

Name of Municipality:	<u>Morton Grove</u>	Reporting Fiscal Year:	<b>2016</b>
County:	<u>Cook</u>	Fiscal Year End:	<b>12/31/2016</b>
Unit Code:	<u>016/365/32</u>		

First Name: Ralph	Last Name: Czerwinski	
Address: 6101 Capulina	Title: Village Administrator	
Telephone: 847-965-4100	City: Morton Grove	Zip: 60053
Mobile	E-mail-required: <a href="mailto:rczerwinski@mortongroveil.org">rczerwinski@mortongroveil.org</a>	
Mobile Provider	Best way to contact: <input checked="" type="checkbox"/> X Email <input type="checkbox"/> Mobile	<input checked="" type="checkbox"/> X Phone <input type="checkbox"/> Mail

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

Walter E. Gent

8-28-17

Written signature of TIF Administrator

Date \_\_\_\_\_

## FILL OUT ONE FOR EACH TIF DISTRICT

[illegible]

\*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.]**

**FY 2016**

<b>Name of Redevelopment Project Area:</b>	Lehigh Ferris RPA
<b>Primary Use of Redevelopment Project Area*:</b>	Retail, Other Commercial
<b>If "Combination/Mixed" List Component Types:</b>	
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
<b>Tax Increment Allocation Redevelopment Act</b> <u>  X  </u>	<b>Industrial Jobs Recovery Law</b> <u>      </u>

	No	Yes
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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	X	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		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)] <b>If yes, please enclose list only, not actual agreements labeled Attachment M</b>	X	

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

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**

**Provide an analysis of the special tax allocation fund.**

**FY 2016**

**TIF NAME: Lehigh Ferris RPA**

Fund Balance at Beginning of Reporting Period

\$ 5,211,208

<b>Revenue/Cash Receipts Deposited in Fund During Reporting FY:</b>	<b>Reporting Year</b>	<b>Cumulative*</b>	<b>% of Total</b>
Property Tax Increment	\$ 2,177,505	\$ 27,721,701	58%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 35,239	\$ 1,089,186	2%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 16,295,000	34%
Transfers from Municipal Sources			0%
Private Sources		\$ 9,329	0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 2,416,435	5%

\*must be completed where current or prior year(s) have reported funds

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period**

\$ 2,212,744

**Cumulative Total Revenues/Cash Receipts**

\$ 47,531,651 100%

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

\$ 1,355,877

**Distribution of Surplus**

**Total Expenditures/Disbursements**

\$ 1,355,877

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

\$ 856,867

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 6,068,075

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

**SURPLUS\*/(DEFICIT)(Carried forward from Section 3.3)**

\$ 938,075





[illegible]

PAGE 2

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Debt Payments on bonds to improve Sites A & B	620,520	
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620,520

\$	620,520
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\$

## SECTION 3.2 A

## PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,355,877

**FY 2016**

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

[illegible]

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

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

FY 2016

TIF NAME: Lehigh Ferris RPA

FUND BALANCE, END OF REPORTING PERIOD

\$ 6,068,075

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
TIF Taxable Note - Northern Trust final payment 2009	\$ 800,000	
TIF Taxable Note - LaSalle Bank final payment 2009	\$ 2,625,000	
Taxable 2009B G.O. Note-Park Ridge Bank final payment 2011	\$ 2,685,000	
Tax Exempt 2007 G.O. Bond final payment in 2024-Refunded	\$ 9,200,000	
Tax Exempt 2015 G.O. Bond final payment in 2029	\$ 5,130,000	\$ 5,130,000

Total Amount Designated for Obligations

\$ 20,440,000 \$ 5,130,000

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


Total Amount Designated for Project Costs

\$ -

TOTAL AMOUNT DESIGNATED

\$ 5,130,000

SURPLUS\*/(DEFICIT)

\$ 938,075

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing



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

**FY 2016**

**TIF NAME: Lehigh Ferris RPA**

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

  X   No property was acquired by the Municipality Within the Redevelopment Project Area

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

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

## SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2016

TIF NAME: Lehigh Ferris RPA

\*Page-1 is to be included with TIF Report. Pages 2-3 are to be included ONLY if projects are listed.

Box below must be filled in with either a check or number of projects, not both

Check if <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
<b>ENTER</b> total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below* _____ 1			
<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ 98,413,345	\$ -	\$ 98,413,345
Public Investment Undertaken	\$ 5,000,000	\$ -	\$ 5,000,000
Ratio of Private/Public Investment	19 43/63		19 43/63

**Project 1: \*IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE**

The Woodlands			
Private Investment Undertaken (See Instructions)	\$ 98,413,345		\$ 98,413,345
Public Investment Undertaken	\$ 5,000,000		\$ 5,000,000
Ratio of Private/Public Investment	19 43/63		19 43/63

**Project 2:**

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

**Project 3:**

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

**Project 4:**

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

**Project 5:**

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

**Project 6:**

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

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 complete TIF report

#### SECTION 6

FY 20156

TIF NAME: Lehigh Ferris RPA

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

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1998	\$ 14,743,872	\$ 36,408,194

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

☒ X The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

#### SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
N/A	N/A		\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

#### SECTION 8

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

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

Office of the Village Administrator



Incredibly Close • Amazingly Open

September 1, 2016

COPY

Mr. Mark Hoffmann  
Ala Carte Entertainment  
2330 Hammond Drive  
Schaumburg, IL 60173

Mark:

This correspondence summarizes our discussions regarding proposed amendments to the Economic Incentive and Tax Increment Allocation Financing Development Agreement by and between the Village of Morton Grove, Illinois and 8735 Narragansett Ave LLC dated January 6, 2016 ("the RDA"). This correspondence is intended to be confidential, although we agree that you may share its contents with your lender for this project. While the Mayor and Members of the Village Board have assured me they support these proposed amendments, no agreement is final or binding until it is approved by the Village Board at a public meeting.

By way of background, we understand 8735 Narragansett Ave LLC ("the LLC") is owned by the same principals who own Ala Carte Entertainment, LP. ("Ala Carte".) Ala Carte owns several Moretti's and other popular restaurants and entertainment venues throughout the Chicago area with decades of success. The Mayor and the Village Board remain excited about the prospect of opening a Moretti's Restaurant in the Village.

The Village and the LLC entered into the RDA on January 6, 2016. Under the terms of the RDA, the LLC will build a 10,000 to 12,000 square foot new restaurant/bar facility and operate it as a Moretti's Restaurant, similar in size and design as the Moretti's Restaurant in Hoffman Estates. The Village agreed to sell an approximately two-acre vacant parcel of commercial real estate located at 6415 Dempster Street, immediately east of the Metra rail road tracks, where the Moretti's Restaurant would be located, as well as two additional nearby smaller parcels at 8733 and 8721 Narragansett Avenue ("the 8733 property" and "the 8721 property", respectively), which would be improved with a 4,000 to 5,000 square foot video-gaming café and additional parking for the Moretti's Restaurant. The combined price for the real estate to be sold to the LLC was \$1,670,000.

The Village further agreed to hold a note and mortgage for 100% of the purchase price. The principal and interest of the note would be paid back (forgiven) by property and sales taxes paid to the Village by the LLC. This note and mortgage shall be subordinate to all other financing for the project. In addition, the Village agreed to grant a license agreement to the LLC to allow it to use a Village owned parcel at 8720 Ferris Avenue ("the Ferris property") for additional parking for an annual fee of \$10,000, with an option to purchase the property at a later date.

Subsequent to the execution of the RDA, soil testing revealed contamination on the property to be purchased by the LLC. The costs to remediate the contamination was estimated at \$300,000. The LLC also became concerned that the taxes paid by the Moretti's Restaurant would not be sufficient to pay the principal and interest owed to the Village for the purchase of the land, and the revenue



generated by the restaurant was not sufficient to support the debt service for financing the construction costs.

Village staff and the LLC have worked together to negotiate terms for an amendment to the RDA. Pursuant to these terms, the LLC has agreed to eliminate the video gaming café from the development, and will no longer need to purchase the 8733 property or use the Ferris property. The Village has agreed to reduce the sales price for the Village-owned property to \$1,525,000 and to pay and be responsible for the environmental remediation costs. The Village has further agreed to finance 100% of the costs to purchase the property. This financing shall be subordinate to any notes or mortgages incurred for the construction costs of the project. The Village will forgive 1/15<sup>th</sup> of the original principal amount of the loan for each full year the Moretti's Restaurant remains open for business; and shall forgive all amounts due if the Moretti's restaurant remains open for at least fifteen years.

Even with these concessions, the LLC remained concerned that the revenue generated by the Restaurant would be insufficient to cover the debt service for the restaurant's construction costs which have been estimated at \$4,350,000. Based on projected first year annual food and beverage revenue of \$ 2,860,000, the LLC has estimated \$372,300 in net revenue to support debt service for a loan for \$3,750,000, leaving a shortfall of \$636,000 ("the gap").

The Village will agree to loan the LLC the entire gap amount up to \$636,000 on an interest free basis. This note and mortgage ("the gap loan") shall also be subordinate to all other financing for the project. Full payment of the gap loan shall be due upon the sale of the property or when the Moretti's Restaurant ceases to operate. The Village will forgive 1/5<sup>th</sup> of the original principal amount of the gap loan for each full year the Moretti's Restaurant remains open for business after it has been open for fifteen full years; thereby forgiving all amounts due on the gap loan if the Moretti's restaurant remains open for at least twenty-years.

These terms are conditioned on an amendment to the RDA being executed by no later than September 30, 2016 , site work to begin for the project by no later than October 15, 2016 and the Moretti's Restaurant to be open for business on or before December 31, 2017.

Sincerely,



Ralph E. Czerwinski  
Village Administrator

Mark Hoffmann 9/1/16  
Approved

**AN ECONOMIC INCENTIVE AND  
TAX INCREMENT ALLOCATION FINANCING DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE VILLAGE OF MORTON GROVE, ILLINOIS  
AND 8735 NARRAGANSETT AVE LLC**

THIS ECONOMIC INCENTIVE AND TAX INCREMENT ALLOCATION FINANCING DEVELOPMENT AGREEMENT ("Agreement"), is dated the 6th day of January 2016, and is by and between the VILLAGE OF MORTON GROVE an Illinois municipal corporation ("Village"), and 8735 NARRAGANSETT AVE LLC, an Illinois Limited Liability Company c/o Mr. Mark Hoffmann, Vice President, 2330 Hammond Dr. Suite G, Schaumburg, IL 60173-3869 ("Developer"). The Village and Developer are collectively referred to as the "Parties".

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, the Parties agree as follows:

**SECTION 1. RECITALS.**

A. The Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of the Village and its residents, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to increase employment, and to enter into contractual agreements with developers and redevelopers for the purpose of achieving such objectives.

B. The Village is authorized under the provisions of Art. VII, Section 10 of the State of Illinois Constitution, 1970, to contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law.

C. The Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1 et seq. ("the Act"), to finance redevelopment project in accordance with and pursuant to the Act.

D. The Village is authorized under the provisions of the Illinois Municipal Code 65 ILCS 5/8-11-20 to enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality.

E. The Developer is an Illinois Limited Liability Company and its sole member is The Hoffmann Realty Trust dated September 21, 2007 (the "Trust"). The grantor and the beneficiaries of the Trust are collectively called the "Trust Parties". Such member is the sole member of limited liability companies that own real property that are operated or will be operated as Moretti's restaurants.

F. On January 24, 2001, the Village, pursuant to and in accordance with the Act, adopted (i) Ordinance No. 00-01 approving a Tax Increment Redevelopment Plan and a Tax Increment Redevelopment Project, (ii) Ordinance No. 00-02 designating a Tax Increment Redevelopment Project Area, and (iii) Ordinance No. 00-03 adopting Tax Increment Allocation Financing (collectively, "TIF Ordinances"), which established the Lehigh Ferris Tax Increment Finance Redevelopment Project Area ("TIF District").

G. The Developer owns an approximately 0.084 acre parcel of vacant land commonly known as 8735 Narragansett, Morton Grove IL ("8735 Narragansett") which is located in the TIF District. The legal description and PIN number(s) of 8735 Narragansett are set forth in Exhibit A.

H. The Village owns the following parcels of vacant land in the TIF District:

1. Approximately 2.1 acres commonly known as 6415 Dempster Street & 8707-8 Lincoln Avenue, Morton Grove, IL ("Site J"). Site J includes the tax parcels identified with the legal description and Property Index Numbers listed on Exhibit B. Site J is currently vacant with the exception of an underground detention facility, which was built in 2007.
2. Approximately 0.084 acres commonly known as 8733 Narragansett, Morton Grove IL ("8733 Narragansett"). The legal description and PIN number(s) of 8733 Narragansett are set forth in Exhibit C.
3. Approximately 0.20 acres commonly known as 8721 Narragansett, Morton Grove IL ("8721 Narragansett"). The legal description and PIN number(s) of 8721 Narragansett are set forth in Exhibit D.
4. Approximately 0.28 acres commonly known as 8720-8726 Ferris Avenue, Morton Grove IL ("8720 Ferris"). The legal description and PIN number(s) of 8720 Ferris are set forth in Exhibit E.

Collectively Site J, 8733 Narragansett, 8721 Narragansett and 8720 Ferris are "the Village property" and Site J, 8735 Narragansett, 8733 Narragansett, 8721 Narragansett and 8720 Ferris are "property" or "the project property".

I. The Village proposes to sell Site J to the Developer so long as the Developer agrees to develop, construct, and operate or cause an entity controlled by the Trust Parties to operate an approximately 12,000 square foot restaurant and parking facility on Site J and own and operate or cause an entity controlled by the Trust Parties to own and operate said restaurant as a Moretti's Ristorante & Pizzeria restaurant and catering facility ("Moretti's").

J. The Developer is willing to purchase Site J and develop construct and operate or cause an entity controlled by the Trust Parties to own and/or operate the aforescribed restaurant on the site but only if:

1. The Village sells the Developer 8733 Narragansett, which along with 8735 Narragansett, will be developed as a video gaming café;
2. The Village sells the Developer 8721 Narragansett and gives a license to the Developer for the use of 8720 Ferris, which will be improved as additional parking for the Moretti's restaurant; and
3. Provide certain economic incentives as further described in this agreement.

Collectively, the development, operation, and maintenance of the Moretti's restaurant, the video gaming café and the parking areas are "the Development".

K. The Developer has represented to the Village that, without the cooperation of the Village and the economic incentives provided for in this agreement, the Development is not economically feasible and the Developer would not undertake the Development.

L. The Development is an important project to meet the overall objectives of the Lehigh Ferris TIF District, thereby implementing and bringing to a completion a significant portion of the TIF Plan.

M. The Village desires to have the Village Property developed in accordance with and pursuant to this Agreement to clear the blighting factors and characteristics of the TIF District, to promote the health, safety, and welfare of the Village and its residents, to encourage further private investment and development, enhance the Village's tax base, increase employment opportunities for Village residents, and enhance the future tax revenues for those overlying taxing bodies who levy against the Project Property, and within the TIF District.

- N. The Village specifically finds pursuant to 65 ILCS 5/8-11-20 that:
1. The Village property has remained vacant for at least one year;
  2. The Development is expected to create or retain job opportunities within the Village;
  3. The Development will serve to further the development of adjacent areas;
  4. Without this agreement, the Development would not be possible;
  5. The Developer meets high standards of creditworthiness and financial strength as demonstrated by a letter from a financial institution with assets;
  6. The Development will strengthen the commercial sector of the Village;
  7. The Development will enhance the tax base of the Village; and
  8. This agreement is made in the best interest of the Village.

O. The foregoing recitals are material to this Agreement and are incorporated into and made a part of this Agreement.

## **SECTION 2. DEVELOPER'S OBLIGATIONS.**

A. Purchase of Site J. The Developer agrees to enter into a contract with the Village for the purchase of Site J for the price of one million four hundred thousand dollars (\$1,400,000) pursuant to the terms and conditions set forth in that contract attached hereto as Exhibit F. The Developer will sign a note and mortgage in favor of the Village for 100% of the purchase price. The Village's mortgage lien shall be subordinate only to the Developer's mortgage to its lender for expenses necessarily incurred for the construction of the improvements and the installation of fixtures and furnishings on the project property. The note shall be guaranteed as provided in Section 7 of this agreement. Except in the case of a default by the Developer, the note shall not bear interest and no payments shall be due to the Village for the first three (3) years after the execution of this Agreement. After the initial three-year period, the interest on the principal balance shall be 4% per annum. The principal and accrued interest shall be repaid pursuant to a 20-year amortization schedule, subject to the Village's agreement to forgive all or part of the note as set forth in 3.B.2 of this Agreement. The closing shall occur immediately upon the approval by the Village Administrator and all governmental and quasi-governmental agencies, authorities, commissions or other bodies with jurisdiction of all building and zoning permits which are required for the construction of the improvements of the Development, or sooner upon mutual agreement.

B. Purchase of 8733 Narragansett. The Developer agrees to enter into a contract with the Village for the purchase of 8733 Narragansett for the price of seventy thousand dollars (\$70,000) pursuant to the terms and conditions set forth in that contract attached hereto as Exhibit G. The Developer will sign a note and mortgage in favor of the Village for 100% of the purchase price subject to the same terms and conditions as the note for the purchase of Site J as described in paragraph 2.A above. The closing shall occur simultaneously with the closing for Site J. 8733 Narragansett together with 8735 Narragansett shall be improved and used as a video gaming café. The Trust Parties may organize or incorporate an entity owned by the Trust Parties to own and operate the gaming cafe.

C. Purchase of 8721 Narragansett. The Developer agrees to enter into a contract with the Village for the purchase of 8721 Narragansett for the price of two hundred thousand dollars (\$200,000) pursuant to the terms and conditions set forth in that contract attached hereto as Exhibit "H. The Developer will sign a note and mortgage in favor of the Village for 100% of the purchase price subject to the same terms and conditions as the note for the purchase of Site J as described in paragraph 2.A



above. The closing shall occur simultaneously with the closing for Site J. 8721 shall be improved and used for additional parking for Moretti's.

D. License of 8720 Ferris. The Developer agrees to enter into a contract with the Village for the licensing of 8720 Ferris for the annual license fee of \$10,000.00 pursuant to the terms and conditions set forth in that agreement attached hereto as Exhibit I. The Developer's use of 8720 Ferris shall be limited to the improvement and use of the parcel for off-site employee and valet parking for the Moretti's restaurant. The Developer shall pay and be responsible, in addition to the annual license fee, for all cost to improve, insure, and maintain 8720 Ferris including all utility and property tax costs. The initial term of the license shall be for one year beginning immediately after the closing for Site J. The Developer shall have the option to renew the license agreement for up to four additional one-year terms with the license fee increasing annually by 3%. After licensing 8720 Ferris for a five-year period, the Developer may exercise an option to purchase 8720 Ferris for \$350,000 payable in cash at the closing provided: (i) the Developer is not in default in any of its obligations to the Village, whether pursuant to the redevelopment agreement or otherwise; (ii) has presented the Village sufficient proof that the parking spaces on this site are necessary to support the operation of the Moretti's Restaurant; (iii) and has made a good faith effort to purchase, lease or license other alternative parking sites for the Moretti's Restaurant. The Developer shall provide 90-day advance written notice of its Intent to exercise this option and the parties shall enter into a real estate contract for said purchase with customary and reasonable pro-rations and terms. At closing, the Developer will be issued a credit for the annual license fees paid by the Developer and actually received by the Village.

E. Improvement of the Project Property. The Developer shall improve the project property at its sole costs constructed and completed in a good and workmanlike manner and in compliance with:

1. All applicable Village, rules, and regulations including, without limitation, all applicable zoning ordinances, building codes, health codes, life safety codes and all conditions of any special use permit granted for the Development;
2. All applicable federal and state regulations including without limitation, all environmental laws, the Americans With Disabilities Act, and the Illinois Prevailing Wage Act (820 ILCS 130/0.01 et seq.);
3. The site plans, architectural plans and elevations and engineering plans, submitted to and approved by the Village Administrator and all necessary Village commissions, boards, and departments (the "final plans and specifications"); and
4. The Village Administrator may administratively approve minor modifications to the building and site plans, as allowed for by the Village Municipal Code.

F. Construction Permits. Unless otherwise approved in writing by the Village Administrator, no construction, improvement, or development of any kind shall be permitted on any portion of the Property unless and until the Developer has received approval from all necessary Village departments, and has been issued valid and binding building permits. Further, no business operation or occupancy of the Development may occur prior to the issuance of a valid and binding compliance certificate and certificate of occupancy.

G. Construction Management. The Developer has the following general responsibilities (which are not all inclusive) for the planning, design, development, construction and installation of the Development:

1. Securing all authorizations, permits and licenses, including those of a temporary nature, as may be necessary for the construction and intended use of the Development;

2. Providing the appropriate coordination of all planning and construction of the Development, including the directing and scheduling of construction, all field inspections, tests, surveys and other activities related to the Development; and
3. Providing qualified field personnel for inspecting and reviewing the progress and construction of the Development, including final inspection and certification by Developer that, to the best of its knowledge, all work, as constructed, conforms with the approved final plans and specifications.

H. Fees and Expenses. The Developer shall pay all normal fees to the Village for the Development, including permit, inspection review, including costs for third-party evaluation and inspection, and tap-on fees, as provided by Village ordinance.

I. Progress Meetings. The Developer shall meet with the Department of Community and Economic Development, and other Village staff as appropriate all as reasonably requested by the aforementioned Village personnel, to provide a comprehensive progress report on the Development. The Developer shall ensure adequate information is provided, including, without limitation, financial reports, engineering analyses, architectural analyses, as well as appropriate Development team personnel, at any such progress meeting as may be reasonably requested by the Department of Community and Economic Development, or as may be appropriate to provide an accurate progress report.

J. Insurance. Prior to issuance of any building permit, Developer shall deliver to the Village, at Developer's cost and expense, insurance required to be carried by Developer pursuant to Section 5 of this Agreement.

K. Disclosures. Not less than ten (10) days prior to the Closing of the Village property, Developer shall furnish the Village with a statement disclosing the identity of all persons holding an ownership interest in the Developer and the percentage of such interest, said disclosure to be in a form reasonably satisfactory to the Village, and shall certify that no member, official or employee of the Village has or shall have any personal interest, direct or indirect, in the Development or this Agreement.

L. Restaurant Operation. The primary use of Site J as a Moretti's Ristorante & Pizzeria restaurant and catering facility or other restaurant approved by the Village shall not be materially changed for a minimum of fifteen (15) years after the certificate of occupancy has been issued. The foregoing shall not be construed to require the Moretti's restaurant to remain open in the event, despite the good faith efforts of the Developer and/or other operator thereof, the same becomes insolvent and/or becomes the subject of bankruptcy or other insolvency proceedings or remedies (an "Insolvency Situation"). Subject to the rights of the Developer's Lender, in the event Developer or an operator approved by the Village ceases to operate the restaurant as a result of an Insolvency Situation or otherwise and, thereafter, endeavors to sell said restaurant and/or the Village Property, the Village shall be granted a right of first refusal to purchase Site J and/or the project property upon the terms and conditions contained in an offer to purchase said restaurant made to Developer by a third party purchaser which Developer intends to accept (an "Acceptable Purchase Offer"). Said right of first refusal shall be exercised by written notice from the Village to the Developer within twenty-one (21) days after receipt by the Village of written notice from the Developer which notice shall contain information indicating the material terms of the Acceptable Purchase Offer including the price to be paid, the other economic terms of the proposed purchase and the time period for closing. In the event of the timely exercise of such right of first refusal by the Village, the applicable transaction shall be closed upon the same terms and conditions and within the same time limits as set forth in the applicable Acceptable Purchase Offer.

M. Financing. Not less than ten (10) days prior to the Closing on the Village Property, Developer shall furnish to the Village proof reasonably acceptable to the Village that the Developer has irrevocable financing or a joint escrow account in sufficient amount for the construction of the improvements of the Development.

N. Payment of Taxes and Village Obligations. The Developer shall pay, when due, any and all real estate taxes and special assessments in respect to the Development, Failure to timely pay said taxes and/or special assessments shall constitute a breach of this Agreement, subject to the Notice and cure provisions set forth in Section 6.C of this Agreement. If the Developer files any claim or appeal contesting the validity or amount of any real estate property tax assessment for the Development, the Developer shall provide notice of such claim or appeal, together with copies of all documents filed in connection with such claim or appeal to the Village within seven (7) days of the date of filing. The Village shall have the right to contest any such claim or appeal.

O. Compliance with All Laws. The Developer further represents, warrants and agrees that:

1. The Developer is not barred from contracting with any unit of state or local government as a result of violating Section 33E-3 or 33E-4 of the Illinois Criminal Code (720 ILCS 5/33E-3 and 33E-4).
2. The Developer shall comply with the Illinois Drug Free Work Place Act, Equal Opportunity Clause of the Illinois Human Rights Act and the Rules and Regulations of the Illinois Department of Human Rights, the Americans with Disabilities Act and Article 2 of the Illinois Human Rights Act (775 ILCS 5/2-101 et seq.).
3. Any construction contracts entered into by the Developer relating to the construction of the Development shall require all contractors and subcontractors to comply with the Illinois Fair Employment Practices Act.
4. The Developer shall comply with all applicable federal laws, state laws and regulations including without limitation, such laws and regulations relating to minimum wages to be paid to employees, limitations upon the employment of minors, minimum fair wage standards for minors, payment of wages due employees, and health and safety of employees. The Developer agrees to pay its employees, if any, all rightful salaries, medical benefits, pensions and social security benefits pursuant to applicable labor agreements and federal and state statutes, and further agrees to make all required withholdings and deposits therefore.
5. Any lawsuit or complaint of violation of laws that is received by the Developer relative to this Agreement or the Development shall be immediately forwarded to the Village Administrator.
6. The Developer shall be and remain in compliance with the Village's property maintenance regulations and shall promptly correct any code violations.

P. Limited Right of Assignment. Developer will for at least 5 years after the note referenced in Section 3 has been paid or forgiven in full: (a) not assign its interests in this contract or the project property agreement except to Mark Hoffmann and/or Fred Hoffmann or to an entity wholly owned by Mark Hoffmann and/or Fred Hoffmann with the approval of the Village; (b) own and operate, or cause an entity controlled by the Trust Parties to own and operate, the restaurant as a Moretti's Restaurant and Catering business or such other business approved in writing by the Village (c) own and operate, or cause an entity controlled by the Trust Parties to own and operate, the video gaming café. The Developer will not be required to operate any business if such operation would result in a multiple-year financial loss or would not be economically feasible. Any approved assignment shall provide such information as may reasonably be requested to indicate that the operation of the Development will continue to be managed and operated in the manner that benefits the goals and objectives of the Redevelopment Plan; the Assignee shall have executed and delivered to the Village an instrument signed by the Assignee stating that the Assignee agrees to be bound by all terms in this agreement.



Q. Records. The Developer shall keep complete and accurate records of all sales, and shall allow the Village to inspect said records upon reasonable request. Said records shall not be considered Village records, shall be considered proprietary records of the Developer, and shall be kept confidential to the extent permitted by law. The Developer shall execute a completed form PTAX 1002-21 attached hereto and made a part hereof as Exhibit J, or such other form and content reasonably acceptable to the Village which letter shall be addressed to the Illinois Department of Revenue and shall authorize the Illinois Department of Revenue to release any and all gross revenue and sales tax information on a monthly basis with respect to the operation of the Developer and shall prepare and submit such other or additional forms as may be required from time-to-time by the Illinois Department of Revenue in order to release such information to the Village. In the event the sales tax revenue information is not released by the State due to the failure of the Developer to execute the necessary authorization and/or release, the Village shall not be required to forgive any portion of the Developer's obligation and or note to the Village until the sales tax revenue information is released.

R. Environmental Compliance. The Developer shall not dispose of or release any hazardous substance, material, contaminant, or pollutant, as defined by any federal or state environmental laws, in, under, on or about the Project property. The Developer, at its costs, shall remediate any hazardous substance, contaminant or pollution or other dangerous environmental condition that it (or its employees, agents or contractors) creates or causes with respect to the Development in accordance with all federal, state, county and local applicable laws and regulations. The Developer shall indemnify and hold the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees harmless against any claim, suit, loss, liability or damage, including, attorneys fees and expenses incurred by the Village and/or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees in defending itself or complying with applicable laws and regulations, arising out of or relating to the disposal or release of any hazardous substance, material, contaminant, or pollutant during performance of the Development in, under, on or about the Project property by the Developer.

### **SECTION 3. VILLAGE OBLIGATIONS.**

A. Sale and License of Village Property. The Village shall enter into contracts for the sale of Site J, 8733 Narragansett and 8721 Narragansett pursuant to the terms and conditions set forth in Exhibits F, G and H respectively for the agreed combined price of \$1,670,000 and shall grant a one year license for the use of 8720 Ferris as an off-site parking area for the Moretti's restaurant with options to renew the license for four additional one year periods and an option to purchase the property pursuant to the terms and conditions set forth in Exhibit I.

B. Economic Incentive. In consideration for the Developer's satisfactory performance of its obligations under this agreement and in order to make the Development economically feasible, the Village shall provide the following economic incentives:

1. The Village shall hold a note and mortgage for the full purchase price listed in Section 3.A. The mortgage shall be subordinate to the Developer's mortgage lien necessarily incurred for the construction of the improvements and the installation of fixtures and furnishings on the properties. Except in the case of a default by the Developer, the note shall not bear interest and no payments shall be due to the Village for the first three (3) years after the execution of this agreement. After the initial three-year period, the interest on the principal balance shall be 4% per annum and the principal and accrued interest shall be repaid pursuant to a 20-year amortization schedule.
2. The Village shall forgive and reduce the principal and interest owed on the note and mortgage described above on a dollar-for-dollar basis for (a) 100% of the increased property taxes actually received by the Village for Site J, 8733 Narragansett and 8721



Narragansett for tax years 2016 through 2023, and (b) 65% of the Village's share of state sales taxes, the Village's home rule sale's tax and the Village's local food and beverage tax actually received by the Village from the operation of the Moretti's Ristorante and Pizzeria restaurant and the video gaming café for the first 15 years after the execution of this agreement or until the note is paid in full whichever is sooner. For purposes of this agreement, "increased property taxes" means property taxes greater than the property taxes received by the Village for tax year 2015. No portion of the note and mortgage shall be forgiven while the Developer is in default of any term of this Agreement or is not in good standing on any and all Village accounts, including but limited to real estate tax payments to Cook County, vehicle sticker payments, parking tickets, water bills, and fines

3. For purposes of this agreement, the term "sales tax" means the net portion of taxes imposed by either the State of Illinois and actually received by the Village for pursuant to the Retailer's Occupation Tax Act and the Service Occupation Tax Act (as said Acts may be amended from time-to-time) or home rule sales taxes imposed by the Villages under their power and authority pursuant to 65 ILCS 5/8-11-1 and actually received by the Village, and the Village's food and beverage taxes actually received by the Village from sales made from the operation of the Moretti's restaurant and catering business and from the video gaming café. It is expressly understood if a governmental or legislative body other than the Village enacts any law or statute which results or which may result in any material changes or amendments to the foregoing sales tax provisions, which changes or amendments prohibit the Village from complying with this Agreement, or which adversely affect the Village's ability to comply herewith, then the Village and the Developer shall reevaluate this Agreement and the incentives provided hereunder and may mutually agree to restructure the Agreement. It is acknowledged and understood by and between the parties hereto that the Village receives sales tax revenue monthly. State sales taxes and home rule taxes generated by sales in any one month are distributed to the Village approximately three months later (e.g. taxes generated by sales in July are generally not received by the Village until October).

C. Reporting Requirements. The Village shall comply with the requirements of 65 ILCS 5/8-11-21 and, within thirty (30) days after the execution of this Agreement, file a report to the Department of Revenue stating all required information including the parties to this Agreement, the location of the Property, a statement if the Developer maintains additional places of business in the State, the manner in which the amount of any retailers' occupation tax to be shared, rebated, or refunded is to be determined each year for the duration of the Agreement, and the name of any business which is not a party to the Agreement, but is directly or indirectly receiving a share, refund, or rebate of the retailers' occupation tax, and copy of the Agreement. An updated report will be filed within thirty (30) days after the execution of any amendment to this Agreement.

D. Revocation or Amendment. The Village shall not revoke or amend the TIF redevelopment project area plan, or the TIF Ordinances, if any such revocation or amendment would prevent the Development upon the terms and conditions set forth in this Agreement. Notwithstanding anything to the contrary in this Subsection 3.D, and provided that any revocation or amendment shall not prevent or adversely affect or materially increase the costs of the Development, the Village may make such revocations and amendments, from time to time, in its sole and absolute discretion, provided that it give the Developer at least 90 days written notice of any such revocations or amendments.

E. Defense of TIF. If an action is filed before a court of competent jurisdiction or any governmental agency to challenge the legitimacy of the TIF District and/or the Redevelopment Project Area, the Village will, as at its cost and expense defend the integrity of the Redevelopment Project Area

and/or the Village's authority to enter into this Agreement. The Developer will fully cooperate with the Village in connection with the foregoing without cost to the Developer.

#### SECTION 4. MUTUAL OBLIGATIONS.

A. Documents. The Parties agree to take such actions, including the execution and delivery of such documents, as well as the adoption of such ordinances and resolutions, as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out such terms, provisions and intent.

B. Governmental Approvals. The Parties shall cooperate fully with each other in implementing the Development and in seeking and obtaining from any or all appropriate governmental bodies (whether federal, state, county or local) any necessary permits, entitlements and approvals, required or useful for the improvement of property and construction of the Development in and on the Project Property, or for the provision of services to the Project Property. The Village will, upon execution of this agreement, reserve a Class A, Class N and Class H liquor licenses and 2 gaming permits for the Development. The Village shall expeditiously and fairly process all properly filed applications for permits and approvals necessary for the Development including, without limitation signage, liquor, gaming, building, special use, certificates of compliance and certificates of occupancy.

C. Agreed Timeline.

1. Time is of the essence to this agreement. The Parties will each proceed with commercially reasonable diligence to submit and process all required applications, issue all approved permits and complete the construction of the Development and all improvements pursuant to the following schedule:

Benchmark	Start Date	Completion Date
Negotiation Drafting and Approving RDA and Contract for purchase and sale of Site J, 8735 Narragansett, 8733 Narragansett, 8721 Narragansett license agreement for 8720 Ferris including site plans and specifications <b>Estimate- 90 days</b>	9-21-15	12-14-15 (approval by Village Board) 1-6-16 (agreement signed by parties)
Developer to complete all due diligence, including environmental studies and agree to purchase Site J, 8735 Narragansett, 8733 Narragansett, 8721 Narragansett in "as is" condition. <b>Estimate- approx.30 days</b>	11-24-15	1-31-16
Developer to prepare and submit to Village all required applications for Zoning permits (concurrently, initiate work on building permit plans) <b>Estimate- 30 days</b>	12-28-15	2-27-16
Village to process Zoning permits <b>Estimate- 30-90 days</b>	1-27-16	5-25-16
Developer to prepare and submit to Village all plans and specifications needed to obtain construction permits <b>Estimate- 90 days</b>	1-27-16	5-25-16

Village to process review and approve complete building permit application <b>Estimate- 30 days</b>	4-26-16	6-24-16
Closing on sale of Site J, 8735 Narragansett, 8733 Narragansett, 8721 Narragansett and license agreement for 8720 Ferris <b>Estimate-upon issuance of building permit</b>	5-25-16	6-25-16
Construction of Improvements <b>Estimate- 270 days subject to force majeure</b>	5-26-16	3-21-17
Application, Processing and Issuance of Liquor License, local Gaming Permits, and Business Compliance Certificate <b>Estimate- Liquor Licenses and Gaming Permits reserved upon RDA approval, issued with certificates of occupancy and business compliance</b>	10-31-16	3-21-17
Moretti's to open for business <b>Estimate- upon issuance of final Certificates of Occupancy and Business Compliance Certificate</b>		4-1-17
Video Gaming Café to open for business. <b>Estimate- upon completion of construction issuance of final Certificates of Occupancy, Business Compliance Certificate, and Liquor License, Gaming Permits and approval of rough-in inspections for the Moretti's restaurant</b>	TBD	TBD

2. The parties recognize that delaying events beyond their control may occur which will necessitate modification to this schedule as agreed by the Developer and the Village Administrator.
3. A Party shall not be deemed in default of this agreement if such Party's failure to timely perform was reasonably caused by war, acts of God, strikes, labor disputes, inability to procure materials, delay in issuance of necessary permits or authorizations by any governmental body, including but not limited to the Village, through no fault of the Developer or similar causes beyond the reasonable control of such Party ("Force Majeure"). If a Force Majeure event occurs, which caused a delay, an extension for the completion of the incomplete performance equal to the period of the delay shall be granted to run from the time of the commencement of the Force Majeure.

## SECTION 5. INSURANCE AND INDEMNIFICATION.

A. Insurance. The Developer, and any successor in interest to the Developer, shall obtain or cause to be obtained and continuously maintained when required during the Term of this Agreement, the insurance as set forth below. The Developer shall provide a copy of all policies to the Village with proof that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Developer must obtain and continuously maintain: 1. Developer (or Developer's contractor) shall during any period of construction, maintain:



Worker's Compensation insurance with statutory coverage and Employers' Liability coverage of at least \$500,000 per accident;

Commercial General Liability insurance (including operations, contingent liability, operations of subcontractors, and contractual liability insurance) with limit of not less than three million dollars (\$3,000,000) combined single limit per occurrence for bodily injury, and property damage and \$3,000,000 per occurrence for personal injury with a general aggregate of five million \$5,000,000;

Owners and Contractors Protective Liability (OCP) with a limit of not less than \$3,000,000 combined single limit per occurrence for bodily injury and property damage;

Business Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.

2. Developer (or Developer's contractor) shall during any period of construction maintain builders risk insurance on a completed value basis, in non-reporting form, against all risks of physical loss, including collapse and water damage with no exclusion for flood and hydrostatic pressure, covering the total value of work performed and equipment, supplies and materials furnished for the project development (including on-site stored materials) as to all work by Developer. The Village shall be named as loss payee.
3. After completion of construction, the Developer shall maintain (a) property insurance and extended coverage on a replacement basis for the insurable value of the redevelopment project as valued from time to time, (b) business interruption insurance for full amount of the real estate and sales taxes property the Village received in the year immediately preceding coverage year, and (c) commercial general liability insurance meeting the requirements of Section 1 above. Said insurance shall be maintained in full force and effect as applicable until each and every obligation of Developer contained herein has been fully paid, or performed.
4. All such policies shall be in such form and issued by such companies as shall be acceptable to the Village to protect the Village and Developer against any liability incidental to the use of or resulting from any claim for injury or damage occurring in or about the Project, or the construction and improvement thereof by Developer, except to the extent arising from Village (or its agents, employees and contractors) acts or omissions (in which case the Village shall look solely to its own insurance).
5. Alternatively, Developer, may satisfy its insurance obligations in this Article by way of a blanket policy or policies which includes other liabilities, properties and locations having a per occurrence liability of three million dollars (\$3,000,000) and a general policy aggregate of at least ten million dollars (\$10,000,000). The Village shall have the right to review any blanket policy or policies to determine that such coverage is in compliance with the requirements contained herein and shall have the right to reject any blanket policy or policies if they do not comply with the requirements contained herein.
6. Each such policy shall name the Village, its officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of the Developer's work, including activities performed by or on behalf of the Developer; products and completed operations of the Developer (or Developer's Contractor); premises owned, leased or used by the Developer; or automobiles owned, leased, hired or borrowed by the



Developer. The coverage shall contain no special limitations on the scope of protection afforded to the Village, its officials, agents, employees and volunteers. The policy shall contain an affirmative statement by the issuer that it will give written notice to the Village at least 30 days prior to any cancellation or amendment of its policy. The Developer shall provide to the Village a replacement certificate not less than 30 days prior to expiration of any policy.

The Developer's insurance coverage shall be primary and non-contributory as respects the Village, its officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Village, its officials, employees, agents and volunteers shall be excess of Developer's insurance and shall not contribute with it.

The Developer's insurance shall contain a Severability of Interests/Cross Liability clause or language stating that Developer's insurance shall apply separately to each insured against who claim is made or suit is brought, except with respect to the limits of the insurer's liability.

The Developer shall include all contractors or subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each contractor or subcontractor subject to all of the requirements stated herein.

The Developer shall furnish the Village with certificates of insurance showing the coverage as required herein with original additional insured endorsements naming the Village, its officials, employees, agents and volunteers as additional insureds. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Village before any work commences.

7. In the event of damage or destruction to the redevelopment project during construction or anytime thereafter while the Village's note is outstanding, any insurance proceeds received from such loss (after deducting any expenses incurred in collection thereof) shall be applied to the restoration, reconstruction and repair of redevelopment project to at least the value and substantially the same character as prior to the damage or destruction, and the business interruption insurance shall be used first to pay the Village the real estate and sales taxes it would have received had the damage to or destruction of the property not occurred.

**B. Village Review.** Subject to and except as otherwise provided in the provisions of Section 6 of this Agreement, the Developer acknowledges and agrees that the Village is not, and shall not be, in any way liable for any damages or injuries that may be sustained as the result of the Village's review and approval of any plans or failure to review and approve any plans for the Property or the Development, or the issuance of or failure to issue any approvals, permits, certificates, or acceptances for the development or use of the Property or the Development, and that the Village's review and approval of those plans and the Development and issuance of those approvals, permits, certificates, or acceptances does not, and shall not, in any way, be deemed to insure the Developer, or any of its heirs, successors, assigns, tenants invitees, and licensees, or any other Person, against carnage or injury of any kind at any time.

**C. Indemnification of Village.** Developer, its successors and assigns shall defend, indemnify and hold harmless the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, from and against any and all civil liabilities, actions, responsibilities, obligations, losses, damages and claims, and all costs and expenses, including but not limited to attorney's fees and expenses (collectively,

"Losses") pursuant to any federal, state and local laws including the common law), statutes, ordinances, rules, regulations and other requirements relating to or which the Village and/or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees may incur from or on account of Developer's use of the Site, any tests or surveys conducted by the Developer, and the construction of the Project, including but not limited to any Losses incurred which are based on tort law, wrongful death and/or a personal injury claim, suit or action and/or any Losses relating to environmental investigation, cleanup, or abatement, whether asserted or unasserted, direct or indirect, existing or inchoate, known or unknown, having arisen or to arise in the future, and in any manner whatsoever incurred by reason of Developer's or worker's activities at the project property or the Development. It is expressly understood, agreed upon and the specific intent of this Agreement that the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees will at no time assume responsibility or liability for the actions of Developer or any of the workers or other persons on the project property. As between the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees and Developer, Developer shall at all times be held solely responsible to all persons on the project property present there because of the Development and work thereon. Developer and its successors and assigns hereby agree to release, waive, covenant not to sue and forever discharge the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, for any claim, suit or action, whether or not well founded in fact or in law, which Developer and the workers have, or may have, arising out of the Development, except to the extent that any contamination occurs as a result of actions taken after the date of this Agreement by the Village or any of its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, and except for any claim or action which Developer, its successors and assigns may have under this Agreement.

## **SECTION 6. DEFAULT**

A. Events of Default by Developer. Events of default by the Developer include without limitation the following:

1. Any material representation made by Developer in this agreement, or in any certificate, notice, or financing document;
2. Failure to perform any material obligation or covenant contained in this Agreement, or any other agreement, financing document;
3. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, (or similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for more than thirty (30) consecutive days;
4. The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, (or similar official) of Developer or of any substantial part of the project property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer

generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others and not dismissed within thirty (30) consecutive days;

5. Failure to have funds to meet Developer's obligations;
6. If after work begins on the Development, work stops for more than thirty (30) days consecutive days for any reason other than: (i) Force Majeure or (ii) if Developer is ahead of its planned construction schedule;
7. Developer materially fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the buildings contemplated by this Agreement or the Developer refuses or fails to construct the Development in conformance with the final plans and specifications.

B. Events of Default by Village. Events of default by the Village include without limitation the following:

1. Any material representation made by the Village in this agreement, or in any certificate, notice, or financing document;
2. Failure to perform any material obligation or covenant contained in this agreement, or any other agreement, financing document;

C. Default by Developer Prior to Purchase of Property. If the Developer defaults before titles to the Village property are transferred to the Developer, the Developer shall have 10 business days after receipt of written notice by the Village to cure such default or, for non-monetary defaults only, to commence the cure of such default if it cannot be cured within such time period. If the Developer fails to timely cure said default, the Village may, terminate this agreement in which case, the Developer will reimburse the Village for all of its out of pocket costs including s fees relating to this Agreement and redevelopment project.

B. Default by Developer Prior to Construction of Improvements. If the Developer defaults after titles to the Village property are transferred to the Developer but before construction begins, the Developer shall have 10 business days after receipt of written notice by the Village to cure such default or, for non-monetary defaults only, to commence the cure of such default if it cannot be cured within such time period. If the Developer fails to timely cure said default the Village may terminate this Agreement in which case, the Developer will quit claim its interest in Site J and the 8733 and 8721 Narragansett to the Village, and the Developer will reimburse the Village for all of its out of pocket costs including attorneys fees relating to this Agreement and redevelopment project.

C. Default by Developer After Construction Commences. If the Developer defaults after construction begins the Developer shall have 10 business days after receipt of written notice by the Village to cure such default or to commence the cure of such default if it cannot be cured within such time period (non-monetary defaults only). If the Developer fails to timely cure said default, at the Village's sole option (a) the interest on any balance owed to Village on its note shall bear interest at the rate of 9% per annum and all principal and interest shall immediately become due and payable or (b) the Developer shall quit claim its interest in Site J and 8733 and 8721 Narragansett to the Village. In addition thereto, the Village at its option may terminate this Agreement in which case, the Developer will reimburse the Village for all of its out of pocket costs including attorneys fees relating to this Agreement and redevelopment project.

D. Default by Village. If the Village defaults, the Developer shall be entitled at its sole option to (i) require specific performance of this Agreement or (ii) terminate this Agreement.



E. Consequential Damages. Neither party shall be liable to the other for consequential damages or lost profits except as otherwise specifically provided in this Agreement.

F. Lender Approval. If prior to the closing on the purchase of the Village property, the Developer's Lender objects to any of the default provisions in this section, the parties will agree to modify this section to the reasonable satisfaction of the Developer's Lender.

G. Attorney's Fees. In the event either party files an action to enforce the terms of this agreement, the non-prevailing party shall pay all reasonable court costs, witness fees, discovery fees and attorneys' fees incurred by the party who substantially prevails in the settlement or resolution of the action.

H. Delay in Claiming Default. Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that neither Party should be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any specific event of default be considered or treated as a waiver of the rights by the waiving Party of any future event of default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, or the manner or time thereof, of any obligation or any condition under the agreement shall be considered a waiver of any rights except if expressly waived in writing.

## **SECTION 7. GUARANTEE**

The Developer's obligations under this agreement, the contracts for the purchase and licensing of the Village property and the note and mortgage referenced in Section 3.B of this agreement shall be guaranteed by Ala Carte Entertainment Limited Partnership.

## **SECTION 8. GENERAL PROVISIONS.**

A. No Individual or Personal Liability. Notwithstanding any other statement in this Agreement, the Parties agree that the representations made by the Village in this Agreement and incentives offered herein are made on behalf of the Village, and the Village President and Board of Trustees are not making such representations personally, are not parties to this Agreement, and shall incur no personal liability in conjunction with this Agreement.

B. No Third Party Beneficiaries. This Agreement is made for the benefit of the parties and there are no third party beneficiaries.

C. Notice. Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be delivered (i) personally, (ii) by a reputable overnight courier, (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid, (iv) by facsimile, or (v) by electronic internet mail ("e-mail"). Facsimile notices shall be deemed valid only to the extent that they are (a) actually received by the individual to whom addressed and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three business days thereafter at the appropriate address set forth below. E-mail notices shall be deemed valid only to the extent that they are (a) opened by the recipient on a business day at the address set forth below, and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three business days thereafter at the appropriate address set forth below. Unless otherwise provided in this Agreement, notices shall be deemed received after the first to occur of (a) the date of actual receipt; or (b) the date that is one (1) business day after deposit with an overnight courier as evidenced by a receipt



of deposit; or (b) the date that is three (3) business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party to this Agreement shall have the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address shall be effective until actually received.

Notices and communications to the Village shall be addressed to, and delivered at, the following address:

The Village of Morton Grove  
6101 Capulina Ave  
Morton Grove IL 60053  
ATTN: Ralph E. Czerwinski, Village Administrator

Notices and communications to the Developer shall be addressed to, and delivered at, the following address:

8735 Narragansett Ave LLC,  
c/o Judy Diller  
2330 Hammond Dr. Suite G,  
Schaumburg, IL 60173-3869

D. Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law.

E. No Waiver. The Village shall be under no obligation to exercise any of the rights granted to it in this Agreement. The failure of the Village to exercise at any time any right granted to the Village shall not be deemed or construed to be a waiver of that right, nor shall the failure void or affect the Village's right to enforce that right or any other right.

F. Governing Law. This Agreement shall be governed by, and enforced in accordance with, the internal laws, of the State of Illinois.

G. Severability. It is hereby expressed to be the intent of the Parties that should any provision, covenant, agreement, or portion of this Agreement or its application to any Person or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application to any Person or property shall not be impaired thereby, but the remaining provisions shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.

H. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement.

H. Interpretation. This Agreement shall be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement shall be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

I. Exhibits. The following Exhibits attached to this Agreement are, by this reference, incorporated in, and made a part of this Agreement:

Exhibit A	Legal description and PIN number(s) of 8735 Narragansett;
Exhibit B	Legal description and PIN number(s) of Site J;
Exhibit C	Legal description and PIN number(s) of 8733 Narragansett;
Exhibit D	Legal description and PIN number(s) of 8721 Narragansett;
Exhibit E	Legal description and PIN number(s) of 8720 Ferris;
Exhibit F	Purchase Agreement for Site J;
Exhibit G	Purchase Agreement for 8733 Narragansett;
Exhibit H	Purchase Agreement for 8721 Narragansett;
Exhibit I	License Agreement for 8720 Ferris; and
Exhibit J	PTAX 1002-21 form.

In the event of a conflict between an exhibit and the text of this Agreement, the text of this Agreement shall control.

J. Amendments and Modifications. No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all applicable statutory procedures.

K. Authority to Execute. The Village hereby warrants and represents to the Developer that the persons executing this Agreement on its behalf have been properly authorized to do so by the Corporate Authorities. The Developer hereby warrants and represents to the Village (i) that it is the owner of the Developer's Property, (ii) that no other Person has any other contractual or security interest in the Property, (iii) that it has the full and complete right, power, and authority to enter into this Agreement and to agree to the terms, provisions, and conditions set forth in this Agreement and to bind the Property as set forth in this Agreement, (iv) that all legal actions needed to authorize the execution, delivery, and performance of this Agreement have been taken, and (v) that neither the execution of this Agreement nor the performance of the obligations assumed by the Developer will (a) result in a breach or default under any agreement to which the Developer is a party or to which it or the Property is bound or (b) violate any statute, law, restriction, court order, or agreement to which the Developer or the Property are subject.

L. No Joint Venture. Nothing contained in this Agreement is intended by the Parties to create a joint venture between the Parties. It is understood and agreed that this Agreement does not provide for the joint exercise by the Parties of any activity, function or service, nor does it create a joint enterprise, nor does it constitute either Party as an agent of the other for any purpose whatsoever. Nothing in this Agreement shall be construed to make the parties hereto partners or render either of said parties liable for the debts or obligations of the other.

M. Counterparts. This Agreement may be executed in counterpart, each of which shall constitute an original document, which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have thereto set their hands on the date first above written.

ATTEST:

THE VILLAGE OF MORTON GROVE  
an Illinois municipal corporation

By: Connie Travis  
Connie Travis

By: Daniel P. DiMaria  
Daniel P. DiMaria

Its: \_\_\_\_\_  
Village Clerk

Its: \_\_\_\_\_  
Village President

8735 NARRAGANSETT AVE LLC,

By: Mark Hoffmann  
MARK HOFFMANN Manager

## GUARANTEE

THIS GUARANTEE dated this 6<sup>th</sup> day of January 2016

IN CONSIDERATION OF the Village of Morton Grove ("Village") entering into an Economic Incentive and Tax Increment Allocation Financing Development Agreement ("the agreement") with and 8735 Narragansett Ave LLC ("the Developer") dated January 6, 2016, the undersigned Guarantor personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness of the Developer including but not limited to all payments due pursuant to a note to be signed by the Developer in the amount of \$1,670,000 upon the closing of certain property to be sold to the Developer by the Village ("the note") pursuant to the agreement, under the following terms and conditions:

The Guarantor guarantees that Developer will promptly perform all obligations under the agreement and pay the full amount of principal and interest of the note when 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.

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 note.

This 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 State Courts of the State of Illinois. This Guarantee embodies the entire promise of Guarantor to personally guarantee Developer's debts and obligations as set forth herein and supersedes all prior agreements and understandings relating to the subject matter here, whether oral or in writing.

Guarantor

Ala Carte Entertainment Limited Partnership,

By: 

Fred R. Hoffmann, President of Hoffmann Enterprises, Inc.,  
an Illinois corporation, Its General Partner.



**EXHIBIT A**

**Legal Description and PIN Numbers of  
8735 Narragansett, Morton Grove, IL**

**PIN Numbers:           10-20-100-008-0000**

**Legal Description of   8735 Narragansett Avenue**

**LOT 23 IN LUMPP'S SUBDIVISION OF THE NORTH 366.17 FEET OF LOT 3 IN HENNING'S  
SUBDIVISION OF LOTS 42 AND 43 TOGETHER WITH THE NORTH 16 FEET OF LOT 44 IN THE  
COUNTY CLERK'S DIVISION OF SECTION 20, AND THE NORTHEAST QUARTER OF SECTION 19,  
TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF  
LINCOLN AVENUE AND THE CHICAGO, MILWAUKEE AND ST. PAUL RAILROAD (EXCEPTING  
THEREFROM THE NORTH 100.17 FEET OF THE EAST 85 FEET OF SAID LOT 3 IN HENNING'S  
SUBDIVISION) IN COOK COUNTY, ILLINOIS**

**EXHIBIT B**

**Legal Description and PIN Numbers of 6415 Dempster Street &  
8707-8 Lincoln Avenue, Morton Grove, IL ("Site J")**

PIN Numbers:	10-19-202-001-0000	10-19-202-002-0000
	10-19-202-003-0000	10-19-202-014-0000
	10-19-202-015-0000	

**Legal Description of Site J:**

**PARCEL 1**

LOTS 2 AND 3 IN AUGUST C. FIELDER'S SUBDIVISION OF NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

**PARCEL 2**

LOT 1 (EXCEPT THE NORTH 10 FEET THEREOF TAKEN FOR WIDENING OF DEMPSTER STREET) IN AUGUST C. FIELDER'S SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**EXHIBIT C**  
**Legal Description and PIN Numbers of**  
**8733 Narragansett, Morton Grove, IL**

PIN Numbers:           10-20-100-009-0000

**Legal Description of 8733 Narragansett Avenue**

LOT 22 IN LUMPP'S SUBDIVISION, BEING A SUBDIVISION OF THE NORTH 366.17 FEET OF LOT 3 IN HENNING'S SUBDIVISION OF LOTS 42 AND 43 TOGETHER WITH THE NORTH 16 FEET OF LOT 44 IN COUNTY CLERK'S DIVISION OF SECTION 20 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF LINCOLN AVENUE AND THE CHICAGO, MILWAUKEE AND ST. PAUL RAILROAD (EXCEPT THEREFROM THE NORTH 100.17 FEET OF THE EAST 85 FEET OF SAID LOT 3 IN HENNING'S SUBDIVISION) IN COOK COUNTY, ILLINOIS.

**EXHIBIT D**  
**Legal Description and PIN Numbers of**  
**8721 Narragansett, Morton Grove, IL**

PIN Numbers:           10-20-100-027-0000

**Legal Description of 8721 Narragansett Avenue**

LOTS 17 AND 18 IN LUMPP'S SUBDIVISION, BEING A SUBDIVISION OF THE NORTH 366.17 FEET OF LOT 3 IN HENNING'S SUBDIVISION OF LOTS 42 AND 43 TOGETHER WITH THE NORTH 16 FEET OF LOT 44 IN COUNTY CLERK'S DIVISION OF SECTION 20 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF LINCOLN AVENUE AND THE CHICAGO MILWAUKEE AND ST. PAUL RAILROAD (EXCEPT THEREFROM THE NORTH 100.17 FEET OF THE EAST 85 FEET OF SAID LOT 3 IN HENNING'S SUBDIVISION) IN COOK COUNTY, ILLINOIS.



**EXHIBIT E**  
**Legal Description and PIN Numbers of**  
**8720-8726 Ferris, Morton Grove, IL (8720 Ferris)**

PIN Numbers:	10-20-100-021-0000	10-20-100-022-0000
	10-20-100-023-0000	10-20-100-024-0000

**Legal Description of 8720 Ferris**

LOTS 13, 14, 15 AND 16 IN LUMPP'S SUBDIVISION BEING A SUBDIVISION OF THE NORTH 366.17 FEET OF LOT 3 IN HENNING'S SUBDIVISION OF LOTS 42 AND 43 TOGETHER WITH THE NORTH 16 FEET OF LOT 44 IN COUNTY CLERK'S DIVISION OF SECTION 20 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF LINCOLN AVENUE AND THE CHICAGO MILWAUKEE AND ST. PAUL RAILROAD (EXCEPT THEREFROM THE NORTH 100.17 FEET PART EAST 85 FEET OF SAID LOT 3 IN HENNING'S SUBDIVISION) IN COOK COUNTY, ILLINOIS.

## EXHIBIT F

### CONTRACT FOR THE PURCHASE OF 6415 DEMPSTER STREET & 8707-8 LINCOLN AVENUE, MORTON GROVE, IL BY AND BETWEEN THE VILLAGE OF MORTON GROVE, ILLINOIS AND 8735 NARRAGANSETT AVE LLC

The Village of Morton Grove, a municipal corporation and a home rule unit of government located in Cook County, Illinois ("Village" or "Seller") hereby agrees to sell and 8735 NARRAGANSETT AVE LLC, an Illinois Limited Liability Company ("Buyer") hereby agrees to buy that property commonly known as 6415 Dempster Street & 8707-8 Lincoln Avenue, Morton Grove, Illinois and legally described in Attachment #1 and all improvements thereon ("the real estate" or "Site J") pursuant to the following terms and conditions:

1. **Purchase Price.** The Buyer shall pay the Village the sum of one million four hundred thousand dollars (\$1,400,000) to be paid as follows:
  - a. **Earnest Money.** No earnest money shall be required by the Buyer.
  - b. **Payment at Closing.** At closing, the Buyer shall execute a note and mortgage in favor of the Village for the balance of the purchase price of Site J as well the purchase of 8733 Narragansett, 8721 Narragansett in the total amount of one million six hundred and seventy thousand dollars (\$1,670,000) as adjusted by agreed or customary credits and prorations including tax prorations. The mortgage shall be recorded at Buyer's expense and shall be subordinate to the Buyer's mortgage lien, if any necessarily incurred for the construction of the improvements and the installation of fixtures and furnishings on the real estate. Except in the case of a default by the Developer, the note shall not bear interest and no payments shall be due to the Village until January 7, 2019 (three years after the execution of the Redevelopment Agreement by and between the parties dated January 6, 2016. ("the RDA"). Thereafter, interest shall accrue on the unpaid principal balance at the rate of 4% per annum. The principal and accrued interest shall be repaid pursuant to a 20-year amortization schedule as described in Attachment #2. There shall be no prepayment penalty for full or partial early payment(s) on the note.

The Village will forgive and reduce the principal and interest owed on the note on a dollar-for-dollar basis for (a) 100% of the increased property taxes actually received by the Village for Site J, 8733 Narragansett and 8721 Narragansett for tax years 2016 through 2023 (which are paid from 2017 through 2024), and (b) 65% of the Village's share of state sales taxes, the Village's home rule sale's tax and the Village's local food and beverage tax actually received by the Village from the operation of the Moretti's Ristorante and Pizzeria restaurant to be constructed and operated on Site J and the video gaming café to be constructed and operated on 8733 and 8735 Narragansett for the first 15 years after the execution of the RDA or until the note is paid in full whichever is sooner. No portion of the note and mortgage shall be forgiven while the Developer is in default of any term of this contract or the RDA or is not in good standing on any and all Village fees, taxes, obligations and accounts, including but limited to real estate tax payments to Cook County, local food and beverage sales taxes, business compliance certificate fees, fire system fees, vehicle sticker payments, parking tickets, water bills, and fines.

For purposes of this contract, "increased property taxes" means property taxes greater than the property taxes received by the Village for tax year 2015 for Site J, 8733 Narragansett, 8735 Narragansett and 8721 Narragansett.

For purposes of this contract, the term "sales tax" means the net portion of taxes imposed by either the State of Illinois and actually received by the Village pursuant to the Retailer's Occupation Tax Act and the Service Occupation Tax Act (as said Acts may be amended from time-to-time) or home rule sales taxes imposed by the Villages under their power and authority pursuant to 65 ILCS 5/8-11-1 and actually received by the Village, and the Village's food and beverage taxes actually received by the Village from sales made from the operation of the Moretti's restaurant and catering business on site J and from the video gaming café on 8733 and 8735 Narragansett.

2. **Closing.** The closing shall occur immediately upon the approval by the Village Administrator and all governmental and quasi-governmental agencies, authorities, commissions or other bodies with jurisdiction of all building and zoning permits which are required for the construction of the improvements on the real estate as set forth in the RDA, or sooner upon mutual agreement. The closing of Site J, 8733 Narragansett, and 8721 Narragansett shall occur simultaneously. If the closing has not occurred by July 1, 2016 through no fault of the Village, the Village may at its sole option, terminate this contract or grant a reasonable extension.

3. **Contingency Period and Inspections.**

- a. The Village shall make available to the Buyer for the Buyer's inspection, copies of all surveys, environmental reports, soils tests, maps and plats for the subject property within the Village's possession.
- b. The Buyer and its agents shall have through January 31, 2016 to conduct at Buyer's sole cost and expense and subject to the terms herein its inspection of the property which may include without limitation fiscal inspections of the subject property, surveys, soils tests, site analyses, engineering studies, environmental studies, and investigations and appraisals.
- c. The Buyer may terminate this contract for any reason during the contingency period.
- d. The Village represents and warrants there are no tenants occupying the real estate, and the real estate shall be vacant at closing.

4. **Tax Prorations.** The Village represents the real estate has been exempt from real estate taxes and shall remain so through the date of the closing. In the event any taxes are assessed or become due and payable for any period prior to the closing, the Village shall pay same upon receipt of any such real estate tax bill.

5. **Title.** At the Village's expense, the Village will deliver or cause to be delivered to the Buyer within five (5) days in advance of closing, a title commitment for an ALTA title insurance policy in the amount of the purchase price with extended coverage by a title company mutually acceptable to the parties issued on or subsequent to the date of acceptance of this contract, subject only to items listed in paragraph 7. The parties shall each pay their respective usual and customary share of the additional title charges and the parties shall equally pay for any deed in money closing escrow incurred as a result of this transaction. If the title commitment discloses any exceptions not acceptable to the Buyer, then the Village shall have said exceptions or encroachments removed, or, with Buyer's approval, have the title insurance commit to insure against loss or damage that may be caused by such exceptions or encroachments. If the

Village fails to have unpermitted exceptions waived or title insured over prior to the closing, Buyer may elect to take the title as it then is, with the right to deduct from the purchase price prior encumbrances of a definite or ascertainable amount as may reasonably be agreed by the parties. The Village shall furnish Buyer at closing an Affidavit of Title covering the date of the closing and shall sign any other customary forms required for the issuance of an ALTA Insurance Policy.

6. **Survey.** Within seven (7) days prior to closing, the Village shall furnish a staked ALTA survey dated within ninety (90) days of closing showing all boundaries, rights-of-way, easements, and set-back lines and evidencing the title is free of all encroachments.

7. **Deed.** The Village will convey or cause to be conveyed to the Buyer good and merchantable title to the real estate by recordable Warranty Deed subject only to: general real estate taxes not due and payable at the time of closing, covenants, conditions, and restrictions of record, building lines and easements, applicable zoning and building laws, ordinances, restrictions and acts suffered or done by the Village if any, so long as they do not interfere with the current use and enjoyment of the real estate.

8. **Possession.** At closing, the Village shall surrender the property devoid of tenants and free and clear of any leases.

9. **Seller Representations:** The Village represents all leases and tenancies have been fully disclosed to the Buyer, that the Village has not received written notice from any other governmental body of (a) zoning, building, fire or health code violations that have not been corrected; (b) any pending rezoning; or (c) a proposed or confirmed special assessment and/or special service area affecting the real estate. The Village further represents it has no knowledge of boundary line disputes, easements or claims of easement not shown by the public records, any hazardous waste on the real estate or any improvements for which the required permits were not obtained.

10. **Maintenance of Property.** The property shall be maintained in the same condition as found on the date of the contract, normal wear and tear, excepted.

11. **Default.** The Village shall be responsible for all damages, reasonable costs and expenses including attorney's fees due to the failure of the Village to comply with the terms of this contract. The Buyer shall be responsible for all damages, reasonable costs and expenses, including attorney's fees incurred by the Village, in excess of any earnest money retained by the Village due the failure of the Buyer to comply with the terms of this contract.

12. **Notice.** All notices required shall be in writing and shall be delivered by personal delivery; by certified mail, return receipt requested which shall be effective on the date of mailing; or by sending facsimile transmission which shall be effective as of the date and time of facsimile transmission, provided the notice transmitted shall be sent on business days during the business hours of 9:00 am to 5:00 pm Chicago time. In the event the fax notice is transmitted during non-business hours, the effective date and time of notice is the first hour of the first business day after the transmission.

Notices to the Village shall be mailed or faxed to:

Teresa Hoffman Liston, Corporation Counsel  
Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove, Illinois 60053  
Fax 847.965.4162



Notices to the Buyer shall be mailed or faxed to:  
8735 Narragansett Ave LLC,  
c/o Judy Diller  
2330 Hammond Dr. Suite G,  
Schaumburg, IL 60173-3869

With a copy to: Christopher Goluba  
Attorney at Law  
Fax 630-894-0485

13. **Miscellaneous**


- a. Time is of the essence of this contract.
- b. The Village shall pay for all county, state, and municipal transfer taxes if required by law.
- c. All disputes related to the construction or enforcement of these terms and provisions shall be governed by the laws of the State of Illinois and are subject to the covenant of good faith and fair dealing implied in all Illinois contracts.


This contract has been executed on January 6, 2016 (the contract date).

IN WITNESS WHEREOF, the parties have thereto set their hands on the date first above written.

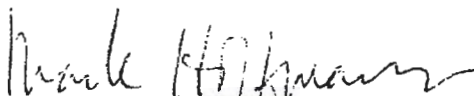
THE VILLAGE OF MORTON GROVE

ATTEST:

By:   
Daniel P. DiMaria, Village President

By:   
Connie Travis, Village Clerk

8735 NARRAGANSETT AVE LLC

By:   
Mark Hoffmann, Manager

## GUARANTEE

**THIS GUARANTEE dated this 6<sup>th</sup> day of January 2016**

IN CONSIDERATION OF the Village of Morton Grove ("Village") entering into an Economic Incentive and Tax Increment Allocation Financing Development Agreement ("the agreement") with and 8735 Narragansett Ave LLC (" the Developer") dated January 6, 2016 the undersigned Guarantor personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness of the Developer pursuant to this contract including but not limited to all payments due pursuant to a note to be signed by the Developer in the amount of \$1,670,000 ("the note"), under the following terms and conditions:

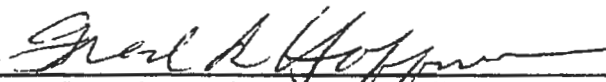
The Guarantor guarantees that Developer will promptly perform all obligations under the contract and pay the full amount of principal and interest of the note when due, either according to the terms and conditions provided by the agreement or upon acceleration of the payment under the agreement by reason of a default.

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 note.

This 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 state courts of the State of Illinois. This Guarantee embodies the entire promise of Guarantor to personally guarantee Developer's debts and obligations as set forth herein and supersedes all prior agreements and understandings relating to the subject matter here, whether oral or in writing.

Guarantor

Ala Carte Entertainment Limited Partnership,

By:   
Fred R. Hoffmann, President of Hoffmann Enterprises, Inc.,  
an Illinois Corporation, Its General Partner.

**ATTACHMENT 1**

**Legal Description and PIN Numbers of 6415 Dempster Street &  
8707-8 Lincoln Avenue, Morton Grove, IL ("Site J")**

PIN Numbers:	10-19-202-001-0000	10-19-202-002-0000
	10-19-202-003-0000	10-19-202-014-0000
	10-19-202-015-0000	

**Legal Description of Site J:**

**PARCEL 1**

LOTS 2 AND 3 IN AUGUST C. FIELDER'S SUBDIVISION OF NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

**PARCEL 2**

LOT 1 (EXCEPT THE NORTH 10 FEET THEREOF TAKEN FOR WIDENING OF DEMPSTER STREET) IN AUGUST C. FIELDER'S SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**Attachment # 2**  
**Amortization Schedule**

\$1,670,000 amortized over 20 years at 4% interest  
Monthly payment of \$10,120 to begin January 7, 2019

<b>Date</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>	
Jan, 2019		\$5,567	\$4,553	\$1,665,447
Feb, 2019		\$5,551	\$4,568	\$1,660,878
Mar, 2019		\$5,536	\$4,584	\$1,656,295
Apr, 2019		\$5,521	\$4,599	\$1,651,696
May, 2019		\$5,506	\$4,614	\$1,647,082
Jun, 2019		\$5,490	\$4,630	\$1,642,452
Jul, 2019		\$5,475	\$4,645	\$1,637,807
Aug, 2019		\$5,459	\$4,661	\$1,633,147
Sep, 2019		\$5,444	\$4,676	\$1,628,471
Oct, 2019		\$5,428	\$4,692	\$1,623,779
Nov, 2019		\$5,413	\$4,707	\$1,619,072
Dec, 2019		\$5,397	\$4,723	\$1,614,349
	<b>2019</b>	<b>\$65,787</b>	<b>\$55,651</b>	<b>\$1,614,349</b>
Jan, 2020		\$5,381	\$4,739	\$1,609,610
Feb, 2020		\$5,365	\$4,755	\$1,604,855
Mar, 2020		\$5,350	\$4,770	\$1,600,085
Apr, 2020		\$5,334	\$4,786	\$1,595,299
May, 2020		\$5,318	\$4,802	\$1,590,497
Jun, 2020		\$5,302	\$4,818	\$1,585,678
Jul, 2020		\$5,286	\$4,834	\$1,580,844
Aug, 2020		\$5,269	\$4,850	\$1,575,994
Sep, 2020		\$5,253	\$4,867	\$1,571,127
Oct, 2020		\$5,237	\$4,883	\$1,566,244
Nov, 2020		\$5,221	\$4,899	\$1,561,345
Dec, 2020		\$5,204	\$4,915	\$1,556,430
	<b>2020</b>	<b>\$63,520</b>	<b>\$57,919</b>	<b>\$1,556,430</b>
Jan, 2021		\$5,188	\$4,932	\$1,551,498
Feb, 2021		\$5,172	\$4,948	\$1,546,550
Mar, 2021		\$5,155	\$4,965	\$1,541,585
Apr, 2021		\$5,139	\$4,981	\$1,536,604
May, 2021		\$5,122	\$4,998	\$1,531,606
Jun, 2021		\$5,105	\$5,015	\$1,526,592
Jul, 2021		\$5,089	\$5,031	\$1,521,560
Aug, 2021		\$5,072	\$5,048	\$1,516,512
Sep, 2021		\$5,055	\$5,065	\$1,511,448



Date	Interest	Principal	Balance
Oct, 2021	\$5,038	\$5,082	\$1,506,366
Nov, 2021	\$5,021	\$5,099	\$1,501,267
Dec, 2021	\$5,004	\$5,116	\$1,496,152
<b>2021</b>	<b>\$61,160</b>	<b>\$60,278</b>	<b>\$1,496,152</b>
Jan, 2022	\$4,987	\$5,133	\$1,491,019
Feb, 2022	\$4,970	\$5,150	\$1,485,869
Mar, 2022	\$4,953	\$5,167	\$1,480,702
Apr, 2022	\$4,936	\$5,184	\$1,475,518
May, 2022	\$4,918	\$5,201	\$1,470,316
Jun, 2022	\$4,901	\$5,219	\$1,465,098
Jul, 2022	\$4,884	\$5,236	\$1,459,861
Aug, 2022	\$4,866	\$5,254	\$1,454,608
Sep, 2022	\$4,849	\$5,271	\$1,449,336
Oct, 2022	\$4,831	\$5,289	\$1,444,048
Nov, 2022	\$4,813	\$5,306	\$1,438,741
Dec, 2022	\$4,796	\$5,324	\$1,433,417
<b>2022</b>	<b>\$58,704</b>	<b>\$62,734</b>	<b>\$1,433,417</b>
Jan, 2023	\$4,778	\$5,342	\$1,428,075
Feb, 2023	\$4,760	\$5,360	\$1,422,716
Mar, 2023	\$4,742	\$5,377	\$1,417,338
Apr, 2023	\$4,724	\$5,395	\$1,411,943
May, 2023	\$4,706	\$5,413	\$1,406,530
Jun, 2023	\$4,688	\$5,431	\$1,401,098
Jul, 2023	\$4,670	\$5,450	\$1,395,649
Aug, 2023	\$4,652	\$5,468	\$1,390,181
Sep, 2023	\$4,634	\$5,486	\$1,384,695
Oct, 2023	\$4,616	\$5,504	\$1,379,191
Nov, 2023	\$4,597	\$5,523	\$1,373,668
Dec, 2023	\$4,579	\$5,541	\$1,368,127
<b>2023</b>	<b>\$56,148</b>	<b>\$65,290</b>	<b>\$1,368,127</b>
Jan, 2024	\$4,560	\$5,559	\$1,362,568
Feb, 2024	\$4,542	\$5,578	\$1,356,990
Mar, 2024	\$4,523	\$5,597	\$1,351,393
Apr, 2024	\$4,505	\$5,615	\$1,345,778
May, 2024	\$4,486	\$5,634	\$1,340,144
Jun, 2024	\$4,467	\$5,653	\$1,334,491
Jul, 2024	\$4,448	\$5,672	\$1,328,820
Aug, 2024	\$4,429	\$5,690	\$1,323,129
Sep, 2024	\$4,410	\$5,709	\$1,317,420
Oct, 2024	\$4,391	\$5,728	\$1,311,691
Nov, 2024	\$4,372	\$5,748	\$1,305,944

Date	Interest	Principal	Balance
Dec, 2024		\$4,353	\$5,767
	<b>2024</b>	<b>\$53,488</b>	<b>\$67,950</b>
Jan, 2025		\$4,334	\$5,786
Feb, 2025		\$4,315	\$5,805
Mar, 2025		\$4,295	\$5,825
Apr, 2025		\$4,276	\$5,844
May, 2025		\$4,256	\$5,863
Jun, 2025		\$4,237	\$5,883
Jul, 2025		\$4,217	\$5,903
Aug, 2025		\$4,198	\$5,922
Sep, 2025		\$4,178	\$5,942
Oct, 2025		\$4,158	\$5,962
Nov, 2025		\$4,138	\$5,982
Dec, 2025		\$4,118	\$6,002
	<b>2025</b>	<b>\$50,720</b>	<b>\$70,719</b>
Jan, 2026		\$4,098	\$6,022
Feb, 2026		\$4,078	\$6,042
Mar, 2026		\$4,058	\$6,062
Apr, 2026		\$4,038	\$6,082
May, 2026		\$4,018	\$6,102
Jun, 2026		\$3,997	\$6,123
Jul, 2026		\$3,977	\$6,143
Aug, 2026		\$3,956	\$6,164
Sep, 2026		\$3,936	\$6,184
Oct, 2026		\$3,915	\$6,205
Nov, 2026		\$3,894	\$6,225
Dec, 2026		\$3,874	\$6,246
	<b>2026</b>	<b>\$47,839</b>	<b>\$73,600</b>
Jan, 2027		\$3,853	\$6,267
Feb, 2027		\$3,832	\$6,288
Mar, 2027		\$3,811	\$6,309
Apr, 2027		\$3,790	\$6,330
May, 2027		\$3,769	\$6,351
Jun, 2027		\$3,748	\$6,372
Jul, 2027		\$3,726	\$6,393
Aug, 2027		\$3,705	\$6,415
Sep, 2027		\$3,684	\$6,436
Oct, 2027		\$3,662	\$6,458
Nov, 2027		\$3,641	\$6,479
Dec, 2027		\$3,619	\$6,501
	<b>2027</b>	<b>\$44,840</b>	<b>\$76,598</b>
			<b>\$1,079,260</b>

Date	Interest	Principal	Balance
Jan, 2028		\$3,598	\$6,522
Feb, 2028		\$3,576	\$6,544
Mar, 2028		\$3,554	\$6,566
Apr, 2028		\$3,532	\$6,588
May, 2028		\$3,510	\$6,610
Jun, 2028		\$3,488	\$6,632
Jul, 2028		\$3,466	\$6,654
Aug, 2028		\$3,444	\$6,676
Sep, 2028		\$3,422	\$6,698
Oct, 2028		\$3,399	\$6,721
Nov, 2028		\$3,377	\$6,743
Dec, 2028		\$3,354	\$6,766
	2028	\$41,719	\$79,719
Jan, 2029		\$3,332	\$6,788
Feb, 2029		\$3,309	\$6,811
Mar, 2029		\$3,286	\$6,833
Apr, 2029		\$3,264	\$6,856
May, 2029		\$3,241	\$6,879
Jun, 2029		\$3,218	\$6,902
Jul, 2029		\$3,195	\$6,925
Aug, 2029		\$3,172	\$6,948
Sep, 2029		\$3,149	\$6,971
Oct, 2029		\$3,125	\$6,994
Nov, 2029		\$3,102	\$7,018
Dec, 2029		\$3,079	\$7,041
	2029	\$38,472	\$82,967
Jan, 2030		\$3,055	\$7,065
Feb, 2030		\$3,032	\$7,088
Mar, 2030		\$3,008	\$7,112
Apr, 2030		\$2,984	\$7,136
May, 2030		\$2,961	\$7,159
Jun, 2030		\$2,937	\$7,183
Jul, 2030		\$2,913	\$7,207
Aug, 2030		\$2,889	\$7,231
Sep, 2030		\$2,865	\$7,255
Oct, 2030		\$2,840	\$7,279
Nov, 2030		\$2,816	\$7,304
Dec, 2030		\$2,792	\$7,328
	2030	\$35,091	\$86,347
Jan, 2031		\$2,767	\$7,352
Feb, 2031		\$2,743	\$7,377

Date	Interest	Principal	Balance
Mar, 2031		\$2,718	\$7,402
Apr, 2031		\$2,694	\$7,426
May, 2031		\$2,669	\$7,451
Jun, 2031		\$2,644	\$7,476
Jul, 2031		\$2,619	\$7,501
Aug, 2031		\$2,594	\$7,526
Sep, 2031		\$2,569	\$7,551
Oct, 2031		\$2,544	\$7,576
Nov, 2031		\$2,519	\$7,601
Dec, 2031		\$2,493	\$7,627
	<b>2031</b>	<b>\$31,573</b>	<b>\$89,865</b>
Jan, 2032		\$2,468	\$7,652
Feb, 2032		\$2,442	\$7,678
Mar, 2032		\$2,417	\$7,703
Apr, 2032		\$2,391	\$7,729
May, 2032		\$2,365	\$7,755
Jun, 2032		\$2,339	\$7,780
Jul, 2032		\$2,314	\$7,806
Aug, 2032		\$2,288	\$7,832
Sep, 2032		\$2,261	\$7,858
Oct, 2032		\$2,235	\$7,885
Nov, 2032		\$2,209	\$7,911
Dec, 2032		\$2,183	\$7,937
	<b>2032</b>	<b>\$27,912</b>	<b>\$93,526</b>
Jan, 2033		\$2,156	\$7,964
Feb, 2033		\$2,130	\$7,990
Mar, 2033		\$2,103	\$8,017
Apr, 2033		\$2,076	\$8,044
May, 2033		\$2,049	\$8,070
Jun, 2033		\$2,023	\$8,097
Jul, 2033		\$1,996	\$8,124
Aug, 2033		\$1,968	\$8,151
Sep, 2033		\$1,941	\$8,179
Oct, 2033		\$1,914	\$8,206
Nov, 2033		\$1,887	\$8,233
Dec, 2033		\$1,859	\$8,261
	<b>2033</b>	<b>\$24,102</b>	<b>\$97,337</b>
Jan, 2034		\$1,832	\$8,288
Feb, 2034		\$1,804	\$8,316
Mar, 2034		\$1,776	\$8,344
Apr, 2034		\$1,749	\$8,371



Date	Interest	Principal	Balance
May, 2034		\$1,721	\$8,399
Jun, 2034		\$1,693	\$8,427
Jul, 2034		\$1,665	\$8,455
Aug, 2034		\$1,636	\$8,484
Sep, 2034		\$1,608	\$8,512
Oct, 2034		\$1,580	\$8,540
Nov, 2034		\$1,551	\$8,569
Dec, 2034		\$1,523	\$8,597
	<b>2034</b>	<b>\$20,136</b>	<b>\$101,302</b>
Jan, 2035		\$1,494	\$8,626
Feb, 2035		\$1,465	\$8,655
Mar, 2035		\$1,436	\$8,683
Apr, 2035		\$1,407	\$8,712
May, 2035		\$1,378	\$8,741
Jun, 2035		\$1,349	\$8,771
Jul, 2035		\$1,320	\$8,800
Aug, 2035		\$1,291	\$8,829
Sep, 2035		\$1,261	\$8,859
Oct, 2035		\$1,232	\$8,888
Nov, 2035		\$1,202	\$8,918
Dec, 2035		\$1,172	\$8,947
	<b>2035</b>	<b>\$16,009</b>	<b>\$105,430</b>
Jan, 2036		\$1,143	\$8,977
Feb, 2036		\$1,113	\$9,007
Mar, 2036		\$1,083	\$9,037
Apr, 2036		\$1,052	\$9,067
May, 2036		\$1,022	\$9,098
Jun, 2036		\$992	\$9,128
Jul, 2036		\$962	\$9,158
Aug, 2036		\$931	\$9,189
Sep, 2036		\$900	\$9,220
Oct, 2036		\$870	\$9,250
Nov, 2036		\$839	\$9,281
Dec, 2036		\$808	\$9,312
	<b>2036</b>	<b>\$11,714</b>	<b>\$109,725</b>
Jan, 2037		\$777	\$9,343
Feb, 2037		\$746	\$9,374
Mar, 2037		\$714	\$9,405
Apr, 2037		\$683	\$9,437
May, 2037		\$652	\$9,468
Jun, 2037		\$620	\$9,500

Date	Interest	Principal	Balance
Jul, 2037		\$588	\$9,531
Aug, 2037		\$557	\$9,563
Sep, 2037		\$525	\$9,595
Oct, 2037		\$493	\$9,627
Nov, 2037		\$461	\$9,659
Dec, 2037		\$428	\$9,691
	<b>2037</b>	<b>\$7,243</b>	<b>\$114,195</b>
Jan, 2038		\$396	\$9,724
Feb, 2038		\$364	\$9,756
Mar, 2038		\$331	\$9,789
Apr, 2038		\$299	\$9,821
May, 2038		\$266	\$9,854
Jun, 2038		\$233	\$9,887
Jul, 2038		\$200	\$9,920
Aug, 2038		\$167	\$9,953
Sep, 2038		\$134	\$9,986
Oct, 2038		\$101	\$10,019
Nov, 2038		\$67	\$10,053
Dec, 2038		\$34	\$10,086
	<b>2038</b>	<b>\$2,591</b>	<b>\$118,848</b>

## EXHIBIT G

### CONTRACT FOR THE PURCHASE OF 8733 NARRAGANSETT, MORTON GROVE BY AND BETWEEN THE VILLAGE OF MORTON GROVE, ILLINOIS AND 8735 NARRAGANSETT AVE LLC

The Village of Morton Grove, a municipal corporation and a home rule unit of government located in Cook County, Illinois ("Village" or "Seller") hereby agrees to sell and 8735 Narragansett Ave LLC, an Illinois limited liability company ("Buyer") hereby agrees to buy that property commonly known 8733 Narragansett, Morton Grove IL ("8733 Narragansett") pursuant to the following terms and conditions. The legal description and PIN number(s) of 8733 Narragansett are set forth in Attachment #1:

1. **Purchase Price.** The Buyer shall pay the Village the sum of seventy thousand dollars (\$70,000) to be paid as follows:

- a. **Earnest Money.** No earnest money shall be required by the Buyer.
- b. **Payment at Closing.** At closing, the Buyer shall execute a note and mortgage in favor of the Village for the balance of the purchase price of 8733 Narragansett as well the purchase of Site J and 8721 Narragansett in the total amount of one million six hundred and seventy thousand dollars (\$1,670,000) as adjusted by agreed or customary credits and prorations including tax prorations. The mortgage shall be recorded at Buyer's expense and shall be subordinate to the Buyer's mortgage lien, if any necessarily incurred for the construction of the improvements and the installation of fixtures and furnishings on the real estate. Except in the case of a default by the Developer, the note shall not bear interest and no payments shall be due to the Village until January 7, 2019 (three years after the execution of the Redevelopment Agreement by and between the parties dated January 6, 2016. ("the RDA"). Thereafter, interest shall accrue on the unpaid principal balance at the rate of 4% per annum. The principal and accrued interest shall be repaid pursuant to a 20-year amortization schedule as described in Attachment #2. There shall be no prepayment penalty for full or partial early payment(s) on the note.

The Village will forgive and reduce the principal and interest owed on the note on a dollar-for-dollar basis for (a) 100% of the increased property taxes actually received by the Village for Site J, 8733 Narragansett and 8721 Narragansett for tax years 2016 through 2023 (which are paid from 2017 through 2024), and (b) 65% of the Village's share of state sales taxes, the Village's home rule sale's tax and the Village's local food and beverage tax actually received by the Village from the operation of the Moretti's Ristorante and Pizzeria restaurant to be constructed and operated on Site J and the video gaming café to be constructed and operated on 8733 and 8735 Narragansett for the first 15 years after the execution of the RDA or until the note is paid in full whichever is sooner. No portion of the note and mortgage shall be forgiven while the Developer is in default of any term of this contract or the RDA or is not in good standing on any and all Village fees, taxes, obligations and accounts, including but limited to real estate tax payments to Cook County, local food and beverage sales taxes, business compliance certificate fees, fire system fees, vehicle sticker payments, parking tickets, water bills, and fines.

For purposes of this contract, "increased property taxes" means property taxes greater than the property taxes received by the Village for tax year 2015 for Site J, 8733 Narragansett, 8735 Narragansett and 8721 Narragansett.

For purposes of this contract, the term "sales tax" means the net portion of taxes imposed by either the State of Illinois and actually received by the Village pursuant to the Retailer's Occupation Tax Act and the Service Occupation Tax Act (as said Acts may be amended from time-to-time) or home rule sales taxes imposed by the Villages under their power and authority pursuant to 65 ILCS 5/8-11-1 and actually received by the Village, and the Village's food and beverage taxes actually received by the Village from sales made from the operation of the Moretti's restaurant and catering business on site J and from the video gaming café on 8733 and 8735 Narragansett.

2. **Closing.** The closing shall occur immediately upon the approval by the Village Administrator and all governmental and quasi-governmental agencies, authorities, commissions or other bodies with jurisdiction of all building and zoning permits which are required for the construction of the improvements on the real estate as set forth in the RDA, or sooner upon mutual agreement. The closing of Site J, 8733 Narragansett, and 8721 Narragansett shall occur simultaneously. If the closing has not occurred by July 1, 2016 through no fault of the Village, the Village may at its sole option, terminate this contract or grant a reasonable extension.

3. **Contingency Period and Inspections.**

- a. The Village shall make available to the Buyer for the Buyer's inspection, copies of all surveys, environmental reports, soils tests, maps and plats for the subject property within the Village's possession.
- b. The Buyer and its agents shall have through January 31, 2016 to conduct at Buyer's sole cost and expense and subject to the terms herein its inspection of the property which may include without limitation fiscal inspections of the subject property, surveys, soils tests, site analyses, engineering studies, environmental studies, and investigations and appraisals.
- c. The Buyer may terminate this contract for any reason during the contingency period.
- d. The Village represents and warrants there are no tenants occupying the real estate, and the real estate shall be vacant at closing.

4. **Tax Prorations.** The Village represents the real estate has been exempt from real estate taxes and shall remain so through the date of the closing. In the event any taxes are assessed or become due and payable for any period prior to the closing, the Village shall pay same upon receipt of any such real estate tax bill.

5. **Title.** At the Village's expense, the Village will deliver or cause to be delivered to the Buyer within five (5) days in advance of closing, a title commitment for an ALTA title insurance policy in the amount of the purchase price with extended coverage by a title company mutually acceptable to the parties issued on or subsequent to the date of acceptance of this contract, subject only to items listed in paragraph 7. The parties shall each pay their respective usual and customary share of the additional title charges and the parties shall equally pay for any deed in money closing escrow incurred as a result of this transaction. If the title commitment discloses any exceptions not acceptable to the Buyer, then the Village shall have said exceptions or encroachments removed, or, with Buyer's approval, have the title insurance commit to insure against loss or damage that may be caused by such exceptions or encroachments. If the Village fails to have unpermitted exceptions waived or title insured over prior to the closing, Buyer may elect to take the title as it then is, with the right to deduct from the purchase price prior encumbrances of a definite or ascertainable amount as may reasonably be agreed by the



parties. The Village shall furnish Buyer at closing an Affidavit of Title covering the date of the closing and shall sign any other customary forms required for the issuance of an ALTA Insurance Policy.

6. **Survey.** Within seven (7) days prior to closing, the Village shall furnish a staked ALTA survey dated within ninety (90) days of closing showing all boundaries, rights-of-way, easements, and set-back lines and evidencing the title is free of all encroachments.

7. **Deed.** The Village will convey or cause to be conveyed to the Buyer good and merchantable title to the real estate by recordable Warranty Deed subject only to: general real estate taxes not due and payable at the time of closing, covenants, conditions, and restrictions of record, building lines and easements, applicable zoning and building laws, ordinances, restrictions and acts suffered or done by the Village if any, so long as they do not interfere with the current use and enjoyment of the real estate.

8. **Possession.** At closing, the Village shall surrender the property devoid of tenants and free and clear of any leases.

9. **Seller Representations:** The Village represents all leases and tenancies have been fully disclosed to the Buyer, that the Village has not received written notice from any other governmental body of (a) zoning, building, fire or health code violations that have not been corrected; (b) any pending rezoning; or (c) a proposed or confirmed special assessment and/or special service area affecting the real estate. The Village further represents it has no knowledge of boundary line disputes, easements or claims of easement not shown by the public records, any hazardous waste on the real estate or any improvements for which the required permits were not obtained.

10. **Maintenance of Property.** The property shall be maintained in the same condition as found on the date of the contract, normal wear and tear, excepted.

11. **Default.** The Village shall be responsible for all damages, reasonable costs and expenses including attorney's fees due to the failure of the Village to comply with the terms of this contract. The Buyer shall be responsible for all damages, reasonable costs and expenses, including attorney's fees incurred by the Village, in excess of any earnest money retained by the Village due the failure of the Buyer to comply with the terms of this contract.

12. **Notice.** All notices required shall be in writing and shall be delivered by personal delivery; by certified mail, return receipt requested which shall be effective on the date of mailing; or by sending facsimile transmission which shall be effective as of the date and time of facsimile transmission, provided the notice transmitted shall be sent on business days during the business hours of 9:00 am to 5:00 pm Chicago time. In the event the fax notice is transmitted during non-business hours, the effective date and time of notice is the first hour of the first business day after the transmission.

Notices to the Village shall be mailed or faxed to:

Teresa Hoffman Liston, Corporation Counsel  
Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove, Illinois 60053  
Fax 847.965.4162

Notices to the Buyer shall be mailed or faxed to:  
8735 Narragansett Ave LLC,  
c/o Judy Diller  
2330 Hammond Dr. Suite G,  
Schaumburg, IL 60173-3869

With a copy to: Christopher Goluba  
Attorney at Law  
Fax 630-894-0485

13. **Miscellaneous**

- a. Time is of the essence of this contract.
- b. The Village shall pay for all county, state, and municipal transfer taxes if required by law.
- c. All disputes related to the construction or enforcement of these terms and provisions shall be governed by the laws of the State of Illinois and are subject to the covenant of good faith and fair dealing implied in all Illinois contracts.

This contract has been executed on January 6, 2016 (the contract date).

IN WITNESS WHEREOF, the parties have thereto set their hands on the date first above written.

THE VILLAGE OF MORTON GROVE

ATTEST:

By: 

Daniel P. DiMaria, Village President

By: 

Connie Travis, Village Clerk

8735 NARRAGANSETT AVE LLC

By: 

Mark Hoffmann, Manager

## GUARANTEE

**THIS GUARANTEE dated this 6<sup>th</sup> day of January 2016**

IN CONSIDERATION OF the Village of Morton Grove ("Village") entering into an Economic Incentive and Tax Increment Allocation Financing Development Agreement ("the agreement") with and 8735 Narragansett Ave LLC (" the Developer") dated January 6, 2016, the undersigned Guarantor personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness of the Developer pursuant to this contract including but not limited to all payments due pursuant to a note to be signed by the Developer in the amount of \$1,670,000 ("the note"), under the following terms and conditions:

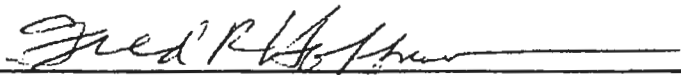
The Guarantor guarantees that Developer will promptly perform all obligations under the contract and pay the full amount of principal and interest of the note when due, either according to the terms and conditions provided by the agreement or upon acceleration of the payment under the agreement by reason of a default.

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 note.

This 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 state courts of the State of Illinois. This Guarantee embodies the entire promise of Guarantor to personally guarantee Developer's debts and obligations as set forth herein and supersedes all prior agreements and understandings relating to the subject matter here, whether oral or in writing.

Guarantor

Ala Carte Entertainment Limited Partnership,

By:   
Fred R. Hoffmann, President of Hoffmann Enterprises, Inc.,  
an Illinois corporation, Its General Partner.

**ATTACHMENT 1**  
**Legal Description and PIN Numbers of**  
**8733 Narragansett, Morton Grove, IL**

PIN Numbers:           10-20-100-009-0000

**Legal Description of 8733 Narragansett Avenue**

LOT 22 IN LUMPP'S SUBDIVISION, BEING A SUBDIVISION OF THE NORTH 366.17 FEET OF LOT 3 IN HENNING'S SUBDIVISION OF LOTS 42 AND 43 TOGETHER WITH THE NORTH 16 FEET OF LOT 44 IN COUNTY CLERK'S DIVISION OF SECTION 20 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF LINCOLN AVENUE AND THE CHICAGO, MILWAUKEE AND ST. PAUL RAILROAD (EXCEPT THEREFROM THE NORTH 100.17 FEET OF THE EAST 85 FEET OF SAID LOT 3 IN HENNING'S SUBDIVISION) IN COOK COUNTY, ILLINOIS.



**Attachment # 2**  
**Amortization Schedule**

\$1,670,000 amortized over 20 years at 4% interest  
Monthly payment of \$10,120 to begin January 7, 2019

Date	Interest	Principal	Balance
Jan, 2019		\$5,567	\$4,553
Feb, 2019		\$5,551	\$4,568
Mar, 2019		\$5,536	\$4,584
Apr, 2019		\$5,521	\$4,599
May, 2019		\$5,506	\$4,614
Jun, 2019		\$5,490	\$4,630
Jul, 2019		\$5,475	\$4,645
Aug, 2019		\$5,459	\$4,661
Sep, 2019		\$5,444	\$4,676
Oct, 2019		\$5,428	\$4,692
Nov, 2019		\$5,413	\$4,707
Dec, 2019		\$5,397	\$4,723
	<b>2019</b>	<b>\$65,787</b>	<b>\$55,651</b>
Jan, 2020		\$5,381	\$4,739
Feb, 2020		\$5,365	\$4,755
Mar, 2020		\$5,350	\$4,770
Apr, 2020		\$5,334	\$4,786
May, 2020		\$5,318	\$4,802
Jun, 2020		\$5,302	\$4,818
Jul, 2020		\$5,286	\$4,834
Aug, 2020		\$5,269	\$4,850
Sep, 2020		\$5,253	\$4,867
Oct, 2020		\$5,237	\$4,883
Nov, 2020		\$5,221	\$4,899
Dec, 2020		\$5,204	\$4,915
	<b>2020</b>	<b>\$63,520</b>	<b>\$57,919</b>
Jan, 2021		\$5,188	\$4,932
Feb, 2021		\$5,172	\$4,948
Mar, 2021		\$5,155	\$4,965
Apr, 2021		\$5,139	\$4,981
May, 2021		\$5,122	\$4,998
Jun, 2021		\$5,105	\$5,015
Jul, 2021		\$5,089	\$5,031
Aug, 2021		\$5,072	\$5,048
Sep, 2021		\$5,055	\$5,065

Date	Interest	Principal	Balance
Oct, 2021	\$5,038	\$5,082	\$1,506,366
Nov, 2021	\$5,021	\$5,099	\$1,501,267
Dec, 2021	\$5,004	\$5,116	\$1,496,152
<b>2021</b>	<b>\$61,160</b>	<b>\$60,278</b>	<b>\$1,496,152</b>
Jan, 2022	\$4,987	\$5,133	\$1,491,019
Feb, 2022	\$4,970	\$5,150	\$1,485,869
Mar, 2022	\$4,953	\$5,167	\$1,480,702
Apr, 2022	\$4,936	\$5,184	\$1,475,518
May, 2022	\$4,918	\$5,201	\$1,470,316
Jun, 2022	\$4,901	\$5,219	\$1,465,098
Jul, 2022	\$4,884	\$5,236	\$1,459,861
Aug, 2022	\$4,866	\$5,254	\$1,454,608
Sep, 2022	\$4,849	\$5,271	\$1,449,336
Oct, 2022	\$4,831	\$5,289	\$1,444,048
Nov, 2022	\$4,813	\$5,306	\$1,438,741
Dec, 2022	\$4,796	\$5,324	\$1,433,417
<b>2022</b>	<b>\$58,704</b>	<b>\$62,734</b>	<b>\$1,433,417</b>
Jan, 2023	\$4,778	\$5,342	\$1,428,075
Feb, 2023	\$4,760	\$5,360	\$1,422,716
Mar, 2023	\$4,742	\$5,377	\$1,417,338
Apr, 2023	\$4,724	\$5,395	\$1,411,943
May, 2023	\$4,706	\$5,413	\$1,406,530
Jun, 2023	\$4,688	\$5,431	\$1,401,098
Jul, 2023	\$4,670	\$5,450	\$1,395,649
Aug, 2023	\$4,652	\$5,468	\$1,390,181
Sep, 2023	\$4,634	\$5,486	\$1,384,695
Oct, 2023	\$4,616	\$5,504	\$1,379,191
Nov, 2023	\$4,597	\$5,523	\$1,373,668
Dec, 2023	\$4,579	\$5,541	\$1,368,127
<b>2023</b>	<b>\$56,148</b>	<b>\$65,290</b>	<b>\$1,368,127</b>
Jan, 2024	\$4,560	\$5,559	\$1,362,568
Feb, 2024	\$4,542	\$5,578	\$1,356,990
Mar, 2024	\$4,523	\$5,597	\$1,351,393
Apr, 2024	\$4,505	\$5,615	\$1,345,778
May, 2024	\$4,486	\$5,634	\$1,340,144
Jun, 2024	\$4,467	\$5,653	\$1,334,491
Jul, 2024	\$4,448	\$5,672	\$1,328,820
Aug, 2024	\$4,429	\$5,690	\$1,323,129
Sep, 2024	\$4,410	\$5,709	\$1,317,420
Oct, 2024	\$4,391	\$5,728	\$1,311,691
Nov, 2024	\$4,372	\$5,748	\$1,305,944

Date	Interest	Principal	Balance
Dec, 2024		\$4,353	\$5,767
	2024	\$53,488	\$67,950
Jan, 2025		\$4,334	\$5,786
Feb, 2025		\$4,315	\$5,805
Mar, 2025		\$4,295	\$5,825
Apr, 2025		\$4,276	\$5,844
May, 2025		\$4,256	\$5,863
Jun, 2025		\$4,237	\$5,883
Jul, 2025		\$4,217	\$5,903
Aug, 2025		\$4,198	\$5,922
Sep, 2025		\$4,178	\$5,942
Oct, 2025		\$4,158	\$5,962
Nov, 2025		\$4,138	\$5,982
Dec, 2025		\$4,118	\$6,002
	2025	\$50,720	\$70,719
Jan, 2026		\$4,098	\$6,022
Feb, 2026		\$4,078	\$6,042
Mar, 2026		\$4,058	\$6,062
Apr, 2026		\$4,038	\$6,082
May, 2026		\$4,018	\$6,102
Jun, 2026		\$3,997	\$6,123
Jul, 2026		\$3,977	\$6,143
Aug, 2026		\$3,956	\$6,164
Sep, 2026		\$3,936	\$6,184
Oct, 2026		\$3,915	\$6,205
Nov, 2026		\$3,894	\$6,225
Dec, 2026		\$3,874	\$6,246
	2026	\$47,839	\$73,600
Jan, 2027		\$3,853	\$6,267
Feb, 2027		\$3,832	\$6,288
Mar, 2027		\$3,811	\$6,309
Apr, 2027		\$3,790	\$6,330
May, 2027		\$3,769	\$6,351
Jun, 2027		\$3,748	\$6,372
Jul, 2027		\$3,726	\$6,393
Aug, 2027		\$3,705	\$6,415
Sep, 2027		\$3,684	\$6,436
Oct, 2027		\$3,662	\$6,458
Nov, 2027		\$3,641	\$6,479
Dec, 2027		\$3,619	\$6,501
	2027	\$44,840	\$76,598

Date	Interest	Principal	Balance	
Jan, 2028		\$3,598	\$6,522	\$1,072,738
Feb, 2028		\$3,576	\$6,544	\$1,066,194
Mar, 2028		\$3,554	\$6,566	\$1,059,628
Apr, 2028		\$3,532	\$6,588	\$1,053,040
May, 2028		\$3,510	\$6,610	\$1,046,431
Jun, 2028		\$3,488	\$6,632	\$1,039,799
Jul, 2028		\$3,466	\$6,654	\$1,033,145
Aug, 2028		\$3,444	\$6,676	\$1,026,469
Sep, 2028		\$3,422	\$6,698	\$1,019,771
Oct, 2028		\$3,399	\$6,721	\$1,013,050
Nov, 2028		\$3,377	\$6,743	\$1,006,307
Dec, 2028		\$3,354	\$6,766	\$999,541
	<b>2028</b>	<b>\$41,719</b>	<b>\$79,719</b>	<b>\$999,541</b>
Jan, 2029		\$3,332	\$6,788	\$992,753
Feb, 2029		\$3,309	\$6,811	\$985,943
Mar, 2029		\$3,286	\$6,833	\$979,109
Apr, 2029		\$3,264	\$6,856	\$972,253
May, 2029		\$3,241	\$6,879	\$965,374
Jun, 2029		\$3,218	\$6,902	\$958,472
Jul, 2029		\$3,195	\$6,925	\$951,547
Aug, 2029		\$3,172	\$6,948	\$944,599
Sep, 2029		\$3,149	\$6,971	\$937,628
Oct, 2029		\$3,125	\$6,994	\$930,633
Nov, 2029		\$3,102	\$7,018	\$923,616
Dec, 2029		\$3,079	\$7,041	\$916,575
	<b>2029</b>	<b>\$38,472</b>	<b>\$82,967</b>	<b>\$916,575</b>
Jan, 2030		\$3,055	\$7,065	\$909,510
Feb, 2030		\$3,032	\$7,088	\$902,422
Mar, 2030		\$3,008	\$7,112	\$895,310
Apr, 2030		\$2,984	\$7,136	\$888,174
May, 2030		\$2,961	\$7,159	\$881,015
Jun, 2030		\$2,937	\$7,183	\$873,832
Jul, 2030		\$2,913	\$7,207	\$866,625
Aug, 2030		\$2,889	\$7,231	\$859,394
Sep, 2030		\$2,865	\$7,255	\$852,139
Oct, 2030		\$2,840	\$7,279	\$844,859
Nov, 2030		\$2,816	\$7,304	\$837,556
Dec, 2030		\$2,792	\$7,328	\$830,227
	<b>2030</b>	<b>\$35,091</b>	<b>\$86,347</b>	<b>\$830,227</b>
Jan, 2031		\$2,767	\$7,352	\$822,875
Feb, 2031		\$2,743	\$7,377	\$815,498

Date	Interest	Principal	Balance
Mar, 2031	\$2,718	\$7,402	\$808,097
Apr, 2031	\$2,694	\$7,426	\$800,670
May, 2031	\$2,669	\$7,451	\$793,219
Jun, 2031	\$2,644	\$7,476	\$785,744
Jul, 2031	\$2,619	\$7,501	\$778,243
Aug, 2031	\$2,594	\$7,526	\$770,717
Sep, 2031	\$2,569	\$7,551	\$763,166
Oct, 2031	\$2,544	\$7,576	\$755,590
Nov, 2031	\$2,519	\$7,601	\$747,989
Dec, 2031	\$2,493	\$7,627	\$740,362
<b>2031</b>	<b>\$31,573</b>	<b>\$89,865</b>	<b>\$740,362</b>
Jan, 2032	\$2,468	\$7,652	\$732,710
Feb, 2032	\$2,442	\$7,678	\$725,033
Mar, 2032	\$2,417	\$7,703	\$717,330
Apr, 2032	\$2,391	\$7,729	\$709,601
May, 2032	\$2,365	\$7,755	\$701,847
Jun, 2032	\$2,339	\$7,780	\$694,066
Jul, 2032	\$2,314	\$7,806	\$686,260
Aug, 2032	\$2,288	\$7,832	\$678,428
Sep, 2032	\$2,261	\$7,858	\$670,569
Oct, 2032	\$2,235	\$7,885	\$662,684
Nov, 2032	\$2,209	\$7,911	\$654,774
Dec, 2032	\$2,183	\$7,937	\$646,836
<b>2032</b>	<b>\$27,912</b>	<b>\$93,526</b>	<b>\$646,836</b>
Jan, 2033	\$2,156	\$7,964	\$638,872
Feb, 2033	\$2,130	\$7,990	\$630,882
Mar, 2033	\$2,103	\$8,017	\$622,865
Apr, 2033	\$2,076	\$8,044	\$614,822
May, 2033	\$2,049	\$8,070	\$606,751
Jun, 2033	\$2,023	\$8,097	\$598,654
Jul, 2033	\$1,996	\$8,124	\$590,529
Aug, 2033	\$1,968	\$8,151	\$582,378
Sep, 2033	\$1,941	\$8,179	\$574,199
Oct, 2033	\$1,914	\$8,206	\$565,993
Nov, 2033	\$1,887	\$8,233	\$557,760
Dec, 2033	\$1,859	\$8,261	\$549,500
<b>2033</b>	<b>\$24,102</b>	<b>\$97,337</b>	<b>\$549,500</b>
Jan, 2034	\$1,832	\$8,288	\$541,211
Feb, 2034	\$1,804	\$8,316	\$532,896
Mar, 2034	\$1,776	\$8,344	\$524,552
Apr, 2034	\$1,749	\$8,371	\$516,181



Date	Interest	Principal	Balance
May, 2034	\$1,721	\$8,399	\$507,781
Jun, 2034	\$1,693	\$8,427	\$499,354
Jul, 2034	\$1,665	\$8,455	\$490,899
Aug, 2034	\$1,636	\$8,484	\$482,415
Sep, 2034	\$1,608	\$8,512	\$473,903
Oct, 2034	\$1,580	\$8,540	\$465,363
Nov, 2034	\$1,551	\$8,569	\$456,795
Dec, 2034	\$1,523	\$8,597	\$448,197
	<b>2034</b>	<b>\$20,136</b>	<b>\$101,302</b>
Jan, 2035	\$1,494	\$8,626	\$439,571
Feb, 2035	\$1,465	\$8,655	\$430,917
Mar, 2035	\$1,436	\$8,683	\$422,233
Apr, 2035	\$1,407	\$8,712	\$413,521
May, 2035	\$1,378	\$8,741	\$404,779
Jun, 2035	\$1,349	\$8,771	\$396,009
Jul, 2035	\$1,320	\$8,800	\$387,209
Aug, 2035	\$1,291	\$8,829	\$378,380
Sep, 2035	\$1,261	\$8,859	\$369,521
Oct, 2035	\$1,232	\$8,888	\$360,633
Nov, 2035	\$1,202	\$8,918	\$351,715
Dec, 2035	\$1,172	\$8,947	\$342,768
	<b>2035</b>	<b>\$16,009</b>	<b>\$105,430</b>
Jan, 2036	\$1,143	\$8,977	\$333,790
Feb, 2036	\$1,113	\$9,007	\$324,783
Mar, 2036	\$1,083	\$9,037	\$315,746
Apr, 2036	\$1,052	\$9,067	\$306,679
May, 2036	\$1,022	\$9,098	\$297,581
Jun, 2036	\$992	\$9,128	\$288,453
Jul, 2036	\$962	\$9,158	\$279,295
Aug, 2036	\$931	\$9,189	\$270,106
Sep, 2036	\$900	\$9,220	\$260,886
Oct, 2036	\$870	\$9,250	\$251,636
Nov, 2036	\$839	\$9,281	\$242,355
Dec, 2036	\$808	\$9,312	\$233,043
	<b>2036</b>	<b>\$11,714</b>	<b>\$109,725</b>
Jan, 2037	\$777	\$9,343	\$223,700
Feb, 2037	\$746	\$9,374	\$214,326
Mar, 2037	\$714	\$9,405	\$204,920
Apr, 2037	\$683	\$9,437	\$195,483
May, 2037	\$652	\$9,468	\$186,015
Jun, 2037	\$620	\$9,500	\$176,515

Date	Interest	Principal	Balance	
Jul, 2037		\$588	\$9,531	\$166,984
Aug, 2037		\$557	\$9,563	\$157,421
Sep, 2037		\$525	\$9,595	\$147,825
Oct, 2037		\$493	\$9,627	\$138,198
Nov, 2037		\$461	\$9,659	\$128,539
Dec, 2037		\$428	\$9,691	\$118,848
	<b>2037</b>	<b>\$7,243</b>	<b>\$114,195</b>	<b>\$118,848</b>
Jan, 2038		\$396	\$9,724	\$109,124
Feb, 2038		\$364	\$9,756	\$99,368
Mar, 2038		\$331	\$9,789	\$89,579
Apr, 2038		\$299	\$9,821	\$79,758
May, 2038		\$266	\$9,854	\$69,904
Jun, 2038		\$233	\$9,887	\$60,017
Jul, 2038		\$200	\$9,920	\$50,097
Aug, 2038		\$167	\$9,953	\$40,144
Sep, 2038		\$134	\$9,986	\$30,158
Oct, 2038		\$101	\$10,019	\$20,139
Nov, 2038		\$67	\$10,053	\$10,086
Dec, 2038		\$34	\$10,086	\$0
	<b>2038</b>	<b>\$2,591</b>	<b>\$118,848</b>	

## EXHIBIT H

### CONTRACT FOR THE PURCHASE OF 8721 NARRAGANSETT, MORTON GROVE BY AND BETWEEN THE VILLAGE OF MORTON GROVE, ILLINOIS AND 8735 NARRAGANSETT AVE LLC

The Village of Morton Grove, a municipal corporation and a home rule unit of government located in Cook County, Illinois ("Village" or "Seller") hereby agrees to sell and 8735 Narragansett Ave LLC, an Illinois limited liability company ("Buyer") hereby agrees to buy that property commonly known 8721 Narragansett, Morton Grove IL ("8721 Narragansett") pursuant to the following terms and conditions. The legal description and PIN number(s) of 8733 Narragansett are set forth in Attachment #1:

1. **Purchase Price.** The Buyer shall pay the Village the sum of two hundred thousand dollars (\$200,000) to be paid as follows:

- a. **Earnest Money.** No earnest money shall be required by the Buyer.
- b. **Payment at Closing.** At closing, the Buyer shall execute a note and mortgage in favor of the Village for the balance of the purchase price of 8721 Narragansett as well the purchase of Site J and 8733 Narragansett in the total amount of one million six hundred and seventy thousand dollars (\$1,670,000) as adjusted by agreed or customary credits and prorations including tax prorations. The mortgage shall be recorded at Buyer's expense and shall be subordinate to the Buyer's mortgage lien, if any necessarily incurred for the construction of the improvements and the installation of fixtures and furnishings on the real estate. Except in the case of a default by the Developer, the note shall not bear interest and no payments shall be due to the Village until January 7, 2019 (three years after the execution of the Redevelopment Agreement by and between the parties dated January 6, 2016. ("the RDA"). Thereafter, interest shall accrue on the unpaid principal balance at the rate of 4% per annum. The principal and accrued interest shall be repaid pursuant to a 20-year amortization schedule as described in Attachment #2. There shall be no prepayment penalty for full or partial early payment(s) on the note.

The Village will forgive and reduce the principal and interest owed on the note on a dollar-for-dollar basis for (a) 100% of the increased property taxes actually received by the Village for Site J, 8733 Narragansett and 8721 Narragansett for tax years 2016 through 2023 (which are paid from 2017 through 2024), and (b) 65% of the Village's share of state sales taxes, the Village's home rule sale's tax and the Village's local food and beverage tax actually received by the Village from the operation of the Moretti's Ristorante and Pizzeria restaurant to be constructed and operated on Site J and the video gaming café to be constructed and operated on 8733 and 8735 Narragansett for the first 15 years after the execution of the RDA or until the note is paid in full whichever is sooner. No portion of the note and mortgage shall be forgiven while the Developer is in default of any term of this contract or the RDA or is not in good standing on any and all Village fees, taxes, obligations and accounts, including but limited to real estate tax payments to Cook County, local food and beverage sales taxes, business compliance certificate fees, fire system fees, vehicle sticker payments, parking tickets, water bills, and fines.

For purposes of this contract, "increased property taxes" means property taxes greater than the property taxes received by the Village for tax year 2015 for Site J, 8733 Narragansett, 8735 Narragansett and 8721 Narragansett.

For purposes of this contract, the term "sales tax" means the net portion of taxes imposed by either the State of Illinois and actually received by the Village pursuant to the Retailer's Occupation Tax Act and the Service Occupation Tax Act (as said Acts may be amended from time-to-time) or home rule sales taxes imposed by the Villages under their power and authority pursuant to 65 ILCS 5/8-11-1 and actually received by the Village, and the Village's food and beverage taxes actually received by the Village from sales made from the operation of the Moretti's restaurant and catering business on site J and from the video gaming café on 8733 and 8735 Narragansett.

2. **Closing.** The closing shall occur immediately upon the approval by the Village Administrator and all governmental and quasi-governmental agencies, authorities, commissions or other bodies with jurisdiction of all building and zoning permits which are required for the construction of the improvements on the real estate as set forth in the RDA, or sooner upon mutual agreement. The closing of Site J, 8733 Narragansett, and 8721 Narragansett shall occur simultaneously. If the closing has not occurred by July 1, 2016 through no fault of the Village, the Village may at its sole option, terminate this contract or grant a reasonable extension.

3. **Contingency Period and Inspections.**

- a. The Village shall make available to the Buyer for the Buyer's inspection, copies of all surveys, environmental reports, soils tests, maps and plats for the subject property within the Village's possession.
- b. The Buyer and its agents shall have through January 31, 2016 to conduct at Buyer's sole cost and expense and subject to the terms herein its inspection of the property which may include without limitation fiscal inspections of the subject property, surveys, soils tests, site analyses, engineering studies, environmental studies, and investigations and appraisals.
- c. The Buyer may terminate this contract for any reason during the contingency period.
- d. The Village represents and warrants there are no tenants occupying the real estate, and the real estate shall be vacant at closing.

4. **Tax Prorations.** The Village represents the real estate has been exempt from real estate taxes and shall remain so through the date of the closing. In the event any taxes are assessed or become due and payable for any period prior to the closing, the Village shall pay same upon receipt of any such real estate tax bill.

5. **Title.** At the Village's expense, the Village will deliver or cause to be delivered to the Buyer within five (5) days in advance of closing, a title commitment for an ALTA title insurance policy in the amount of the purchase price with extended coverage by a title company mutually acceptable to the parties issued on or subsequent to the date of acceptance of this contract, subject only to items listed in paragraph 7. The parties shall each pay their respective usual and customary share of the additional title charges and the parties shall equally pay for any deed in money closing escrow incurred as a result of this transaction. If the title commitment discloses any exceptions not acceptable to the Buyer, then the Village shall have said exceptions or encroachments removed, or, with Buyer's approval, have the title insurance commit to insure against loss or damage that may be caused by such exceptions or encroachments. If the Village fails to have unpermitted exceptions waived or title insured over prior to the closing, Buyer may elect to take the title as it then is, with the right to deduct from the purchase price prior encumbrances of a definite or ascertainable amount as may reasonably be agreed by the parties. The Village shall furnish Buyer at closing an Affidavit of

Title covering the date of the closing and shall sign any other customary forms required for the issuance of an ALTA Insurance Policy.

6. **Survey.** Within seven (7) days prior to closing, the Village shall furnish a staked ALTA survey dated within ninety (90) days of closing showing all boundaries, rights-of-way, easements, and set-back lines and evidencing the title is free of all encroachments.

7. **Deed.** The Village will convey or cause to be conveyed to the Buyer good and merchantable title to the real estate by recordable Warranty Deed subject only to: general real estate taxes not due and payable at the time of closing, covenants, conditions, and restrictions of record, building lines and easements, applicable zoning and building laws, ordinances, restrictions and acts suffered or done by the Village if any, so long as they do not interfere with the current use and enjoyment of the real estate.

8. **Possession.** At closing, the Village shall surrender the property devoid of tenants and free and clear of any leases.

9. **Seller Representations:** The Village represents all leases and tenancies have been fully disclosed to the Buyer, that the Village has not received written notice from any other governmental body of (a) zoning, building, fire or health code violations that have not been corrected; (b) any pending rezoning; or (c) a proposed or confirmed special assessment and/or special service area affecting the real estate. The Village further represents it has no knowledge of boundary line disputes, easements or claims of easement not shown by the public records, any hazardous waste on the real estate or any improvements for which the required permits were not obtained.

10. **Maintenance of Property.** The property shall be maintained in the same condition as found on the date of the contract, normal wear and tear, excepted.

11. **Default.** The Village shall be responsible for all damages, reasonable costs and expenses including attorney's fees due to the failure of the Village to comply with the terms of this contract. The Buyer shall be responsible for all damages, reasonable costs and expenses, including attorney's fees incurred by the Village, in excess of any earnest money retained by the Village due the failure of the Buyer to comply with the terms of this contract.

12. **Notice.** All notices required shall be in writing and shall be delivered by personal delivery; by certified mail, return receipt requested which shall be effective on the date of mailing; or by sending facsimile transmission which shall be effective as of the date and time of facsimile transmission, provided the notice transmitted shall be sent on business days during the business hours of 9:00 am to 5:00 pm Chicago time. In the event the fax notice is transmitted during non-business hours, the effective date and time of notice is the first hour of the first business day after the transmission.

Notices to the Village shall be mailed or faxed to:

Teresa Hoffman Liston,  
Corporation Counsel  
Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove, Illinois 60053  
Fax 847.965.4162



Notices to the Buyer shall be mailed or faxed to:  
8735 Narragansett Ave LLC,  
c/o Judy Diller  
2330 Hammond Dr. Suite G,  
Schaumburg, IL 60173-3869

With a copy to: Christopher Goluba  
Attorney at Law  
Fax 630-894-0485

13. **Miscellaneous**

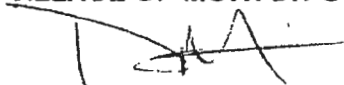
- a. Time is of the essence of this contract.
- b. The Village shall pay for all county, state, and municipal transfer taxes if required by law.
- c. All disputes related to the construction or enforcement of these terms and provisions shall be governed by the laws of the State of Illinois and are subject to the covenant of good faith and fair dealing implied in all Illinois contracts.

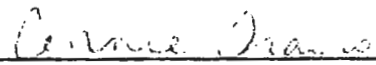
This contract has been executed on January 6, 2016 (the contract date).

IN WITNESS WHEREOF, the parties have thereto set their hands on the date first above written.

THE VILLAGE OF MORTON GROVE

ATTEST:

By:   
Daniel P. DiMaria, Village President

By:   
Connie Travis, Village Clerk

8735 NARRAGANSETT AVE LLC

By:   
Mark Hoffmann, Manager

## GUARANTEE

THIS GUARANTEE dated this 6<sup>th</sup> day of January 2016

IN CONSIDERATION OF the Village of Morton Grove ("Village") entering into an Economic Incentive and Tax Increment Allocation Financing Development Agreement ("the agreement") with and 8735 Narragansett Ave LLC ("the Developer") dated January, 2016, the undersigned Guarantor personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness of the Developer pursuant to this contract including but not limited to all payments due pursuant to a note to be signed by the Developer in the amount of \$1,670,000 ("the note"), under the following terms and conditions:

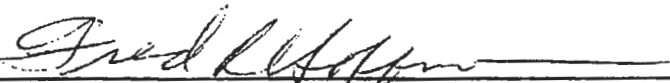
The Guarantor guarantees that Developer will promptly perform all obligations under the contract and pay the full amount of principal and interest of the note when due, either according to the terms and conditions provided by the agreement or upon acceleration of the payment under the agreement by reason of a default.

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 note.

This 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 state courts of the State of Illinois. This Guarantee embodies the entire promise of Guarantor to personally guarantee Developer's debts and obligations as set forth herein and supersedes all prior agreements and understandings relating to the subject matter here, whether oral or in writing.

Guarantor

Ala Carte Entertainment Limited Partnership,

By:   
Fred R. Hoffmann, President of Hoffmann Enterprises, Inc.,  
an Illinois Corporation, Its General Partner.

**ATTACHMENT 1**  
**Legal Description and PIN Numbers of**  
**8721 Narragansett, Morton Grove, IL**

PIN Numbers:           10-20-100-027-0000

**Legal Description of 8721 Narragansett Avenue**

LOTS 17 AND 18 IN LUMPP'S SUBDIVISION, BEING A SUBDIVISION OF THE NORTH 366.17 FEET OF LOT 3 IN HENNING'S SUBDIVISION OF LOTS 42 AND 43 TOGETHER WITH THE NORTH 16 FEET OF LOT 44 IN COUNTY CLERK'S DIVISION OF SECTION 20 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF LINCOLN AVENUE AND THE CHICAGO MILWAUKEE AND ST. PAUL RAILROAD (EXCEPT THEREFROM THE NORTH 100.17 FEET OF THE EAST 85 FEET OF SAID LOT 3 IN HENNING'S SUBDIVISION) IN COOK COUNTY, ILLINOIS.

**Attachment # 2**  
**Amortization Schedule**

\$1,670,000 amortized over 20 years at 4% interest  
Monthly payment of \$10,120 to begin January 7, 2019

<b>Date</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
Jan, 2019		\$5,567	\$4,553
Feb, 2019		\$5,551	\$4,568
Mar, 2019		\$5,536	\$4,584
Apr, 2019		\$5,521	\$4,599
May, 2019		\$5,506	\$4,614
Jun, 2019		\$5,490	\$4,630
Jul, 2019		\$5,475	\$4,645
Aug, 2019		\$5,459	\$4,661
Sep, 2019		\$5,444	\$4,676
Oct, 2019		\$5,428	\$4,692
Nov, 2019		\$5,413	\$4,707
Dec, 2019		\$5,397	\$4,723
	<b>2019</b>	<b>\$65,787</b>	<b>\$55,651</b>
Jan, 2020		\$5,381	\$4,739
Feb, 2020		\$5,365	\$4,755
Mar, 2020		\$5,350	\$4,770
Apr, 2020		\$5,334	\$4,786
May, 2020		\$5,318	\$4,802
Jun, 2020		\$5,302	\$4,818
Jul, 2020		\$5,286	\$4,834
Aug, 2020		\$5,269	\$4,850
Sep, 2020		\$5,253	\$4,867
Oct, 2020		\$5,237	\$4,883
Nov, 2020		\$5,221	\$4,899
Dec, 2020		\$5,204	\$4,915
	<b>2020</b>	<b>\$63,520</b>	<b>\$57,919</b>
Jan, 2021		\$5,188	\$4,932
Feb, 2021		\$5,172	\$4,948
Mar, 2021		\$5,155	\$4,965
Apr, 2021		\$5,139	\$4,981
May, 2021		\$5,122	\$4,998
Jun, 2021		\$5,105	\$5,015
Jul, 2021		\$5,089	\$5,031
Aug, 2021		\$5,072	\$5,048
Sep, 2021		\$5,055	\$5,065

Date	Interest	Principal	Balance
Oct, 2021		\$5,038	\$5,082
Nov, 2021		\$5,021	\$5,099
Dec, 2021		\$5,004	\$5,116
	<b>2021</b>	<b>\$61,160</b>	<b>\$60,278</b>
Jan, 2022		\$4,987	\$5,133
Feb, 2022		\$4,970	\$5,150
Mar, 2022		\$4,953	\$5,167
Apr, 2022		\$4,936	\$5,184
May, 2022		\$4,918	\$5,201
Jun, 2022		\$4,901	\$5,219
Jul, 2022		\$4,884	\$5,236
Aug, 2022		\$4,866	\$5,254
Sep, 2022		\$4,849	\$5,271
Oct, 2022		\$4,831	\$5,289
Nov, 2022		\$4,813	\$5,306
Dec, 2022		\$4,796	\$5,324
	<b>2022</b>	<b>\$58,704</b>	<b>\$62,734</b>
Jan, 2023		\$4,778	\$5,342
Feb, 2023		\$4,760	\$5,360
Mar, 2023		\$4,742	\$5,377
Apr, 2023		\$4,724	\$5,395
May, 2023		\$4,706	\$5,413
Jun, 2023		\$4,688	\$5,431
Jul, 2023		\$4,670	\$5,450
Aug, 2023		\$4,652	\$5,468
Sep, 2023		\$4,634	\$5,486
Oct, 2023		\$4,616	\$5,504
Nov, 2023		\$4,597	\$5,523
Dec, 2023		\$4,579	\$5,541
	<b>2023</b>	<b>\$56,148</b>	<b>\$65,290</b>
Jan, 2024		\$4,560	\$5,559
Feb, 2024		\$4,542	\$5,578
Mar, 2024		\$4,523	\$5,597
Apr, 2024		\$4,505	\$5,615
May, 2024		\$4,486	\$5,634
Jun, 2024		\$4,467	\$5,653
Jul, 2024		\$4,448	\$5,672
Aug, 2024		\$4,429	\$5,690
Sep, 2024		\$4,410	\$5,709
Oct, 2024		\$4,391	\$5,728
Nov, 2024		\$4,372	\$5,748



Date	Interest	Principal	Balance
Dec, 2024		\$4,353	\$5,767
	2024	\$53,488	\$67,950
			\$1,300,177
Jan, 2025		\$4,334	\$5,786
Feb, 2025		\$4,315	\$5,805
Mar, 2025		\$4,295	\$5,825
Apr, 2025		\$4,276	\$5,844
May, 2025		\$4,256	\$5,863
Jun, 2025		\$4,237	\$5,883
Jul, 2025		\$4,217	\$5,903
Aug, 2025		\$4,198	\$5,922
Sep, 2025		\$4,178	\$5,942
Oct, 2025		\$4,158	\$5,962
Nov, 2025		\$4,138	\$5,982
Dec, 2025		\$4,118	\$6,002
	2025	\$50,720	\$70,719
			\$1,229,458
Jan, 2026		\$4,098	\$6,022
Feb, 2026		\$4,078	\$6,042
Mar, 2026		\$4,058	\$6,062
Apr, 2026		\$4,038	\$6,082
May, 2026		\$4,018	\$6,102
Jun, 2026		\$3,997	\$6,123
Jul, 2026		\$3,977	\$6,143
Aug, 2026		\$3,956	\$6,164
Sep, 2026		\$3,936	\$6,184
Oct, 2026		\$3,915	\$6,205
Nov, 2026		\$3,894	\$6,225
Dec, 2026		\$3,874	\$6,246
	2026	\$47,839	\$73,600
			\$1,155,859
Jan, 2027		\$3,853	\$6,267
Feb, 2027		\$3,832	\$6,288
Mar, 2027		\$3,811	\$6,309
Apr, 2027		\$3,790	\$6,330
May, 2027		\$3,769	\$6,351
Jun, 2027		\$3,748	\$6,372
Jul, 2027		\$3,726	\$6,393
Aug, 2027		\$3,705	\$6,415
Sep, 2027		\$3,684	\$6,436
Oct, 2027		\$3,662	\$6,458
Nov, 2027		\$3,641	\$6,479
Dec, 2027		\$3,619	\$6,501
	2027	\$44,840	\$76,598
			\$1,079,260

Date	Interest	Principal	Balance
Jan, 2028		\$3,598	\$6,522
Feb, 2028		\$3,576	\$6,544
Mar, 2028		\$3,554	\$6,566
Apr, 2028		\$3,532	\$6,588
May, 2028		\$3,510	\$6,610
Jun, 2028		\$3,488	\$6,632
Jul, 2028		\$3,466	\$6,654
Aug, 2028		\$3,444	\$6,676
Sep, 2028		\$3,422	\$6,698
Oct, 2028		\$3,399	\$6,721
Nov, 2028		\$3,377	\$6,743
Dec, 2028		\$3,354	\$6,766
	<b>2028</b>	<b>\$41,719</b>	<b>\$79,719</b>
Jan, 2029		\$3,332	\$6,788
Feb, 2029		\$3,309	\$6,811
Mar, 2029		\$3,286	\$6,833
Apr, 2029		\$3,264	\$6,856
May, 2029		\$3,241	\$6,879
Jun, 2029		\$3,218	\$6,902
Jul, 2029		\$3,195	\$6,925
Aug, 2029		\$3,172	\$6,948
Sep, 2029		\$3,149	\$6,971
Oct, 2029		\$3,125	\$6,994
Nov, 2029		\$3,102	\$7,018
Dec, 2029		\$3,079	\$7,041
	<b>2029</b>	<b>\$38,472</b>	<b>\$82,967</b>
Jan, 2030		\$3,055	\$7,065
Feb, 2030		\$3,032	\$7,088
Mar, 2030		\$3,008	\$7,112
Apr, 2030		\$2,984	\$7,136
May, 2030		\$2,961	\$7,159
Jun, 2030		\$2,937	\$7,183
Jul, 2030		\$2,913	\$7,207
Aug, 2030		\$2,889	\$7,231
Sep, 2030		\$2,865	\$7,255
Oct, 2030		\$2,840	\$7,279
Nov, 2030		\$2,816	\$7,304
Dec, 2030		\$2,792	\$7,328
	<b>2030</b>	<b>\$35,091</b>	<b>\$86,347</b>
Jan, 2031		\$2,767	\$7,352
Feb, 2031		\$2,743	\$7,377

Date	Interest	Principal	Balance
Mar, 2031		\$2,718	\$7,402
Apr, 2031		\$2,694	\$7,426
May, 2031		\$2,669	\$7,451
Jun, 2031		\$2,644	\$7,476
Jul, 2031		\$2,619	\$7,501
Aug, 2031		\$2,594	\$7,526
Sep, 2031		\$2,569	\$7,551
Oct, 2031		\$2,544	\$7,576
Nov, 2031		\$2,519	\$7,601
Dec, 2031		\$2,493	\$7,627
	<b>2031</b>	<b>\$31,573</b>	<b>\$89,865</b>
Jan, 2032		\$2,468	\$7,652
Feb, 2032		\$2,442	\$7,678
Mar, 2032		\$2,417	\$7,703
Apr, 2032		\$2,391	\$7,729
May, 2032		\$2,365	\$7,755
Jun, 2032		\$2,339	\$7,780
Jul, 2032		\$2,314	\$7,806
Aug, 2032		\$2,288	\$7,832
Sep, 2032		\$2,261	\$7,858
Oct, 2032		\$2,235	\$7,885
Nov, 2032		\$2,209	\$7,911
Dec, 2032		\$2,183	\$7,937
	<b>2032</b>	<b>\$27,912</b>	<b>\$93,526</b>
Jan, 2033		\$2,156	\$7,964
Feb, 2033		\$2,130	\$7,990
Mar, 2033		\$2,103	\$8,017
Apr, 2033		\$2,076	\$8,044
May, 2033		\$2,049	\$8,070
Jun, 2033		\$2,023	\$8,097
Jul, 2033		\$1,996	\$8,124
Aug, 2033		\$1,968	\$8,151
Sep, 2033		\$1,941	\$8,179
Oct, 2033		\$1,914	\$8,206
Nov, 2033		\$1,887	\$8,233
Dec, 2033		\$1,859	\$8,261
	<b>2033</b>	<b>\$24,102</b>	<b>\$97,337</b>
Jan, 2034		\$1,832	\$8,288
Feb, 2034		\$1,804	\$8,316
Mar, 2034		\$1,776	\$8,344
Apr, 2034		\$1,749	\$8,371

Date	Interest	Principal	Balance
May, 2034	\$1,721	\$8,399	\$507,781
Jun, 2034	\$1,693	\$8,427	\$499,354
Jul, 2034	\$1,665	\$8,455	\$490,899
Aug, 2034	\$1,636	\$8,484	\$482,415
Sep, 2034	\$1,608	\$8,512	\$473,903
Oct, 2034	\$1,580	\$8,540	\$465,363
Nov, 2034	\$1,551	\$8,569	\$456,795
Dec, 2034	\$1,523	\$8,597	\$448,197
<b>2034</b>	<b>\$20,136</b>	<b>\$101,302</b>	<b>\$448,197</b>
Jan, 2035	\$1,494	\$8,626	\$439,571
Feb, 2035	\$1,465	\$8,655	\$430,917
Mar, 2035	\$1,436	\$8,683	\$422,233
Apr, 2035	\$1,407	\$8,712	\$413,521
May, 2035	\$1,378	\$8,741	\$404,779
Jun, 2035	\$1,349	\$8,771	\$396,009
Jul, 2035	\$1,320	\$8,800	\$387,209
Aug, 2035	\$1,291	\$8,829	\$378,380
Sep, 2035	\$1,261	\$8,859	\$369,521
Oct, 2035	\$1,232	\$8,888	\$360,633
Nov, 2035	\$1,202	\$8,918	\$351,715
Dec, 2035	\$1,172	\$8,947	\$342,768
<b>2035</b>	<b>\$16,009</b>	<b>\$105,430</b>	<b>\$342,768</b>
Jan, 2036	\$1,143	\$8,977	\$333,790
Feb, 2036	\$1,113	\$9,007	\$324,783
Mar, 2036	\$1,083	\$9,037	\$315,746
Apr, 2036	\$1,052	\$9,067	\$306,679
May, 2036	\$1,022	\$9,098	\$297,581
Jun, 2036	\$992	\$9,128	\$288,453
Jul, 2036	\$962	\$9,158	\$279,295
Aug, 2036	\$931	\$9,189	\$270,106
Sep, 2036	\$900	\$9,220	\$260,886
Oct, 2036	\$870	\$9,250	\$251,636
Nov, 2036	\$839	\$9,281	\$242,355
Dec, 2036	\$808	\$9,312	\$233,043
<b>2036</b>	<b>\$11,714</b>	<b>\$109,725</b>	<b>\$233,043</b>
Jan, 2037	\$777	\$9,343	\$223,700
Feb, 2037	\$746	\$9,374	\$214,326
Mar, 2037	\$714	\$9,405	\$204,920
Apr, 2037	\$683	\$9,437	\$195,483
May, 2037	\$652	\$9,468	\$186,015
Jun, 2037	\$620	\$9,500	\$176,515

Date	Interest	Principal	Balance
Jul, 2037		\$588	\$9,531
Aug, 2037		\$557	\$9,563
Sep, 2037		\$525	\$9,595
Oct, 2037		\$493	\$9,627
Nov, 2037		\$461	\$9,659
Dec, 2037		\$428	\$9,691
	<b>2037</b>	<b>\$7,243</b>	<b>\$114,195</b>
Jan, 2038		\$396	\$9,724
Feb, 2038		\$364	\$9,756
Mar, 2038		\$331	\$9,789
Apr, 2038		\$299	\$9,821
May, 2038		\$266	\$9,854
Jun, 2038		\$233	\$9,887
Jul, 2038		\$200	\$9,920
Aug, 2038		\$167	\$9,953
Sep, 2038		\$134	\$9,986
Oct, 2038		\$101	\$10,019
Nov, 2038		\$67	\$10,053
Dec, 2038		\$34	\$10,086
	<b>2038</b>	<b>\$2,591</b>	<b>\$118,848</b>



**EXHIBIT I**  
**LICENSE AGREEMENT FOR 8720 & 8726 FERRIS AVENUE**  
**BETWEEN VILLAGE OF MORTON GROVE AND 8735 NARRAGANSETT AVE LLC**

The Village of Morton Grove and 8735 Narragansett Ave, LLC hereby agree and enter into a license agreement on the terms, covenants and conditions set forth herein (this "License Agreement") on this 6<sup>th</sup> day of January 2016.

**1. DEFINITIONS:**

- 1.1 Village: The Village of Morton Grove, Illinois, a home rule municipality of the State of Illinois, with its principal place of business located at 6101 Capulina Avenue, Morton Grove Illinois,
- 1.2 Licensee: 8735 Narragansett LLC, an Illinois Limited Liability Company whose principle place of business is 2330 Hammond Dr. Suite G, Schaumburg, IL 60173-3869.
- 1.3 Site: Approximately 0.28 acres commonly known as 8720-8726 Ferris Avenue, Morton Grove IL ("8720 Ferris"). See Attachment 1 for legal description and PIN.
- 1.4 Site J: Approximately 2.1 acres commonly known as 6415 Dempster Street & 8707-8 Lincoln Avenue, Morton Grove, Illinois.
- 1.5 RDA: That agreement between the Village and the Licensee dated January 6, 2016 for the purchase and licensing of Village property including the site herein for the construction and operation of a Moretti's restaurant and catering facility on Site J as well as a video gaming facility on 8733 and 8735 Narragansett.

**2. LICENSE GRANTED**

Village hereby grants to Licensee a license to improve, use and maintain the site for the limited purpose of a private parking lot for Licensee's employees and a "valet only" parking lot for customers of the Moretti's Restaurant to be located at Site J.

**3. TERM**

The term of this License Agreement shall be for a period of one (1) year commencing upon the purchase of Site J by licensee. Thereafter, if Licensee is not in default of any of its obligations in this agreement or any agreement between the Licensee and the Village, Licensee may renew the this agreement annually for up to four (4) additional one (1) year periods

**4. FIXED MINIMUM FEE**

Licensee shall pay Village the sum of ten thousand dollars (\$10,000.00) per year payable in twelve (12) monthly installments of eight hundred thirty-three dollars and thirty-three cents (\$833.33) due on or before the first day of each calendar month during the term hereof, commencing on the first day of the first month after the closing of Site J. Said fee shall be paid by Licensee to Village without deduction, offset or prior demand, in immediately available funds of lawful money of the United States of America. If the license is renewed, the annual fee shall automatically increase by three percent (3%) per year on a cumulative basis.

**5. USE**

The Site shall be used solely for the purposes of the parking of vehicles of the Licensee and its employees and as a "valet only" parking lot for customers of the Moretti's Restaurant to be located on Site J. The parking lot shall not under any circumstances be open to the public. Licensee shall provide on-site security for the parking lot whenever it is used for valet parking purposes.

6. **UTILITIES**

Licensee shall provide adequate detention and all required utilities including lighting for the site at its sole expense. Village shall not be obligated to provide any water, gas or other utilities.

7. **SERVICES; ACCESS TO SITE**

Licensee shall not be obligated to provide any cleaning, engineering, security, maintenance or other services and Village shall have no responsibility or liability for the operation or repair of the site. Village shall have reasonable access to the Site for any purpose, including inspection, provided such access does not unreasonably interfere with Licensee's use.

8. **COMPLIANCE WITH LAWS**

Licensee, at its sole cost and expense, shall obtain all necessary governmental licenses, permits and approvals prior to any improvement, construction, installation, operation of the site. Licensee shall operate and maintain the site in compliance with all applicable local, state and federal laws, regulations or ordinances now in force or which may hereafter be in force. Other than the normal parking of vehicles, Licensee shall not do or permit anything to be done in or about the Site nor bring or keep anything therein which will in any way increase the rate of or affect any fire or other insurance upon the site or cause a cancellation of any insurance policy covering the site. Other than the normal parking of vehicles, Licensee shall not exercise its rights hereunder in such manner as will in any way obstruct or interfere with the rights of others in the vicinity of the Site or injure or annoy them, or use or allow the Site to be used for any unlawful or objectionable purpose, nor shall Licensee cause, maintain or permit any nuisance in, on, or about the Site. No loudspeakers or other similar device, system or apparatus which can be heard or experienced outside the Site shall, without the prior written approval of Village, be used in or at the Site.

9. **TERMINATION**

This License Agreement shall terminate at the end of its term as specified in Paragraph 3 above or as provided elsewhere herein. Upon the expiration or earlier termination of this License Agreement for any reason, Licensee shall, at its sole cost and expense, promptly remove all Equipment and all other associated personal property owned or used by Licensee from the Site, repair all damage to the Site.

10. **TAXES**

Licensee shall be responsible for and promptly pay any and all real estate taxes, assessments, charges, fees or other governmental impositions levied or assessed on the site due to this License Agreement, or the improvements and uses authorized pursuant to this License Agreement.

11. **CONDITION AND REPAIR OF SITE**

Licensee accepts the Site as being in good condition and suitable for Licensee's purposes hereunder. Licensee, at Licensee's sole cost and expense, shall keep the Site in good condition and repair, damage thereto by fire, earthquake, act of God, normal wear and tear or the elements accepted. Village has no obligation and has made no promises to alter, remodel, improve or repair the Site or any part thereof and no representations respecting the condition of the Site have been made by Village to Licensee.

12. **LIENS**

Licensee shall keep the Site free from any liens arising out of obligations incurred by Licensee. Village shall have the right to take any actions Village deems necessary or desirable to remove or discharge such liens if Licensee fails to do so within thirty (30) days after notice from the Village, and any sums paid by Village in connection therewith shall be immediately due and payable by Licensee.

13. **INDEMNITY**

Licensee agrees to indemnify, defend and hold harmless Village, from and against any and all claims, liabilities, demands, costs, damages, losses, actions, causes of action or judgments (including reasonable legal fees and expenses) which result from or arise out of this License Agreement or Licensee's use or control of the site. The Village shall not be liable to Licensee for any reason, and Licensee hereby waives all claims against the Village for any injury or damage to any person or property in or about the Site or for any costs or losses incurred by Licensee by or from any cause whatsoever, except that Village shall remain liable for and such waiver shall be inapplicable to any such claims, costs or losses to the extent the same are due to the gross negligence or willful misconduct of the Village. Licensee's obligations under this paragraph shall survive the expiration or earlier termination of this License Agreement.

14. **SAFETY**

Licensee represents and warrants that all of the Licensee's activities shall be conducted in a safe manner.

15. **INSURANCE**

Commencing on the first date of the term of the license and continuing throughout the remaining term hereof (and, if Licensee shall take possession of or otherwise occupy or conduct activities in or about the Site prior to or after the term hereof, then also during such pre-term period or post-term period), Licensee shall keep in force at Licensee's expense the insurance as set forth below. The Licensee shall provide a copy of all policies to the Village with proof that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Licensee must obtain and continuously maintain:

A. Licensee (or Licensee's contractor) shall during any period of construction, maintain:

- (i). Worker's Compensation insurance with statutory coverage and Employers' Liability coverage of at least \$500,000 per accident;
- (ii). Commercial General Liability insurance (including operations, contingent liability, operations of subcontractors, and contractual liability insurance) with limit of not less than three million dollars (\$3,000,000) combined single limit per occurrence for bodily injury, and property damage and \$3,000,000 per occurrence for personal injury with a general aggregate of five million \$5,000,000;
- (iii). Owners and Contractors Protective Liability (OCP) with a limit of not less than \$3,000,000 combined single limit per occurrence for bodily injury and property damage;
- (iv). Business Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (v). Builders risk insurance on a completed value basis, in non-reporting form, against all risks of physical loss, including collapse and water damage with no exclusion for flood and hydrostatic pressure, covering the total value of work

performed and equipment, supplies and materials furnished for the project development (including on-site stored materials) as to all work by Licensee. The Village shall be named as loss payee.

B. After completion of construction, the Licensee shall maintain:

- (i). Property insurance and extended coverage on a replacement basis for the insurable value of the redevelopment project as valued from time to time,
- (ii). Business interruption insurance for full amount of the license fee and real estate taxes the Village received in the year immediately preceding coverage year, and
- (iii). Commercial general liability insurance meeting the requirements of section A(ii) above.

C. All such policies shall be in such form and issued by such companies as shall be acceptable to the Village to protect the Village and Licensee against any liability incidental to the use of or resulting from any claim for injury or damage occurring in or about the Site by Licensee, except to the extent arising from Village (or its agents, employees and contractors) acts or omissions (in which case the Village shall look solely to its own insurance).

D. Alternatively, Licensee, may satisfy its insurance obligations in this Article by way of a blanket policy or policies which includes other liabilities, properties and locations having a per occurrence liability of three million dollars (\$3,000,000) and a general policy aggregate of at least ten million dollars (\$10,000,000). The Village shall have the right to review any blanket policy or policies to determine that such coverage is in compliance with the requirements contained herein and shall have the right to reject any blanket policy or policies if they do not comply with the requirements contained herein.

E. Each such policy shall name the Village, its officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of the Licensee's work, including activities performed by or on behalf of the Licensee; products and completed operations of the Licensee (or Licensee's Contractor); premises owned, leased or used by the Licensee; or automobiles owned, leased, hired or borrowed by the Licensee. The coverage shall contain no special limitations on the scope of protection afforded to the Village, its officials, agents, employees and volunteers. The policy shall contain an affirmative statement by the issuer that it will give written notice to the Village at least 30 days prior to any cancellation or amendment of its policy. The Licensee shall provide to the Village a replacement certificate not less than 30 days prior to expiration of any policy.

F. The Licensee's insurance coverage shall be primary and non-contributory as respects the Village, its officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Village, its officials, employees, agents and volunteers shall be excess of Licensee's insurance and shall not contribute with it.

G. The Licensee's insurance shall contain a Severability of Interests/Cross Liability clause or language stating that Licensee's insurance shall apply separately to each insured against who claim is made or suit is brought, except with respect to the limits of the insurer's liability.



H. The Licensee shall include all contractors or subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each contractor or subcontractor subject to all of the requirements stated herein.

I. The Licensee shall furnish the Village with certificates of insurance showing the coverage as required herein with original additional insured endorsements naming the Village, its officials, employees, agents and volunteers as additional insureds. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Village before any use or occupancy of the site or work on the site commences.

**16. WAIVER OF SUBROGATION**

Licensee hereby waives any and all rights of recovery against the Village for damage to Licensee's property occurring as a result of the use of the Site. All policies of property insurance obtained by Licensee pursuant to the provisions of this License Agreement, or otherwise affecting the Equipment, shall permit the foregoing waiver and/or shall contain endorsements or provisions waiving the insurer's rights of subrogation with respect to claims against the Village.

**17. DEFAULT**

In the event of any breach or default of this License Agreement by Licensee continuing ten (10) days after written notice with respect to a monetary default and thirty (30) days after written notice or such longer period as is reasonably necessary for non-monetary defaults, then Village, in addition to any other rights and remedies of Village at law or in equity, shall have the right to terminate this License Agreement or to have this License Agreement continue in full force and effect. Should Village so elect to terminate this License Agreement, Village shall be entitled to recover damages from Licensee for such breach. If Village elects to terminate this License Agreement, Village shall also have the immediate right to disconnect and/or remove all equipment and other property from the Site. Should Village so elect to keep this License Agreement in full force and effect, Village may at any time thereafter elect to terminate this License Agreement for any previous breach or default which remains uncured or for any subsequent breach or default which remains uncured after any applicable notice and cure period has expired.

**18. RIGHT OF VILLAGE TO PERFORM**

All covenants and agreements to be kept or performed by Licensee under any of the terms of this License Agreement shall be performed by Licensee at Licensee's sole cost and expense and without any abatement of the Fixed Minimum Fee. If Licensee shall fail to pay any sum of money required to be paid by it hereunder (other than the Fixed Minimum Fee payable pursuant to Paragraph 4) or shall fail to perform any other act on its part to be performed hereunder and not cure such failure within the applicable cure period, Village may, but shall not be obliged to, and without waiving any default of Licensee or releasing Licensee from any obligations to Village hereunder, make any such payment or perform any such other act on Licensee's part to be made or performed as in this License Agreement provided. All sums so paid by Village and all necessary incidental costs, together with interest at the prime rate from the date of such payment by Village, shall be paid to Village immediately on demand, and Village shall have (in addition to any other right or remedy of Village) the same rights and remedies in the event of nonpayment thereof by Licensee as in the case of default by Licensee in the payment of the Fixed Minimum Fee.



19. **OPTION TO PURCHASE**

After the Licensee has licensed the site for a five-year consecutive period, the Licensee may exercise an option to purchase the site for \$350,000 payable in cash at the closing provided: (i) the Licensee is not in default in any of its obligations to the Village, whether pursuant to this license agreement, the RDA or otherwise; (ii) has presented the Village sufficient proof that the parking spaces on this site are necessary to support the operation of the Moretti's Restaurant at 6415 Dempster Street & 8707-8 Lincoln Avenue, Morton Grove, IL; (iii) and has made a good faith effort to purchase, lease or license other alternative parking sites for the Moretti's Restaurant.

No sooner than 180 days nor less than 90 days before the termination of the fourth extension of this agreement (the fifth year term), the Licensee shall provide 90-day advance written notice of its intent to exercise this option and the parties shall enter into a real estate contract for said purchase with customary and reasonable pro-rations and terms. At closing, the Licensee will be issued a credit for the annual minimum license fee (not including utilities, real estate taxes or insurance payments) paid by the Licensee and actually received by the Village for each year of the license term. The closing shall occur no later than the last day of the term of the license agreement.

20. **ASSIGNMENT**

This License Agreement shall not, directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, be assigned, mortgaged, pledged, encumbered or otherwise transferred by Licensee or Licensee's legal representatives or successors in interest and the Site shall not be used or occupied for any purpose by anyone other than Licensee, without the prior written consent of Village first had and obtained in each instance, which consent may be withheld in Village's sole and absolute discretion. Any mortgage, pledge, hypothecation, encumbrance or transfer, or any such assignment or use, without the consent of Village as aforesaid shall be void and, at the option of Village, shall constitute a default entitling Village to terminate this License Agreement and shall give rise to all other remedies available to Village for breach of this License Agreement. If this License Agreement is assigned, whether or not in violation of the terms of this License Agreement, Village may collect the Fixed Minimum Fee and any additional fees payable by Licensee from the assignee. If the Site or any part thereof is used by anybody other than Licensee, Village may collect the Fixed Minimum Fee and any additional fees from such user. In either event, Village may apply the next amount collected to the Fixed Minimum Fee herein reserved. The consent by Village to an assignment, transfer, encumbering or other use pursuant to any provision of this License Agreement shall not relieve Licensee or any assignee or user from obtaining the express prior written consent of Village to any other or further assignment, transfer, encumbering or other use. Neither any assignment of this License Agreement nor any use of the Site or any part thereof by any person other than Licensee, nor any collection of the Fixed Minimum Fee by Village from any person other than Licensee, nor any application of any such Fixed Minimum Fee as provided in this Paragraph 19 shall be deemed a waiver of any of the provisions of this paragraph or relieve, impair, release or discharge Licensee of its obligation fully to perform the terms of this License Agreement on Licensee's part to be performed, and Licensee shall remain fully and primarily liable hereunder. Licensee shall pay to Village the amount of Village's cost of processing every proposed assignment hereof or use of the Site by any person other than Licensee including, without limitation, the costs of attorneys' and other professional fees and administrative, accounting and clerical time of Village.

21. **DAMAGE BY FIRE, ETC.**

If the Site is damaged by fire or other casualty, Village may, at its sole option exercised by giving written notice to Licensee within sixty (60) days after the date of such fire or other casualty, elect either to (a) require Licensee to repair such damage at its sole expense, in which case this License Agreement shall continue in full force and effect, or (b) terminate this License Agreement as of the date specified in such notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given, in which case, this License Agreement shall terminate on the date specified in such notice. Village shall not be obligated to repair any damage to, or to make any replacement of, Licensee's equipment and other personal property, nor any additions, alterations or improvements installed in the Site by or for Licensee, and Licensee shall, at Licensee's sole cost and expense, repair and replace such equipment and other personal property, and such alterations, additions and improvements. All such repair and replacement of alterations, additions and improvements shall be treated as a work of alteration, addition or improvement by Licensee, and shall be subject to Village approval.

22. **EMINENT DOMAIN**

Village shall not use eminent domain to take or appropriate any part of the site while this agreement is in effect and Licensee is not in default. If all or any part of the Site shall be taken or appropriated by any other public authority under the power of eminent domain, or any agreement in lieu thereof, this License Agreement shall terminate as to the part so taken as of the date of taking and, in the case of a partial taking, either Village or Licensee shall have the right to terminate this License Agreement as to the balance of the Site by giving written notice to the other within ninety (90) days after such date; provided, however, that a condition to the exercise by Licensee of such right to terminate shall be that the portion of the Site taken shall be of such extent and nature as to render the balance of the Site unusable or uneconomical for Licensee's purposes. In the event of any such taking or agreement in lieu thereof, Village shall be entitled to all compensation, damages, income, Fixed Minimum Fee, awards and interest thereon whatsoever which may be paid or made in connection therewith and Licensee shall have no claim against Village for the value of any unexpired term of this License Agreement

23. **NO WAIVER**

The waiver by Village of performance of any term, covenant or condition of this License Agreement shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or by any other term, covenant or condition contained herein. The subsequent acceptance of the Fixed Minimum Fee hereunder by Village shall not be deemed to be a waiver of any preceding breach by Licensee of any term, covenant or condition of this License Agreement, other than the failure of Licensee to pay the particular Fixed Minimum Fee so accepted, regardless of Village's knowledge of such preceding breach at the time of acceptance of such payment.

24. **Notice**

Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be delivered (i) personally, (ii) by a reputable overnight courier, (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid, (iv) by facsimile, or (v) by electronic internet mail ("e-mail"). Facsimile notices shall be deemed valid only to the extent that they are (a) actually received by the individual to whom addressed and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three business days thereafter at the appropriate address set forth below. E-mail notices shall be deemed valid only to the

extent that they are (a) opened by the recipient on a business day at the address set forth below, and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three business days thereafter at the appropriate address set forth below. Unless otherwise provided in this Agreement, notices shall be deemed received after the first to occur of (a) the date of actual receipt; or (b) the date that is one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) the date that is three (3) business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party to this Agreement shall have the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address shall be effective until actually received. Notices and communications to the Village shall be addressed to, and delivered at, the following address:

The Village of Morton Grove  
6101 Capulina Ave  
Morton Grove IL 60053  
ATTN: Ralph E. Czerwinski, Village Administrator  
Email: [rczerwinski@mortongroveil.org](mailto:rczerwinski@mortongroveil.org)  
Fax: 847-965-4162

Notices and communications to the Licensee shall be addressed to, and delivered at, the following address:

8735 Narragansett Ave LLC,  
c/o Judy Diller  
2330 Hammond Dr. Suite G,  
Schaumburg, IL 60173-3869  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

**25. ENTIRE AGREEMENT; NATURE OF RIGHTS; MODIFICATIONS**

This License Agreement constitutes the entire agreement between Village and Licensee and no promises or representations, express or implied, either written or oral, not set forth herein shall be binding upon or inure to the benefit of Village or Licensee. This License Agreement is intended to grant Licensee, only, personal rights to maintain and operate the Site. It is not intended to create, and shall not be construed as creating, a tenancy or leasehold or any landlord-tenant relationship. This License Agreement does not create any interest in real property and Licensee's rights hereunder shall be subject and subordinate to any and all real property interest (including fee ownership, leaseholds, master leases and security interests) now or hereafter affecting the site provided. This License Agreement shall not be modified by any oral agreement, either express or implied, and all modifications hereof shall be in writing and signed by both Village and Licensee.

**26. VILLAGE'S LIABILITY; SALE OF SITE**

Notwithstanding any other provision of this License Agreement, the liability of Village for its obligations under this License Agreement is limited solely to Village's interest in the site, and no personal liability shall at any time be asserted or enforceable against any other assets of Village or against Village's officials, employee's contractors or volunteers on account of any of Village's obligations or actions under this License Agreement. In addition, in the event of any conveyance of title to the site thereunder, then from and

after the date of such conveyance, Village shall be relieved of all liability with respect to Village's obligations to be performed under this License Agreement after the date of such conveyance, and the grantee or transferee, by accepting such conveyance, shall be deemed to have assumed Village's obligations to be performed under this License Agreement from and after the date of transfer.

**27. ATTORNEYS' FEES**

In the event of any action or proceeding between Village and Licensee to enforce or interpret any provision of this License Agreement, the losing party shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in such action and in any appeal in connection therewith by such prevailing party. The "prevailing party" will be determined by the court before whom the action was brought based upon an assessment of which party's major arguments or positions taken in the suit or proceeding could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues in the court's decision.

**28. TIME AND APPLICABLE LAW**


Time is of the essence of this License Agreement and of each and all of its provisions. This License Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

**29. SUCCESSORS**

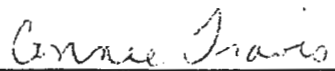
The covenants and conditions hereof shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have thereto set their hands on the date first above written.

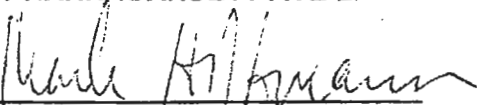
**THE VILLAGE OF MORTON GROVE**

By:   
Daniel P. DiMaria, Village President

**ATTEST:**

By:   
Connie Travis, Village Clerk

**8735 NARRAGANSETT AVE LLC**

By:   
Mark Hoffmann, Manager

## GUARANTEE

**THIS GUARANTEE dated this 6<sup>th</sup> day of January 2016**

IN CONSIDERATION OF the Village of Morton Grove ("Village") entering into an Economic Incentive and Tax Increment Allocation Financing Development Agreement ("the agreement") with and 8735 Narragansett Ave LLC (" the Developer") dated January 6, 2016, the undersigned Guarantor personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness of the Developer pursuant to this contract including but not limited to all payments due pursuant to a note to be signed by the Developer in the amount of \$1,670,000 ("the note"), under the following terms and conditions:

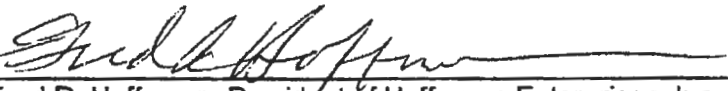
The Guarantor guarantees that Developer will promptly perform all obligations under the contract and pay the full amount of principal and interest of the note when due, either according to the terms and conditions provided by the agreement or upon acceleration of the payment under the agreement by reason of a default.

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 note.

This 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 state courts of the State of Illinois. This Guarantee embodies the entire promise of Guarantor to personally guarantee Developer's debts and obligations as set forth herein and supersedes all prior agreements and understandings relating to the subject matter here, whether oral or in writing.

Guarantor

Ala Carte Entertainment Limited Partnership,

By:   
Fred R. Hoffmann, President of Hoffmann Enterprises, Inc.,  
an Illinois corporation, Its General Partner.

**ATTACHMENT 1**  
**Legal Description and PIN Numbers of**  
**8720-8726 Ferris, Morton Grove, IL (8720 Ferris)**

PIN Numbers:	10-20-100-021-0000	10-20-100-022-0000
	10-20-100-023-0000	10-20-100-024-0000

**Legal Description of 8720 Ferris**

LOTS 13, 14, 15 AND 16 IN LUMPP'S SUBDIVISION BEING A SUBDIVISION OF THE NORTH 366.17 FEET OF LOT 3 IN HENNING'S SUBDIVISION OF LOTS 42 AND 43 TOGETHER WITH THE NORTH 16 FEET OF LOT 44 IN COUNTY CLERK'S DIVISION OF SECTION 20 AND THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF LINCOLN AVENUE AND THE CHICAGO MILWAUKEE AND ST. PAUL RAILROAD (EXCEPT THEREFROM THE NORTH 100.17 FEET PART EAST 85 FEET OF SAID LOT 3 IN HENNING'S SUBDIVISION) IN COOK COUNTY, ILLINOIS.



**VILLAGE OF MORTON GROVE, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2016**

	General	Special Lehigh/ Ferris Tax Increment Financing
<b>ASSETS</b>		
Cash and Investments	\$ 4,457,606	4,564,924
Receivables - Net of Allowances		
Property Taxes	9,486,168	1,024
Other Taxes	2,021,496	-
Accounts	956,034	-
Loan to Developer	-	1,700,000
IRMA Excess Surplus	804,353	-
IPBC Terminal Reserve	625,324	-
Due from Other Funds	263,231	-
Advances to Other Funds	3,276,359	44,364
Prepays	192	-
Land Held for Resale	-	9,572,376
Total Assets	21,890,763	15,882,688
<b>LIABILITIES</b>		
Accounts Payable	674,649	7,477
Accrued Payroll	519,423	-
Deposits Payable	469,046	-
Other Liabilities	228,945	-
Due to Other Funds	557,940	-
Advances from Other Funds	-	-
Total Liabilities	2,450,003	7,477
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	9,486,168	-
Total Liabilities and Deferred Inflows of Resources	11,936,171	7,477
<b>FUND BALANCES</b>		
Nonspendable	3,276,551	44,364
Restricted	-	15,830,847
Committed	-	-
Unassigned	6,678,041	-
Total Fund Balances	9,954,592	15,875,211
Total Liabilities, Deferred Inflows of Resources and Fund Balances	21,890,763	15,882,688

The notes to the financial statements are an integral part of this statement.

<u>Revenue</u>				
Waukegan Road Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals
-	-	1,947,483	2,167,495	13,137,508
3,450	822,049	102,486	-	10,415,177
-	37,500	6,250	224,148	2,289,394
-	72,248	-	-	1,028,282
-	-	-	-	1,700,000
-	-	-	-	804,353
-	-	-	-	625,324
-	-	-	2,095	265,326
-	-	-	-	3,320,723
-	-	-	-	192
-	-	-	-	9,572,376
3,450	931,797	2,056,219	2,393,738	43,158,655
-	-	200,482	18,720	901,328
-	-	-	-	519,423
-	-	-	-	469,046
-	-	-	-	228,945
-	9,564	-	253,667	821,171
2,976,646	-	-	344,077	3,320,723
2,976,646	9,564	200,482	616,464	6,260,636
-	822,043	102,485	-	10,410,696
2,976,646	831,607	302,967	616,464	16,671,332
-	-	-	-	3,320,915
-	100,190	1,753,252	2,108,648	19,792,937
-	-	-	66,331	66,331
(2,973,196)	-	-	(397,705)	3,307,140
(2,973,196)	100,190	1,753,252	1,777,274	26,487,323
3,450	931,797	2,056,219	2,393,738	43,158,655

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MORTON GROVE, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2016**

	General	Special Lehigh/ Ferris Tax Increment Financing
<b>Revenues</b>		
Taxes	\$ 16,540,364	2,177,505
Intergovernmental	7,250,261	-
Charges for Services	1,174,194	-
Licenses and Permits	1,689,844	-
Fines and Forfeitures	654,226	-
Interest Income	15,386	13,348
Miscellaneous	307,184	21,891
Total Revenues	<u>27,631,459</u>	<u>2,212,744</u>
<b>Expenditures</b>		
Current		
General Government	3,645,330	-
Public Safety	18,440,877	-
Streets and Sidewalks	2,485,952	-
Vehicle and Maintenance	687,317	-
Health and Human Services	16,446	-
Community Development	238,997	79,015
Building and Inspection Services	896,333	-
Capital Outlay	-	386,342
Debt Service		
Principal Retirement	-	485,000
Interest and Fiscal Charges	-	135,520
Total Expenditures	<u>26,411,252</u>	<u>1,085,877</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,220,207</u>	<u>1,126,867</u>
<b>Other Financing Sources (Uses)</b>		
Disposal of Capital Assets	10,070	-
Transfers In	270,000	-
Transfers Out	(223,658)	(270,000)
	<u>56,412</u>	<u>(270,000)</u>
Net Change in Fund Balances	1,276,619	856,867
Fund Balances - Beginning	<u>8,677,973</u>	<u>15,018,344</u>
Fund Balances - Ending	<u><u>9,954,592</u></u>	<u><u>15,875,211</u></u>

The notes to the financial statements are an integral part of this statement.

Revenue Waukegan Road Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Totals
457,878	836,097	135,053	23,713	20,170,610
-	222,248	28,046	1,351,317	8,851,872
-	-	-	569,778	1,743,972
-	-	-	-	1,689,844
-	-	-	-	654,226
1,778	1,825	22,489	5,252	60,078
-	-	-	-	329,075
459,656	1,060,170	185,588	1,950,060	33,499,677
-	-	-	-	3,645,330
-	-	-	366,827	18,807,704
-	-	-	703,582	3,189,534
-	-	-	-	687,317
-	-	-	-	16,446
-	-	-	777,003	1,095,015
-	-	-	-	896,333
-	-	2,327,900	-	2,714,242
787,158	886,343	-	-	2,158,501
105,853	634,662	-	-	876,035
893,011	1,521,005	2,327,900	1,847,412	34,086,457
(433,355)	(460,835)	(2,142,312)	102,648	(586,780)
-	-	-	-	10,070
-	223,658	-	-	493,658
-	-	-	-	(493,658)
-	223,658	-	-	10,070
(433,355)	(237,177)	(2,142,312)	102,648	(576,710)
(2,539,841)	337,367	3,895,564	1,674,626	27,064,033
(2,973,196)	100,190	1,753,252	1,777,274	26,487,323

The notes to the financial statements are an integral part of this statement.



**REPORT OF INDEPENDENT ACCOUNTANTS**

July 21, 2017

The Honorable Village President  
Members of the Board of Trustees  
Village of Morton Grove, Illinois

We have examined management's assertion included in its representation report that the Village of Morton Grove, Illinois, with respect to the Lehigh Ferris RPA, complied with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2016. As discussed in that representation letter, management is responsible for the Village of Morton Grove, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's 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 Village of Morton Grove, Illinois' 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 Village of Morton Grove, Illinois' compliance with specified requirements.

In our opinion, management's assertion that the Village of Morton Grove, Illinois complied with the aforementioned requirements during the year ended December 31, 2016 is fairly stated in all material respects.

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

*Lauterbach & Amen LLP*

LAUTERBACH & AMEN, LLP

## **Lehigh-Ferris Tax Increment Financing Redevelopment District**

### **Certificate of Compliance**

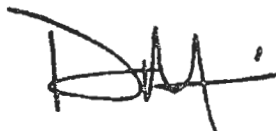
REPORT PERIOD: January 1, 2016 to December 31, 2016

DATE OF REPORT: August 28, 2017

In accordance with the Tax Increment Allocation Redevelopment Act of the State of Illinois (65 ILCS 5/11-74.4), I am submitting this certified statement as to the following:

*I have reviewed the audit performed by Lauterbach & Amen LLP on behalf of the Village of Morton Grove as well as public records, proceedings, and documents regarding the Lehigh-Ferris Tax Increment Financing District. Based upon this review, I certify the Village of Morton Grove is in full compliance with the Act.*

Sincerely,



Daniel DiMaria  
Village President

Cc: Village Board of Trustees







August 28, 2017

The Honorable Daniel DiMaria, Mayor  
Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove, IL 60053

**RE: Audit of the Financial Statements  
Fiscal Year ending December 31, 2016  
Lehigh-Ferris Tax Increment Financing Redevelopment District**

Dear Mayor DiMaria:

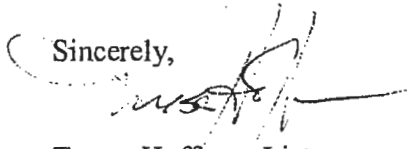
**OPINION OF CORPORATION COUNSEL**

I, Teresa Hoffman Liston, Corporation Counsel for the Village of Morton Grove, Cook County, Illinois, was the Corporation Counsel for the fiscal year beginning January 1, 2016, and ending December 31, 2016, and have reviewed information provided to me by the Village's administration and staff pertaining to the Lehigh-Ferris Tax Increment Financing Redevelopment Project Area.

Based solely upon the information with which I have been provided and without making any independent review or investigation of that information, and relying on the accuracy, authenticity, and genuineness of all of the said information provided, it is my opinion that, as to the matters of which I am aware and have been specifically brought to my attention, the Village of Morton Grove, Cook County, Illinois has complied with the requirements of the Illinois Tax Increment Redevelopment Allocation Act (65 ILCS 5/11-74.4-1 et. seq.).

This opinion relates only to the time period of this report and is based upon the information with which I have been provided by the Village's administration and staff.

Sincerely,



Teresa Hoffman Liston  
Corporation Counsel

Cc: Village Board of Trustees

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