable in keeping with applicable Codes, regulations and laws, then the City may terminate this Agreement upon provision of written notice to Owner, providing that the City provides the Owner written notice of the specific reasons that the plans are not acceptable and a reasonable opportunity, but not less than forty-five (45) days, for the Owner to revise the plans and address the deficiencies.
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 forty-five (45) 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 forty-five (45) 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 forty-five (45) days of such default notice (provided, however, that said forty-five (45) 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.

ARTICLE VIII: TERM:

The Parties acknowledge that this Agreement has been negotiated in furtherance of the redevelopment of the Property. This Agreement shall have a term of two (2) years from the date of approval by the City Council and should the contingencies contemplated herein not be satisfied within two (2) years, this Agreement shall terminate without
requirement of further notice. Notwithstanding the foregoing, the Parties agree and acknowledge that it is their intention to extend the term of this Agreement by an amendment hereto in the form of the final development agreement contemplated herein upon Owner's satisfaction of all contingencies described above, which amended agreement shall have a term of not less than thirty (30) years.

ARTICLE IX: MISCELLANEOUS:

A. Amendment:

This Agreement, and the exhibits attached hereto, may be amended only by mutual consent of the City and Owner of an affected Parcel, by adoption of an ordinance 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 zoning of the Property is ruled invalid, in whole or in part, the Corporate Authorities, 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, lessees, 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.

2. This Agreement shall not be assigned without the City's express, written approval as memorialized via a resolution of the City Council. This Agreement may be assigned with the City's consent, pursuant to a written amendment to this Agreement. Such amendment shall provide for the transfer of obligations to the successor owner/assignee, and may also provide for any proposed changes in use of the Property or the scope of the redevelopment project.
3. Except as provided in the preceding subsection, the Owner shall not be authorized to engage in any sale, encumbrance, hypothecation or assignment of the Property or the rights conveyed under this Agreement, prior to the date upon which all final certificates of occupancy on the Property are issued, and all of the improvements described in the final plans (once approved) have been constructed. 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:
City Manager
City of DeKalb
200 South Fourth Street
DeKalb, IL 60115
Telephone: 815-748-2090

City Attorney
City of DeKalb
200 South 4th Street
DeKalb, IL 60115
Telephone: 815-748-2093

If to the Owner:
Egyptian Theatre
135 N. 2nd Street
DeKalb, IL 60115

With a Copy To:
Kevin G. Drendel
Drendel & Jansons Law Group
111 Flinn Street
Batavia, IL 60510
(630) 406-5440
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:
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.

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

   Exhibit A: Legal Description of the Property
   Group Exhibit B: Concept Plans
   Exhibit C: Capital Projects List

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 including but not limited to a knowing, voluntary waiver of the right to pursue any claim in federal court.

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 DEKALB, an Illinois Municipal corporation

By: Jerry Smith, Mayor

Lynn A. Fazekas, City Clerk

OWNER:

By: [Signature]

Attest: [Signature]

Printed Name: DANIEL J. SCHONE

Printed Name: Jason Michnauck
The Property is legally described as:

PIN: 08-23-158-005

COMMON ADDRESS: 135 N. 2ND STREET DEKALB, ILLINOIS

PARCEL 1: THE EAST 3 FEET OF LOTS 51 AND 52; LOT 58 (EXCEPT THE SOUTH 168.3 FEET THEREOF) AND ALL OF LOT 66 AS SHOWN UPON A PLAT OF THE COUNTY CLERK’S SUBDIVISION OF BLOCK 1, CITY OF DEKALB, RECORDED AS DOCUMENT NO. 103420 IN BOOK “F” OF PLATS ON PAGE 22 IN THE DEKALB COUNTY RECORDER’S OFFICE AT SYCAMORE, ILLINOIS (EXPECTING THEREFROM THE FOLLOWING: THAT PART OF LOT 58, COUNTY CLERK’S SUBDIVISION OF BLOCK 1, DEKALB, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 58; THENCE EASTERLY ALONG THE NORTH LINE THEREOF TO THE NORTHEASTERLY CORNER THEREOF; THENCE SOUTHERLY ON THE EASTERLY LINE THEREOF A DISTANCE OF 3.04 FEET TO A POINT WHICH IS THE INTERSECTION OF SAID EASTERLY LINE AND THE EASTERLY PROLONGATION OF THE SOUTH LINE OF THE WESTERLY 90 FEET OF LOT 52 OF SAID SUBDIVISION; THENCE WESTERLY ALONG SAID EASTERLY PROLONGATION A DISTANCE OF 21.15 FEET TO THE WESTERLY LINE OF SAID LOT 58; THENCE NORTHERLY ALONG SAID WESTERLY LINE TO THE POINT OF BEGINNING, EXPECTING FROM THE ABOVE DESCRIBED THE EASTERLY 3 FEET THEREOF.)

PARCEL 2: A PART OF LOT 67 OF THE COUNTY CLERK’S SUBDIVISION OF BLOCK 1 DESCRIBED AS FOLLOWS TO-WIT: COMMENCING AT A POINT ON THE WEST LINE OF LOT 67 129.7 FEET SOUTH OF THE NORTH LINE OF SAID LOT 67; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 67 4.2 FEET; THENCE NORTHERLY PARALLEL WITH THE WESTERLY LINE OF SAID LOT 67 8.5 FEET; THENCE WESTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 67 4.2 FEET TO THE WESTERLY LINE OF SAID LOT 67 THENCE SOUTH ALONG SAID LINE TO THE PLACE OF BEGINNING, ALL IN DEKALB COUNTY, ILLINOIS.
A3.1 EAST & WEST ELEVATIONS
EGYPTIAN THEATRE ADDITION
DEKALB, ILLINOIS
Group Exhibit C: Capital Projects List

Electrical repairs and upgrades
Mechanical repairs and upgrades
Plumbing repairs and upgrades
Building safety and security system repairs and upgrades
Historical restoration work
Roof and structural repairs
Tuckpointing
Accessibility upgrades
CITY OF DEKALB, ILLINOIS

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended December 31, 2018
## CITY OF DEKALB, ILLINOIS

### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT</td>
<td>1</td>
</tr>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTARY INFORMATION</td>
<td>2</td>
</tr>
<tr>
<td>SUPPLEMENTARY INFORMATION</td>
<td></td>
</tr>
<tr>
<td>Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Tax Increment Financing</td>
<td>3</td>
</tr>
<tr>
<td>Tax Increment Financing Districts Redevelopment Funds</td>
<td></td>
</tr>
<tr>
<td>Schedule of Fund Balance by Source</td>
<td></td>
</tr>
<tr>
<td>Tax Increment Financing #1 Fund</td>
<td>4</td>
</tr>
<tr>
<td>Tax Increment Financing #2 Fund</td>
<td>5</td>
</tr>
<tr>
<td>TIF Debt Service Fund</td>
<td>6</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

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

We have examined management’s assertion, included in its representation letter dated June 25, 2019 that the City of DeKalb, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2018. Management is responsible for the City’s assertion and for compliance with those requirements. Our responsibility is to express an opinion on management’s assertion about the City compliance based on our examination.

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

In our opinion, management’s assertion that the City of DeKalb complied with the aforementioned requirements for the year ended December 31, 2018 is fairly stated, in all material respects.

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

Sikich LLP
Naperville, Illinois
June 25, 2019
INDEPENDENT AUDITOR’S REPORT
ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of DeKalb, Illinois (the City) as of and for the year ended December 31, 2018, which collectively comprise the basic financial statements of the City and have issued our report thereon dated June 25, 2019, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information (schedule of revenues, expenditures, and changes in fund balances and schedules of fund balance by source for the Tax Increment Financing #1 Fund, Tax Increment Financing #2 Fund and Tax Increment Financing Debt Service Fund) are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP
Naperville, Illinois
June 25, 2019
<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Debt Service Fund</th>
<th>Special Revenue Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tax Increment Financing #1</td>
<td>Tax Increment Financing #2</td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 7,085,132</td>
<td>$ 1,476,057</td>
</tr>
<tr>
<td>Investment Income</td>
<td>258,751</td>
<td>2,043</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,359</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>7,346,242</td>
<td>1,478,100</td>
</tr>
</tbody>
</table>

| EXPENDITURES             |                  |                      |
| Community Development    |                  |                      |
| Contractual Services    | 208,465          | 5,718,971            | -                | 5,927,436             |
| Capital Outlay           | 5,827,156        | 312,571              | -                | 6,139,727             |
| Debt Service             |                  |                      |
| Principal Retirement    | -                | -                    | 1,020,000        | 1,020,000             |
| Interest and Fiscal Charges | -           | -                    | 173,200          | 173,200               |
| Total Expenditures       | 6,035,621        | 6,031,542            | 1,193,200        | 13,260,363            |

<table>
<thead>
<tr>
<th>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1,310,621</td>
<td>(4,553,442)</td>
</tr>
<tr>
<td></td>
<td>(1,193,200)</td>
</tr>
<tr>
<td></td>
<td>(4,436,021)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER FINANCING SOURCES (USES)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers In</td>
<td>3,392,076</td>
</tr>
<tr>
<td></td>
<td>(1,193,200)</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>2,198,876</td>
</tr>
<tr>
<td></td>
<td>(3,392,076)</td>
</tr>
<tr>
<td></td>
<td>1,193,200</td>
</tr>
<tr>
<td>NET CHANGE IN FUND BALANCES</td>
<td></td>
</tr>
<tr>
<td>3,509,497</td>
<td>(7,945,518)</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(4,436,021)</td>
</tr>
</tbody>
</table>

| FUND BALANCES, JANUARY 1        |                  |
| 1,229,458                       | 8,598,606         |
|                                | -                 |
|                                | 9,828,064         |
| Prior Period Adjustment        |                  |
| (365,640)                       | -                 |
|                                | -                 |
|                                | (365,640)         |

| FUND BALANCES, JANUARY 1 (RESTATED) |                  |
| 863,818                           | 8,598,606         |
|                                | -                 |
|                                | 9,462,424         |

| FUND BALANCES, DECEMBER 31       |                  |
| $ 4,373,315                      | $ 653,088         |
|                                | -                 |
|                                | $ 5,026,403       |

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

SCHEDULE OF FUND BALANCE BY SOURCE
TAX INCREMENT FINANCING #1 FUND

For the Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>BEGINNING BALANCE, JANUARY 1, 2018</th>
<th>$ 1,229,458</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Period Adjustment</td>
<td>(365,640)</td>
</tr>
<tr>
<td>BEGINNING BALANCE, JANUARY 1, 2018 (RESTATED)</td>
<td>863,818</td>
</tr>
</tbody>
</table>

DEPOSITS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>7,085,132</td>
</tr>
<tr>
<td>Investment Income</td>
<td>258,751</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,359</td>
</tr>
<tr>
<td>Transfers In</td>
<td>3,392,076</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>10,738,318</td>
</tr>
<tr>
<td>Balance Plus Deposits</td>
<td>11,602,136</td>
</tr>
</tbody>
</table>

EXPENDITURES AND TRANSFERS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development</td>
<td>208,465</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>5,827,156</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>1,193,200</td>
</tr>
<tr>
<td>Total Expenditures and Transfers</td>
<td>7,228,821</td>
</tr>
</tbody>
</table>

ENDING BALANCE, DECEMBER 31, 2018

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 4,373,315</td>
</tr>
</tbody>
</table>

ENDING BALANCE BY SOURCE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$ 4,373,315</td>
</tr>
<tr>
<td>Subtotal</td>
<td>4,373,315</td>
</tr>
<tr>
<td>Less Surplus Funds</td>
<td>-</td>
</tr>
<tr>
<td>ENDING BALANCE</td>
<td>$ 4,373,315</td>
</tr>
</tbody>
</table>

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

**SCHEDULE OF FUND BALANCE BY SOURCE**

**TAX INCREMENT FINANCING #2 FUND**

For the Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>Beginning Balance, January 1, 2018</th>
<th>$ 8,598,606</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deposits</strong></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>1,476,057</td>
</tr>
<tr>
<td>Investment Income</td>
<td>2,043</td>
</tr>
<tr>
<td><strong>Total Deposits</strong></td>
<td>1,478,100</td>
</tr>
<tr>
<td><strong>Balance Plus Deposits</strong></td>
<td>10,076,706</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>Community Development</td>
<td>5,718,971</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>312,571</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>3,392,076</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>9,423,618</td>
</tr>
<tr>
<td><strong>Ending Balance, December 31, 2018</strong></td>
<td>$ 653,088</td>
</tr>
</tbody>
</table>

**Ending Balance by Source**

<table>
<thead>
<tr>
<th>Property Tax</th>
<th>$ 653,088</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subtotal</strong></td>
<td>653,088</td>
</tr>
<tr>
<td>Less Surplus Funds</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$ 653,088</td>
</tr>
</tbody>
</table>

(See independent auditor's report.)

- 5 -
# CITY OF DEKALB, ILLINOIS

**SCHEDULE OF FUND BALANCE BY SOURCE**

**TIF DEBT SERVICE FUND**

For the Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING BALANCE, JANUARY 1, 2018</strong></td>
<td>$ -</td>
</tr>
<tr>
<td><strong>DEPOSITS</strong></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>1,193,200</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>1,193,200</td>
</tr>
<tr>
<td>Balance Plus Deposits</td>
<td>1,193,200</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,193,200</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>1,193,200</td>
</tr>
<tr>
<td><strong>ENDING BALANCE, DECEMBER 31, 2018</strong></td>
<td>$ -</td>
</tr>
<tr>
<td><strong>ENDING BALANCE BY SOURCE</strong></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>$ -</td>
</tr>
<tr>
<td>Subtotal</td>
<td>-</td>
</tr>
<tr>
<td>Less Surplus Funds</td>
<td>-</td>
</tr>
<tr>
<td><strong>ENDING BALANCE</strong></td>
<td>$ -</td>
</tr>
</tbody>
</table>

(See independent auditor's report.)
INDEPENDENT AUDITOR’S REPORT

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

We have examined management’s assertion, included in its representation letter dated June 25, 2019 that the City of DeKalb, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2018. Management is responsible for the City’s assertion and for compliance with those requirements. Our responsibility is to express an opinion on management’s assertion about the City compliance based on our examination.

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

In our opinion, management’s assertion that the City of DeKalb complied with the aforementioned requirements for the year ended December 31, 2018 is fairly stated, in all material respects.

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

Sikich LLP
Naperville, Illinois
June 25, 2019