

**STATE OF ILLINOIS**  
**COMPTROLLER**  

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**SUSANA A. MENDOZA**

Name of Municipality: Village of Morton Grove

Reporting Fiscal Year:

2019

County: Cook

Fiscal Year End:

12/31/2019

Unit Code: 016/365/32

### FY 2019 TIF Administrator Contact Information

First Name: Ralph

Last Name: Czerwinski

Address: 6101 Capulina

**Title:** Village Administrator

Telephone: 847-965-4100

City: Morton Grove

Zip: 60053


E-mail-

required rczerwinski@mortongroveil.org

I attest to the best of my knowledge, that this FY 2019 report of the redevelopment project area(s)

in the **City/Village** of:                      **Morton Grove**

is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

  
Written signature of TIF Administrator

10/29/2020  
Date

Written signature of TIF Administrator

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

**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 2019**

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

**Sawmill Station**

**Primary Use of Redevelopment Project Area\*:**

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

**If "Combination/Mixed" List Component Types:**

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

**Tax Increment Allocation Redevelopment Act**   X  

**Industrial Jobs Recovery Law** \_\_\_\_\_

**Please utilize the information below to properly label the Attachments.**

	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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <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 <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report (labeled Attachment H).</b>	X	
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).</b>		X
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).</b>		X
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <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, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).</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 the list only, not actual agreements (labeled Attachment M).</b>		X

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

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

**FY 2019**

**Sawmill Station**

Special Tax Allocation Fund Balance at Beginning of Reporting Period

<b>SOURCE of Revenue/Cash Receipts:</b>	<b>Revenue/Cash Receipts for Current Reporting Year</b>	<b>Cumulative Totals of Revenue/Cash Receipts for life of TIF</b>	<b>% of Total</b>
Property Tax Increment	\$ -	\$ -	0%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 29,814	\$ 29,814	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ 18,817,804	\$ 18,817,804	100%
Transfers from Municipal Sources	\$ -	\$ -	0%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

**All Amount Deposited in Special Tax Allocation Fund**

\$ 18,847,618

**Cumulative Total Revenues/Cash Receipts**

\$ 18,847,618 100%

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

\$ 7,904,390

**Transfers to Municipal Sources**

\$ -

**Distribution of Surplus**

**Total Expenditures/Disbursements**

\$ 7,904,390

**Net/Income/Cash Receipts Over/(Under) Cash Disbursements**

\$ 10,943,228

**Previous Year Adjustment (Explain Below)**

\$ -

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

\$ 10,943,228

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

**Previous Year Explanation:**





## SECTION 3.2 A

## PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.

8. Cost of job training and retraining projects.

9. Financing costs.

Bond Issuance Costs

162,714

Underwriter's Discount

279,525

10. Capital costs.

11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.

12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.

**PAGE 3**

13. Relocation costs.		\$ -
14. Payments in lieu of taxes.		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		\$ -
17. Cost of day care services.		\$ -
18. Other.		\$ -
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 7,904,390</b>

### Section 3.2 B

**FY 2019**

**TIF NAME:**

## Sawmill Station

**Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.**

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

[illegible]

**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source**

## Sawmill Station

\$	10,943,228
----	------------

Amount of Original Issuance	Amount Designated
-----------------------------	-------------------

## 1. Description of Debt Obligations

[illegible]

<b>Total Amount Designated for Obligations</b>	\$ 18,635,000	\$ 18,635,000
------------------------------------------------	---------------	---------------

## 2. Description of Project Costs to be Paid

[illegible]

<b>Total Amount Designated for Project Costs</b>	<b>\$ -</b>
--------------------------------------------------	-------------

<b>TOTAL AMOUNT DESIGNATED</b>	-	<b>\$ 18,635,000</b>
--------------------------------	---	----------------------

<b>SURPLUS/(DEFICIT)</b>	<b>\$</b>	<b>(7,691,772)</b>
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**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]****FY 2019****TIF NAME:****Sawmill Station**

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

**X**

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

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

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 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2019

TIF Name:

Sawmill Station

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
--------------------------------------------------------------------------------------------------	--

2. The Municipality <b>DID</b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
-----------------------------------------------------------------------------------------------------------------------------------	---

2a. The total number of <b>ALL</b> activities undertaken in furtherance of the objectives of the redevelopment plan:	1
----------------------------------------------------------------------------------------------------------------------	---

LIST **ALL** projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 81,500,000	\$ 70,000,000	\$ 151,500,000
Public Investment Undertaken	\$ 18,635,000	\$ 3,200,000	\$ 21,835,000
Ratio of Private/Public Investment	4 31/83		6 61/65

- \*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

**Project 1\*: Sawmill Station**

Private Investment Undertaken (See Instructions)	\$ 81,500,000	\$ 70,000,000	\$ 151,500,000
Public Investment Undertaken	\$ 18,635,000	\$ 3,200,000	\$ 21,835,000
Ratio of Private/Public Investment	4 31/83		6 61/65

**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 the complete TIF report**

**SECTION 6**  
**FY 2019**

**TIF NAME:** Sawmill Station

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
2019	\$ 14,676,232	\$ 14,676,232

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

☒ X Check if 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
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

**SECTION 8**

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

--

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

## **Sawmill Station Tax Increment Financing Redevelopment District**

### **Certificate of Compliance**

REPORT PERIOD: January 1, 2019 to December 31, 2019

DATE OF REPORT: October 27, 2020

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 Waukegan Road 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 Trustee



October 27, 2020

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, 2019  
      Sawmill Station Tax Increment Financing Redevelopment District**

Dear Mayor DiMaria:

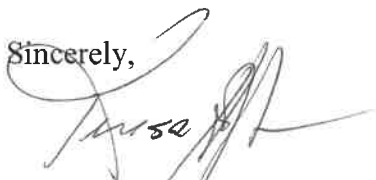
**OPINION OF CORPORATION COUNSEL**

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, 2019, and ending December 31, 2019, and have reviewed information provided to me by the Village's administration and staff pertaining to the Sawmill Station 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

THIS INSTRUMENT PREPARED BY  
AND AFTER RECORDING RETURN TO

Teresa Hoffman Liston  
Corporation Counsel  
Village of Morton Grove  
6101 Capulina Avenue,  
Morton Grove, IL 60053

THIS SPACE FOR RECORDER'S USE ONLY

**ECONOMIC INCENTIVE AND TAX INCREMENT  
ALLOCATION FINANCING DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE VILLAGE OF MORTON GROVE AND  
IM KENSINGTON MG, LLC**

**DATED AS OF Sept. 23, 2019**

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**ECONOMIC INCENTIVE AND TAX INCREMENT  
ALLOCATION FINANCING DEVELOPMENT AGREEMENT**

THIS ECONOMIC INCENTIVE AND TAX INCREMENT ALLOCATION FINANCING DEVELOPMENT AGREEMENT (the "Agreement") is made as of the 23rd day of September 2019, and is by and between the VILLAGE OF MORTON GROVE, an Illinois home rule municipal corporation located in Cook County Illinois (the "Village") and IM KENSINGTON MG, LLC, a Delaware limited liability company with its principal office located at 77 W. Wacker Dr., Ste 4025 Chicago, IL 60601 (the "Developer").

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, and pursuant to the Village's home rule powers, the parties hereto agree as follows:

**SECTION 1. RECITALS.**

- A. The Village is a home rule unit by virtue of the provisions of the 1970 Constitution of the State of Illinois.
- B. 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 inhabitants, to prevent the spread of blight, to encourage private development to enhance the local tax base, to increase employment, and to enter into contractual agreements with third parties for the purpose of achieving these purposes.
- C. The Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended, (the "TIF Act") to finance redevelopment in accordance with the conditions and requirements set forth in the TIF Act.
- D. The Village is authorized under Section 8-1-2.5 of the Illinois Municipal Code (65 ILCS 5/8-1-2.5) to appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any commercial enterprise, that are deemed necessary or desirable for the promotion of economic development within the Village.
- E. The Developer is the legal title owner of a 26-acre parcel of improved property located at the southeast corner of Dempster Street and Waukegan Road, commonly known as of 6711-6947 Dempster Street and 8745 Waukegan Road, and legally described in Exhibit A (the "Property").
- F. The Property is located entirely within the corporate limits of the Village and is in the C-1 General Commercial District.
- G. The Developer desires and seeks relief to develop the Property with a mixed use residential and retail project (the "Project" or the "Development") in accordance with the plans and specifications described in this Agreement and based on the Project Budget and Project Timeline.

H. To stimulate and induce redevelopment for the Property and certain other contiguous parcels of land, pursuant to the TIF Act, on July 8, 2019, the Village has, after giving all notices required by law and after conducting all public hearings required by law, adopted Ordinances 19-06, 19-07 and 19-08, (the "TIF Ordinances").

I. On May 13, 2019 pursuant to Ordinance 19-03 attached hereto as Exhibit B, the Village Board granted a special use for a planned unit development ("PUD") for the Property (the "PUD Ordinance") allowing for the Developer to construct and use the Development pursuant to the waivers and conditions of the PUD Ordinance.

J. The Village and the Developer propose to provide for the joint financing of certain Redevelopment Project Costs as defined in the TIF Act, 65 ILCS 5/11-74.4-3(q), namely, certain costs of property acquisition, site preparation, environmental remediation, demolition, and construction of certain Improvements, all of which will serve a public purpose and are necessary to foster redevelopment of the Property.

K. It is necessary for the successful completion of the Development that the Village enter into this Agreement with Developer.

L. It is economically infeasible for the Developer to undertake the Development, and the Developer is unable to undertake the redevelopment of the Property, without and but for the Village assistance as provided for in this Agreement, which the Village has been, and continues to be, willing to provide under the terms and conditions contained in this Agreement.

M. Developer, after due and careful consideration and with advice and input from its own legal counsel, has agreed to subject the Property to the terms, provisions, and conditions of the PUD Ordinance and this Agreement.

N. The Corporate Authorities, after due and careful consideration, have concluded that granting the requested relief for the Development on the Property pursuant to and in accordance with this Agreement would further enable the Village to control the development of the area and would serve the best interests of the Village.

O. Developer has executed leases with Cooper's Hawk, Flix Brew House, Kohl's, LA Fitness (Signature Club), and has executed letters of intent and is the final stages of negotiating leases with Ross and Starbucks for occupancy of parts of the Development.

P. The Village has agreed to provide the assistance to the Developer to enable it to complete the Development pursuant to the terms of this Agreement and the PUD Ordinance. The Village assistance directly provided to the Developer will be limited to the Maximum Net TIF Obligations defined in Section 2. of this Agreement.

Q. The first dollars into the Development will be the Developer Cash Equity. The remaining expenses shall be paid from the Village Assistance and other sources, except payment to the order of the Developer from the Village Assistance shall not at any time exceed fifty percent (50%) of the total cost then expended for the Development, including all costs in the Project Budget.

R. The budget related to the Retail Project, including the grocery store, is estimated to be \$81,500,000 and the Residential Project budget is estimated to be \$70,000,000 (collectively, the "Project Budget"), all as reflected in the attached Exhibit C-1.

S. The Village and the Developer desire that the Property be developed, used, operated and maintained in compliance with at least the minimum standards set forth in the PUD Ordinance and this Agreement.

## **SECTION 2. DEFINITIONS; RULES OF CONSTRUCTION.**

A. Definitions. Whenever used in this Agreement, the following terms shall have the following meanings unless a different meaning is required by the context:

Baseline Taxes	\$56,000.00 for each of the last 2 calendar quarters of 2019; \$57,680.00 for each 2020 calendar quarter; \$59,410.00 for each 2021 calendar quarter and increasing 3% each year thereafter.
Certificate of Completion	Defined in Section 7.E.1 of this Agreement.
Certified TIF Costs	See Redevelopment Project Costs.
Completion Conditions	Defined in Section 7.E.1 of this Agreement.
Construction Escrow	Defined in Section 11.M of this Agreement.
Corporate Authorities	The President and Board of Trustees of the Village.
Costs of Issuance	All costs related to the issuance of the Revenue Bonds and the Developer Note including, but not limited to, attorney fees, Indenture Trustee fees, consultant fees and underwriting fees.
Developer Cash Equity	The Developer's payment of costs for the Development which must be paid before the Village Assistance is utilized for the Development. The Developer Cash Equity shall not include the proceeds of its construction loan but shall include initial payments to be made by the Developer required by the Developer's loan agreements.
Developer Note	The obligation of the Village in form and content as attached hereto as Exhibit D, in a principal amount equal to the Developer Note Amount.
Developer Note	An amount of Eligible TIF cost equal to \$21,800,000 minus the total

Amount	amount of the Initial Revenue Bonds Net Proceeds.
Development	The Retail Facilities, the Residential Facilities, and all other Improvements. The Development is depicted on the Site Plan.
EAV	The equalized assessed valuation of each taxable lot, block, tract, or parcel in the Property.
Effective Date	The date of execution of this Agreement by all parties hereto, which date shall be deemed to be the date set forth in the first paragraph of page 1 of this Agreement.
Eligible Store	Each commercial establishment generating Sales Taxes and located within the Property
Escrowee	Chicago Title Insurance Company.
Events of Default	Defined in Section 20.A of this Agreement with respect to the Developer and in Section 20.B of this Agreement with respect to the Village.
Final Building Plans and Elevations	Those building and elevation plans that receive the approval of the Village Administrator or his designee pursuant to Section 3.B of this Agreement and in accordance with the Requirements of Law, including the PUD Ordinance. After that approval, the Final Building Plans and Elevations shall, automatically and without further action by the Corporate Authorities, be deemed to be incorporated in, and made a part of, this Agreement
Final Engineering Plan	Those engineering plans that receive the approval of the Village Administrator or his designee pursuant to Section 3.C of this Agreement and in accordance with the Requirements of Law. After that approval, the Final Engineering Plan shall, automatically and without further action by the Corporate Authorities, be deemed to be incorporated in, and made a part of, this Agreement.
Final Issuance Date	June 1, 2021
Final Landscape Plan	Those landscape plans that receive the approval of the Village Administrator or his designee pursuant to Section 3.C of this Agreement and in accordance with the Requirements of Law. After that approval, the Final Landscape Plan shall, automatically and without further action by the Corporate Authorities, be deemed to be incorporated in, and made a part of, this Agreement.
Final Plat	The Plat of Subdivision in form and content as attached hereto as Exhibit E.

Grocery Store	An approximately 35,000 sq. ft. building to be occupied by the Grocery Store Tenant
Grocery Store Substantial Completion	The occurrence of each of: (i) the issuance by the Village of such certificate of substantial completion of said work as may be required to enable the Grocery Store Tenant to commence all improvements necessary to complete the build out of its store; (ii) evidence submitted to the Village that the Developer and the Grocery Store Tenant have executed a lease requiring the Grocery Store Tenant to open for business; and (iii) Certified TIF Costs equal to or exceeding the principal amount of the Village Assistance. The Developer shall cause the Grocery Store Substantial Completion to be achieved no later than March 2022 subject to Uncontrollable Circumstances.
Grocery Store Tenant	A grocery store tenant approved in writing by the Village Administrator who has entered into a lease with the Developer requiring it to be open for business on the Property.
Home Rule Sales Taxes	Tax revenues generated by retail sales from Eligible Stores through the imposition of the Village's (current as of the Effective Date) 1.25% home rule municipal retailers' occupation tax (pursuant to 65 ILCS 5/8-11-1) or the Village's current 1.25% home rule municipal service occupation tax (pursuant to 65 ILCS 5/8-11-5) or any tax or legislation in substitution therefor. This does not include food and beverage taxes, local amusement taxes, business district taxes or any other taxes.
Improvements	Except as specifically excepted in this definition, all of the private improvements and facilities necessary to serve the Property, including, without limitation, all other storm water detention facilities, water mains, storm sewers, sanitary sewers, parking lots, lighting, sidewalks, access driveways, parkways, rough and final grading, trees, sod, seeding, and other landscaping, and all other private improvements required pursuant to this Agreement and the Final Engineering Plan, the Final Landscape Plan and the Requirements of Law but not including Public Improvements.
Incremental Property Tax Fund	Defined in Section 11.D of this Agreement.
Incremental Property Taxes	An amount equal to (i) the ad valorem taxes, if any, arising from the taxes levied upon the Property, which taxes are attributable to the increases in the then current EAV over and above the total Initial EAV of each such lot, block, tract, or parcel of real property, all as determined by the County Clerk of Cook County, Illinois, pursuant to and in accordance with the TIF Act, the TIF Ordinances and this



Agreement, minus (ii) required payments to other taxing districts, pursuant to 65 ILCS 5/11-74.4-3(q)(7.5 and 7.7) minus (iii) any amounts returned to any owner of the Property or part thereof pursuant to any appeal, objection or other proceeding that reduces the assessed valuation of the Property or the amount of ad valorem taxes paid on the Property during the Term, and minus (iv) any other amounts required to be paid by Requirements of Law, when such taxes are collected and paid to and received by the Treasurer of the Village for deposit in the TIF Fund.

Incremental Sales Tax Fund	Defined in Section 11.K of this Agreement.
Indenture Trustee	Amalgamated Bank of Chicago or a bank or trust company acceptable to the Village.
Initial Bond Issuance Date	The date on which the Village shall issue the Initial Revenue Bonds as further defined in Section 11.A of this Agreement.
Initial EAV	The initial equalized assessed value (as defined in Section 11-74.4-9 of the TIF Act) of the Property.
Initial Retail Tenants	Coopers Hawk, Movie Theater/Restaurant, Kohl's, Ross, LA Fitness (Signature Club), and Starbucks.
Initial Revenue Bond Amount	An amount of Initial Revenue Bonds, as determined by the Underwriter and Bond Counsel based on projection of Pledged TIF Taxes and TIF eligible expenses, sufficient to provide (i) an amount for deposit in the Project Improvement Fund pursuant to Section 11 of this Agreement (ii) payment for the Costs of Issuance related to the issuance of the Initial Revenue Bonds, (iii) capitalized interest on the Initial Revenue Bonds for a period not to exceed three years from the Initial Bond Issuance Date, and (iv) a debt service reserve.
Initial Revenue Bonds	The Village of Morton Grove, Illinois Tax Increment Revenue Bonds – Sawmill Station Project issued pursuant to Section 11 of this Agreement in the Initial Revenue Bond Amount.
Initial Revenue Bonds Net Proceeds	The amount of proceeds deposited in the Project Improvement Fund upon the issuance of the Initial Revenue Bonds.
LAT	The Local Amusement Tax actually received by the Village pursuant to Village Code § 1-10F-2 from operations on the Development.
Lot	A designated lot on the Final Plat.

Maintenance Obligation	Defined in Section 7.G of this Agreement.
Maximum Net TIF Obligations	\$25,000,000 or in the event the Second Revenue Bonds are not issued, \$21,800,000.00
Movie Theater/Restaurant	Flix Brew House, Studio Movie Grill or such other similar movie theater with restaurant approved in writing by the Village Administrator
Movie Theater/Restaurant Holdback	Until the issuance by the Village of a certificate of substantial completion of said work as may be required to enable the Movie Theater/Restaurant Tenant to commence all improvements necessary to complete the build out of its store; an amount equal to \$1,000,0000 shall not accrue interest on the Developer Note. If such certificate of substantial completion is not issued by March 31, 2023 (as such date may be extended by Uncontrollable Circumstances), the Developer Note shall be reduced by \$1,000,000.00.
Municipal Code	The Municipal Code of Morton Grove, as the same has been and may, from time to time hereafter, be amended
Note Issuance Date	Initial Bond Issuance Date.
Performance Security	The Performance and Payment Bond Developer is required to provide to the Village pursuant to Section 10.A of this Agreement.
Person	Any corporation, partnership, limited liability company, individual, joint venture, trust, estate, association, business, enterprise, proprietorship, or other legal entity of any kind, either public or private, and any legal successor, agent, representative, or authorized assign of the above.
Pledged Sales Taxes	Defined in Section 11.K of this Agreement.
Pledged TIF Taxes	The (i) Retail Incremental Property Taxes, (ii) the Residential Incremental Property Taxes if the Second Revenue Bonds are issued (iii) the Pledged Sales Taxes less any sums to be paid (a) as TIF Administrative Costs, or (b) to any school or other taxing district pursuant to Section 11-74.4-3(q) (7.5) of the TIF Act.
Project Budget	The budget attached hereto as Exhibit C-1, which is a good faith estimate for informational purposes of projected costs of the Development, which shall identify approved TIF eligible expenses for reimbursement by the Village. The Project Budget shall be separated between the retail and residential portions thereof and does not establish an obligation or a limitation on Developer or

	Residential Builder.
Project Timeline	The timeline attached hereto as Exhibit F, which provides the timeline for completion of the Development subject to Uncontrollable Circumstance
Project	See Development
Property	That 26-acre parcel of improved property located at the southeast corner of Dempster Street and Waukegan Road, commonly known as of 6711-6947 Dempster Street and 8745 Waukegan Road, and legally described in Exhibit A.
Public Improvements	Those certain improvements located or to be located on public property or public rights-of-way or owned by the Village within easements to the Village or another governmental entity, including those improvements on public property, public rights-of-way or owned by the Village within easements to the Village or another governmental entity required pursuant to this Agreement and the Final Engineering Plan, the Final Landscape Plan, and the Requirements of Law.
PUD	Planned Unit Development as defined by the Unified Development Code.
PUD Ordinance	Ordinance 19-03 adopted by the Corporate Authorities and attached to the Agreement as Exhibit B.
Redevelopment Project Costs	Costs defined as Redevelopment Project Costs in the TIF Act, 65 ILCS 5/11-74.4-3(q) and approved in the redevelopment plan and project for the Sawmill Station Redevelopment Project Area.
Reimbursement Agreement	The agreement between the parties executed on January 22, 2019 and approved by the Corporate Authorities pursuant to Resolution 19-02.
Requirements of Law	Applicable provisions of the Municipal Code and all other federal, state, and Village laws, statutes, codes, ordinances, resolutions, rules and regulations.
Residential Builder	The Developer or a qualified real estate developer or a special purpose entity owned or controlled by a qualified real estate developer reasonably approved by the Village, including UrbanStreet Group LLC-ACQ, a special purpose entity owned or controlled by or under common control with UrbanStreet Group LLC-ACQ, provided said entity has purchased the Residential Parcel from the Developer and has agreed to be bound by all the obligations and conditions of this Agreement to the extent

they relate to the Residential Facilities.

Residential Facilities	The residential building(s) to be constructed on the Property by the Residential Builder consisting of approximately 240 rental dwelling units or such other number as the Village Administrator may approve, parking and related improvements, all pursuant to the PUD Ordinance.
Residential Incremental Property Taxes	An amount equal to (i) the ad valorem taxes, if any, arising from the taxes levied upon the Residential Parcel, which taxes are attributable to the increases in the then current EAV over and above the total Residential Initial EAV of each such lot, block, tract, or parcel of real property, all as determined by the County Clerk of Cook County, Illinois, pursuant to and in accordance with the TIF Act, the TIF Ordinances and this Agreement, minus (ii) required payments to other taxing districts, pursuant to 65 ILCS 5/11-74.4-3(q)(7.5 and 7.7) minus (iii) any amounts returned to any owner of the Residential Parcel or part thereof pursuant to any appeal, objection or other proceeding that reduces the assessed valuation of the Residential Parcel or the amount of ad valorem taxes paid on the Residential Parcel during the Term, and minus (iv) any other amounts required to be paid by Requirements of Law, when such taxes are collected and paid to and received by the Treasurer of the Village for deposit in the TIF Fund.
Residential Initial EAV	The initial equalized assessed value (as defined in Section 11-74.4-9 of the TIF Act) of the Residential Parcel.
Residential Parcel	Defined in Exhibit A hereto.
Residential Substantial Completion	The occurrence of (i) all rental residential units in the Development having been substantially constructed, and (ii) the issuance of a temporary or conditional certificate of occupancy for the Residential Facility, which will be achieved by no later than a date as required by the holders of the Second Revenue Bonds.
Retail Facilities	Approximately not less than 200,000 square feet of commercial or retail space located on the Retail Parcel for occupancy by the Initial Retail Tenants, the Grocery Store Tenant and other lawful retail or commercial, parking and related improvements, all pursuant to the PUD Ordinance.
Retail Incremental Property Taxes	An amount equal to (i) the ad valorem taxes, if any, arising from the taxes levied upon the Retail Parcel, which taxes are attributable to the increases in the then current EAV over and above the total Retail Initial EAV of each such lot, block, tract, or parcel of real property, all as determined by the County Clerk of Cook County, Illinois,

pursuant to and in accordance with the TIF Act, the TIF Ordinances and this Agreement, minus (ii) required payments to other taxing districts, pursuant to 65 ILCS 5/11-74.4-3(q)(7.5 and 7.7) further minus (iii) any amounts returned to any owner of the Retail Parcel or part thereof pursuant to any appeal, objection or other proceeding that reduces the assessed valuation of the Retail Parcel or the amount of ad valorem taxes paid on the Retail Parcel during the Term, and minus (iv) any other amounts required to be paid by Requirements of Law, when such taxes are collected and paid to and received by the Treasurer of the Village for deposit in the TIF Fund.

Retail Initial EAV	The initial equalized assessed value (as defined in Section 11-74.4-9 of the TIF Act) of the Retail Parcel.
Retail Parcel	Defined in Exhibit A.
Retail Project True Up Budget	The budget attached hereto as Exhibit C-2 for the determination of the Recapture Amount as provided in Section 11F.3. herein.
Retail Service Offices	Offices which cater to the general public and are typically found in shopping centers, such as tax preparation, financial services, banking and savings and loan facilities, insurance agents, travel agents, realtors, national background check facilities, staffing agencies, recruitment offices, stock brokers, and dental, chiropractic, optical or medical offices.
Retail Substantial Completion	The occurrence of (i) completion of 65% of the Retail Facilities (as measured by building floor area as a warm dark shell), (ii) Grocery Store Substantial Completion, (iii) the issuance of building permits, if required, for the Initial Retail Tenant's space improvements except for the Movie Theater/Restaurant, and (iv) Developer has provided the Village with evidence to the Village's satisfaction of Certified TIF Costs equal to or exceeding the amount of the Village Assistance to be provided pursuant to the issuance of Revenue Bonds and the Developer Note, and (v) the Developer shall have provided to the Village evidence that it has an executed lease with Starbucks or an alternative entity approved by the Village Administrator. Retail Substantial Completion will be achieved no later than March 31, 2022 subject to Uncontrollable Circumstances.
Retail True Up Amount	\$67,000,000
Revenue Bonds	The Initial Revenue Bonds and the Second Revenue Bonds issued in an aggregate principal amount which collectively would not exceed Revenue Bonds Maximum Project Improvement Fund Amount to be deposited in the respective Project Funds described in Section 11.A

of this Agreement.

Sales Tax Fund	Defined in Section 11.K of this Agreement.
Sales Taxes	State Sales Taxes and Home Rule Sales Taxes actually received by the Village.
Scheduled Payment	Each payment of principal and/or interest to holders of the Revenue Bonds as scheduled as to amount and date in the Revenue Bonds. For purposes of this Agreement, a Scheduled Payment shall include any amounts then unpaid on any prior Scheduled Payment.
Second Bond Issuance Date	The date on which the Village shall issue the Second Revenue Bonds as further defined in Sections 11.A and C of this Agreement.
Second Revenue Bond Amount	An amount of Second Revenue Bonds, as determined by the Underwriter and Bond Counsel based on projections of Pledged TIF Taxes and TIF eligible costs sufficient to provide (i) a deposit in the Project Improvement Fund in an amount not greater than the difference between the Maximum Net TIF Obligations and the total of the (a) Initial Revenue Bonds Net Proceeds and (b) the Developer Note Amount, (ii) payment for the Costs of Issuance related to the issuance of the Second Revenue Bonds, (iii) capitalized interest on the Second Revenue Bonds for a period not to exceed three years from the Second Bond Issuance Date, and (iv) a reasonably required debt service reserve.
Second Revenue Bonds	The Village of Morton Grove, Illinois Tax Increment Revenue Bonds – Sawmill Station Project issued pursuant to Section 11 of this Agreement in the amount of the Second Revenue Bond Amount on the Second Bond Issuance Date.
Second Revenue Bonds Net Proceeds	The amount of proceeds deposited in the Project Improvement Fund upon the issuance of the Second Revenue Bonds
Site Plan	The site plan for the Development, prepared by Woolpert, Inc., and approved in writing by the Village Administrator.
Site Restoration	Defined in Section 7.D.1 of this Agreement.
State Sales Taxes	Tax revenues generated by retail sales from Eligible Stores through the imposition of the State's retailers' occupation tax (pursuant to 35 ILCS 120/1 et seq.) or the State's service occupation tax (pursuant to 35 ILCS 115/1 et seq.), or any tax in substitution therefor.

In order to identify the State Sales Taxes, the Developer shall, as a term and condition of the any lease agreements entered into between Developer and a retailer on the Property, require the lessee to agree

to, annually until the Revenue Bonds and the Developer Note shall be satisfied in full or mature, complete and execute the Illinois Department of Revenue's PTAX-1002-21 Form, "Authorization to Release Sales Tax information to Local Governments," as the same may be amended from time to time, authorizing the release of sales tax information for the most-recently-completed calendar year for commercial operation on the Property and remit such executed form to the Village for completion and submission to the Illinois Department of Revenue's Local Tax Allocation Division.

Tax Exempt Bonds	Tax exempt debt obligations issued by the Village to the extent allowed by law, including the Developer Note.
TIF	Tax increment financing, as further defined and described in the TIF Act.
TIF Act	The Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1 et seq.
TIF Administrative Costs	The lesser of \$25,000.00 annually or the cost incurred by the Village to administer the TIF District.
TIF Certification Request	Defined in Section 11.G.1 of this Agreement.
TIF Costs Certification Resolution	Defined in Section 11.G.2 of this Agreement.
TIF Fund	The special tax allocation fund established and held in accordance with the requirements of the TIF Act and Section 11 of this Agreement.
TIF Obligation Ordinances	The ordinances approving the Revenue Bonds and the Developer Note
TIF Ordinances	Village of Morton Grove Ordinance Nos. 19-06, 19-07, and 19-08.
Uncontrollable Circumstance	Any of the following events and circumstances that materially change the costs or ability of the Developer to carry out its obligations under this Agreement: a change in the Requirements of Law; insurrection, riot, civil disturbance, sabotage, act of public enemy, explosion, nuclear incident, war, or naval blockade; epidemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary weather condition, or other similar act of God; governmental condemnation or taking; or strikes or labor disputes, other than those caused by the unlawful acts of the Developer, its partners, or affiliated entities.

Uncontrollable Circumstance shall not include economic hardship, impracticability of performance, commercial, economic, or market conditions, or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor).

Any party claiming an Uncontrollable Circumstance shall give notice thereof to the other party within three (3) business days of the beginning of such event. Each business day of delay caused by an Uncontrollable Circumstance for which notice is given as aforesaid shall extend applicable time periods in this Agreement by one business day, and intervening non-business days shall be added to such extension, so that, for example, if an applicable date for performance under this Agreement is a non-holiday Monday, the Uncontrollable Circumstance causes a five business day delay, the new date performance is the following Monday assuming there are no intervening holidays. Acts or omissions of the Developer shall not be permitted as an Uncontrollable Circumstance. The party seeking the extension as an Uncontrollable Circumstance shall keep the other parties reasonably informed as to the nature of the delay and the anticipated time of completion of the performance of its obligations.

Unified Development Code	The Village of Morton Grove Unified Development Code, (Title 12 of the Village's Municipal Code) as the same has been and may, from time to time hereafter, be amended.
Underwriter	DA Davidson or another investment banking firm acceptable to both the Village and the Developer.
Village Assistance	The reimbursement by the Village of certain Certified TIF Costs paid to the Developer from Tax Increment Financing as further set forth in this Agreement.

#### B. Rules of Construction.

1. Grammatical Usage and Construction. In construing this Agreement, pronouns include all genders, the plural includes the singular and vice versa, and "including" shall be interpreted as if followed by "without limitation."
2. Headings. The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.
3. Calendar Days. Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" shall mean calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then



the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

4. Recitals. The recitals set forth above as items 1.A through 1.T are hereby incorporated herein as substantive terms of this Agreement as if fully restated herein.
5. Other Defined Terms. Terms not defined in this Agreement shall have the meanings set forth in the Unified Development Code.

### **SECTION 3. APPROVAL OF ZONING RELIEF AND DEVELOPMENT.**

A. Approval of PUD, Waivers and Parking and Loading Requirements, and Preliminary Plat of Subdivision. On May 13, 2019, the Village adopted the PUD Ordinance which the Village and the Developer agree is a valid and binding ordinance governing the Property and the Development and approves and grants special use permits including a special use permit for a PUD, certain waivers from the requirements of the Unified Development Code, establishes required parking and loading, and approves a Preliminary Plat of Subdivision for the Property. The Final Plat shall be consistent with the PUD Ordinance. The Developer and the Village shall take all actions necessary in accordance with Section 12-8-3 of the Unified Development Code so the Final Plat will be approved and recorded.

B. Future Subdivision of Property. Any proposed subdivision of the Property after the Final Plat is recorded shall comply in all respects with the Requirements of Law, including without limitation Section 12-8-1 et seq. of the Unified Development Code, and may require an amendment to the PUD Ordinance and this Agreement. No part of the Property may be withdrawn from the PUD Ordinance or this Agreement, without express approval of the Corporate Authorities.

### **SECTION 4. DEVELOPMENT OF PROPERTY.**

A. Retail and Residential Facilities. All buildings and Improvements and Public Improvements on the Property shall be constructed and operated in accordance with the terms and conditions of this Agreement, the PUD Ordinance and the Requirements of Law. The Retail Facilities shall be built for initial occupancy by the Initial Retail Tenants, the Grocery Store Tenant and other retail or commercial uses permitted by Requirements of Law or otherwise acceptable to the Village Administrator. It is understood, anything herein to the contrary notwithstanding, certain buildings in the Development may be built not by Developer but by a tenant, but the Developer remains responsible for the construction of such buildings in accordance with this Agreement.

B. General Use and Development Restrictions. Except for minor alterations the construction and use of the Development shall be pursuant to and in accordance with the following documents upon their respective approval, adoption, and effective date:

1. This Agreement;
2. The PUD Ordinance, and all documents and plans incorporated in the PUD Ordinance;
3. Terms and conditions imposed by the Revenue Bond holders;
4. The Final Engineering Plans;
5. The Final Landscape Plans;

6. The Final Building Plans, Elevations and Lighting Plan;
7. The Unified Development Code, except as may be varied by ordinance;
8. The Requirements of Law;
9. The Final Plat; and
10. The written approval of the Village Administrator.

Unless otherwise provided in this Agreement, in the event of a conflict between or among any of the above plans or documents that is not expressly resolved in such plan or document (including waivers and exceptions), the plan or document that provides the greatest control and protection for the Village, as determined by the Village Administrator, shall control. All of the above plans and documents shall be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement.

C. Re-Use of Initial Retail Tenant or Grocery Store Tenant Spaces. In the event any lease with an Initial Retail Tenant or the Grocery Store Tenant is terminated before the Revenue Bonds and Developer Note are paid in full, the Developer shall only lease the space previously leased to such tenant (i) for a use similar to that permitted in such lease, as confirmed by the Village Administrator or, (ii) to an entity whose primary business use generates sales taxes, local amusement taxes or local food and beverage taxes, or (iii) to a tenant approved by the Village Administrator, or (iv) for a Retail Service Offices provided the total aggregate Leasable Floor Area permitted for Retail Service Offices shall not exceed ten percent (10%) of the Leasable Floor Area of the Development; and the leased floor area for any single Retail Service Offices shall not exceed twelve thousand (12,000) square feet.

D. Transfer of the Property.

1. Seller shall be permitted to transfer the Residential Parcel to a Residential Builder provided that the contract for the purchase of the Residential Parcel shall require the Residential Builder to undertake all the obligations of the Developer set forth in this Agreement relating to the construction and maintenance of the Residential Facilities. These obligations include but are not limited the applicable portions of Sections 4.A, 4.B, 5.A-D, 6.A-E, 7.A-G, 9.B-C, 10.A-E, 11.J, 14.A-G, 15-17, and 19-21 of this Agreement. The Developer has the right to assign and subsequently assigns those provisions of its contract relating to the construction and maintenance of the Residential Facilities to the Residential Builder. Such transfer or assumption shall relieve Developer of its obligation pursuant to this Agreement pertaining to the Residential Facilities. Any assignment or assumption shall be governed by the Transferee Assumption Agreement, attached hereto as Exhibit G.
2. Seller shall be permitted to transfer each of Lots 1, 2, 3 and 4 as identified on the Final Plat, subject to section 12-6-3--3 of the Village Code.
3. Seller shall not otherwise transfer fee title to the Property in whole or in part until the Village issues a Certificate of Project Completion.
4. Developer is prohibited from assigning any incentives provided pursuant to the Agreement except as collateral to its lenders.

## SECTION 5. IMPROVEMENTS.

A. Description of Improvements. The Developer shall, at its sole cost and expense, construct, install, or perform, or cause to be constructed, installed or performed, all steps

necessary to complete Development and all of the Improvements and Public Improvements on the Property substantially as set forth in the Site Plan, the Final Engineering Plan, the Final Landscape Plan, the Final Building Plans and Elevations, and this Agreement.

B. Dedication and Maintenance of the Improvements.

1. Final Inspection and Approval of the Improvements. The Developer shall notify the Village when it reasonably believes that any or all of its improvements have been substantially completed and shall request final inspection, approval, and, where appropriate, acceptance of the applicable Improvements and Public Improvements by the Village. Such notice and request shall comply with, and include, all requirements of Section 12-9-4 of the Unified Development Code and shall be given far enough in advance to allow the Village time to inspect the Improvements and Public Improvements and to prepare a punch list of items requiring repair or correction and to allow the Developer time to make all required repairs and corrections prior to the scheduled completion date. The Developer shall promptly make all necessary repairs and corrections as properly specified on the punch list. The Village shall not be required to approve or accept any Public Improvement until all of the punch list items for such Public Improvement have been fully and properly completed. All determinations made by the Village under this paragraph shall be made in accordance with this Agreement and minimally to those standards set forth in the Village Code, the Illinois Municipal Code or other Requirements of Law.
2. Dedication and Acceptance of Specified Public Improvements. The execution of this Agreement shall not constitute an acceptance by the Village of any public facilities that are depicted as dedicated on the Final Engineering Plan, if any, or of any Public Improvements. The acceptance of all Public Improvements shall be made only in compliance with the requirements of the Unified Development Code, including, without limitation, Section 12-9-4 of that Code.

C. Transfer of Ownership of Public Improvements and Easements to the Village. Upon the approval of, and prior to the acceptance of Public Improvements to be accepted by the Village pursuant to Section 5.B of this Agreement, the Developer shall execute, or cause to be executed, such documents as the Village shall request to transfer ownership of such Public Improvements to, and to evidence ownership of such Public Improvements by, the Village, free and clear of all liens, claims, encumbrances, and restrictions unless otherwise approved by the Village in writing. The Developer shall, at the same time, grant, or cause to be granted, to the Village all such easements or other property rights as the Village may require to install, operate, maintain, service, repair, and replace any Public Improvements that have not previously been granted to the Village, free and clear of all liens, claims, encumbrances, and restrictions unless otherwise approved by the Village in writing.

D. Two-Year Guaranty of Public Improvements. Pursuant to Section 12-8-3 of the Unified Development Code, the Developer hereby guarantees the prompt and satisfactory correction of all defects and deficiencies in any Public Improvements, including, without limitation, any landscaping installed by the Developer on public lands or within public rights-of-way or easements, that occur or become evident within two years after approval of such Public Improvement, subject to Force Majeure/Uncontrollable Circumstance, and, where appropriate, acceptance of the Public Improvements by the Village pursuant to this Agreement. If any such

defect or deficiency occurs or becomes evident during such period, then the Developer shall, after ten (10) days' prior written notice from the Village (subject to Uncontrollable Circumstances), correct it or cause it to be corrected. In the event any Public Improvement is repaired or replaced pursuant to such a demand, the guaranty provided by this Section 5.D shall be extended, as to such repair or replacement, for two full years from the date of such repair or replacement. Any Public Improvements under the jurisdiction of IDOT shall have a warranty of at least two (2) years or longer, if an extended warranty period is required by IDOT.

## **SECTION 6. CONSTRUCTION.**

### **A. Design and Construction.**

1. **General Standards.** The Development shall be designed and constructed pursuant to and substantially in accordance with the Final Building Plans, Elevations, and Lighting Plan, the Final Engineering Plans, the Final Landscape Plans, the Site Plan, the PUD Ordinance and Requirements of Law.
2. All work performed on the Development shall be conducted in a good and workmanlike manner and with due dispatch in accordance with the schedule established in Section 7.C.2 of this Agreement, subject to Uncontrollable Circumstances. All materials used for construction of the Development shall be new and of first quality.
3. **Improvements and Public Improvements.** The design and construction of the Improvements and Public Improvements shall be subject to the reasonable written satisfaction of the Village Administrator or his designee in accordance with the Unified Development Code and other applicable Requirements of Law.
4. **Contract Terms; Prosecution of the Work.** The Developer shall include in every contract for work on the Development terms requiring the contractor to prosecute the work diligently, continuously, in full compliance with, and as required by or pursuant to the Final Engineering Plan, the Final Landscape Plan, the Site Plan, the Final Building Plans and Elevations, the PUD Ordinance, and the Requirements of Law, until the work is properly completed, and terms providing that the Developer may take over and prosecute the work if the contractor fails to do so in a timely and proper manner.
5. **Engineering Services.** The Developer shall provide, at its sole cost and expense, or shall cause to be provided, all engineering services for the design and construction of the Development by a professional architect or engineer responsible for overseeing the construction of the Development. The Developer shall promptly provide the Village with the name of the construction project manager and a telephone number or contact information at which the construction project manager can be reached at all times.
6. **Village Inspections and Approvals.** All work on the Development shall be subject to inspection and approval by Village representatives at all times in accordance with Requirements of Law.
7. **Other Approvals.** Where the construction and installation of the Development requires the consent, permission, or approval of any public agency other than the Village or private party, the Developer shall promptly file all applications, enter into all agreements, post all security, pay all fees and costs, and otherwise take all steps that may be reasonably required to obtain the required consent, permission, or approval.

B. Construction Traffic and Parking.

1. Designated Traffic Routes. Prior to or concurrent with the Developer's application for the initial work (other than demolition) to be performed on the Property, the Developer shall submit a construction management traffic and parking plan for review and approval by the Village Administrator or his designee. Such plan shall include all designated traffic routes, construction fencing and construction and sequencing plans. Notwithstanding the plan, the Village may designate alternate routes of access to the Property for construction traffic to protect pedestrians and to minimize disruption of traffic and damage to paved street surfaces; provided, however, that the designated routes shall not unduly hinder or obstruct direct and efficient access to the Property for construction traffic. The plan shall include the proposed methods by which the Developer will keep all routes used for construction traffic free and clear of mud, dirt, debris, obstructions, and hazards. The Developer shall repair or cause the repair of all damage caused by its and the Residential Builder's construction traffic.
2. Parking. The construction management plan shall show the location where all construction vehicles, including passenger vehicles, and construction equipment shall be parked within the Property. Any proposed parking area located outside the Property shall be identified and subject to approval by the Village Administrator or his designee.

C. Issuance of Permits and Certificates. The Village has the right to withhold the issuance of certificates of occupancy for any building or structure located on the Property until the Improvements and Public Improvements for that phase of construction are substantially completed by the Developer in accordance with the Project Timeline, subject to Uncontrollable Circumstances, or until other arrangements satisfactory to the Village Administrator or his designee, in his reasonable discretion, shall have been made. The issuance of any building permit or certificate of occupancy by the Village at any time prior to completion of all the Improvements and Public Improvements for a particular phase of construction and approval and, where appropriate, acceptance thereof by the Village shall not confer on the Developer any right or entitlement to any other building permit or certificate of occupancy.

D. Damage to Public Property. The Developer shall maintain the Property and all streets, sidewalks and other public property in and adjacent to the Property in a good and clean condition at all times during development of the Property and construction of each phase of the Development and in compliance with all applicable Requirements of Law. Further, the Developer shall or shall cause others to (1) promptly clean all mud, dirt, or debris deposited on any street, sidewalk, or other public property in or adjacent to the Property by the Developer or any agent of or contractor hired by, or on behalf of, the Developer; and (2) repair any damage that may be caused by the activities of the Developer or any agent of or contractor hired by, or on behalf of, the Developer. The Village shall be permitted to undertake self-help if twenty-four (24) hours after notice of the event, or earlier if reasonable necessitated by the circumstances, the Developer has not cured or repaired any damage to public property or removed debris if such is an impediment or poses a threat to the health, safety and welfare of the residents.

E. Burial of Public Utility Lines. In connection with its construction of the Development, Developer shall, at its expense, bury at the locations approved by the Village Engineer, all

overhead public utility lines that are newly constructed and installed within the Property to serve the Development.

F. Reserved.

G. Open Book Project. The Development shall be an open book project, and the Developer will ensure regular and continuing access, at all times during construction and the making of any payments under this Agreement, by the Village Administrator or his designee, for the purpose of reviewing and auditing the records of the Developer relating to any item necessary to determine the costs of the Development. These Village review and audit rights with respect to the Development shall terminate two years after the last of the last TIF Certification Request submitted by the Developer under this Agreement for any portion of the Development. To the extent allowable by Law, the Developer's financial records, under this open book provision, shall not be considered public or Village records.

H. Insurance. Prior to the commencement of the Development, the Developer shall keep and obtain in force at all times through and until the completion of the Development, as evidenced by the issuance of the Certificate of Completion, builder's risk insurance insuring against the risk of physical loss, including collapse, covering the total value of work performed and equipment, supplies and materials furnished for the construction of the Development (including on-site stored materials and off-site materials that have been fabricated or purchased). Such insurance policies shall be issued by companies with AM Best ratings of at least A-VII. All such policies shall contain a provision that said insurance policy will not be canceled without thirty (30) calendar days prior written notice to the named insured. The named insured shall be responsible for notifying the Village immediately of any such cancellation. The proceeds of any claim on this builder's risk insurance shall be used to repair and/or complete the work that is the subject of the claim.

## **SECTION 7. COMMENCEMENT AND COMPLETION OF CONSTRUCTION.**

A. Prohibition of Construction of Any Kind Prior to All Approvals. The Developer acknowledges and agrees that, unless specifically authorized in writing by the Village Administrator, in his sole and absolute discretion, no grading, site work, tree or landscape removal, construction, improvement, or development of any kind shall be permitted on any portion of the Property unless and until the Final Building Plans and Elevations, the Final Engineering Plan and the Final Landscape Plan have all been approved by the Village Administrator or his designee for such portion of the Property. The parties acknowledge that Developer has commenced demolition.

B. Commencement of Construction. In addition to the restriction set forth in Section 7.A of this Agreement, the following shall apply to the construction of the Residential Facility and Retail Facilities:

1. Foundation Construction. No construction of any kind shall be permitted on or with respect to the foundation portion of any of the Residential Facilities or Retail Facilities in advance of a building permit for such portion unless and until the Developer obtains written approval from the Village Administrator or his designee.

2. Retail Vertical Construction. No vertical construction of any kind shall be permitted on the Retail Facilities unless and until the Developer delivers to the Village Administrator evidence of a written financial commitment(s) from one or more reputable lending institution(s) agreeing to make a loan to the Developer that, together with the Developer's Equity, and the Initial Revenue Bond Net Amount, is sufficient to cover the costs of construction of the Retail Facilities and of all Improvements and Public Improvements related to that phase of construction. The form, substance, and adequacy of the written financing commitment shall be acceptable to the Village Administrator in his reasonable determination.
  3. Residential Vertical Construction. No vertical construction of any kind shall be permitted on the Residential Facilities unless and until the Residential Builder delivers to the Village Administrator evidence acceptable to the Village Administrator in his or her reasonable discretion, of a written financial commitment(s) from one or more reputable lending institution(s) agreeing to make a loan to the Residential Builder that, together with the Residential Builder's Equity is sufficient to cover the costs of construction of the Residential Facilities and of all Improvements and Public Improvements related to that phase of construction. The form, substance, and adequacy of the written financing commitment shall be acceptable to the Village Administrator in his reasonable determination.
- C. Diligent Pursuit of Construction.
1. Once commencement of construction for each phase is authorized pursuant to this Agreement, the Developer shall pursue the construction of that phase of the Development in a diligent and expeditious manner.
  2. The Developer acknowledges compliance with the Project Timeline attached hereto as Exhibit F, subject to Uncontrollable Circumstances, is a materially significant covenant under this Agreement, provided however that delays will be excused to the extent of Uncontrollable Circumstances as provided in this Agreement and delays will also be excused if such delay does not frustrate timely achievement of Retail Substantial Completion, Grocery Store Substantial Completion and Residential Substantial Completion.
- D. Failure to Complete Construction.
1. Removal of Partially Constructed Structures and Improvements. Subject to Uncontrollable Circumstances, if the Developer or the Residential Builder fails to diligently pursue all construction as required within the time period prescribed in the building permit or permits issued by the Village for the construction or in accordance with the schedule approved by the Village Administrator or his designee pursuant to Section 7.C.2, and if a perfected application to renew the building permit or permits is not filed within thirty (30) days after the later of expiration of the permit or permits or Developer's receipt of notice from the Village stating its intention to invoke this paragraph, the Developer and the Residential Builder shall, subject to the rights of the project lenders within sixty (60) days after notice from the Village perform Site Restoration which shall include the: (a) removal of any partially constructed or partially completed buildings, structures, or Improvements and Public Improvements for that phase from the Property; and (b) the performance of site

restoration and modification activities to establish a passive park-like setting on the affected portion of the Property in accordance with plans approved by the Village.

2. Removal and Restoration by Village. In the event the Developer or the Residential Builder fails or refuses to remove the buildings, structures, and Improvements and Public Improvements, or to perform the Site Restoration, as required pursuant to Section 7.D.1 of this Agreement, the Village shall have, and is hereby granted, the right, at its option, to enter upon the Property to: (a) demolish and/or remove any of the buildings, structures and Improvements and Public Improvements from any and all portions of the Property, and to perform the Site Restoration; or (b) cause the Improvements and Public Improvements to be completed in accordance with the plans submitted and any of the buildings or structures to be secured and weather tight. The Developer shall fully reimburse the Village for all costs and expenses, including legal and administrative costs (which shall not include TIF Administrative Costs) for such work within thirty (30) days after a request therefor at a rate of 120% of actual costs and expenses incurred. If the Developer does not fully reimburse the Village for all such costs and expenses, and the Revenue Bonds have no funds remaining in them or are otherwise unavailable to finance such work, then, subordinate to the project lenders, the Village shall have the right to place a lien on Property for all such costs and expenses in the manner provided by law and foreclose upon the same. The rights and remedies provided in this Section shall be in addition to, and not in limitation of, any other rights and remedies otherwise available to the Village at law and/or in equity.

E. Certificate of Completion.

1. Conditions for Certificate of Completion. The Village will issue Developer certificates of completion (each, a "Certificate of Completion") upon the satisfactory achievement of each of Retail Substantial Completion, Residential Substantial Completion, and Grocery Store Substantial Completion provided this Development conforms to this Agreement, the PUD Ordinance, and all Requirements of Law (the "Completion Conditions").
2. Request for Certificate of Completion. The Developer shall notify the Village when it believes that the Completion Conditions have been satisfied and shall request an inspection and a Certificate of Completion. The Village shall respond to the Developer's request for the Completion Certificate within thirty (30) days by issuing either the Completion Certificate or a written statement detailing the ways in which the Completion Conditions have not been satisfied and the measures which must be taken by the Developer to obtain the Completion Certificate.

F. Other Transactions. Developer shall not enter into any transaction prior to the issuance of the Certificate of Completion that materially and adversely affects its ability to finance or complete the Development.

G. Maintenance Obligation of the Development Upon Completion. Upon the issuance of the Certificate of Completion, and except for Uncontrollable Circumstances and maintenance that is the obligation of a tenant, Developer shall maintain the Development substantially in accordance with the PUD Ordinance, the approved Final Plans, and the Requirements of Law, except for changes or modifications made in accordance with Requirements of Law or written approval of the Village Administrator (the "Maintenance Obligation"). If Developer defaults on this



Maintenance Obligation and fails to cure such default after ninety (90) ninety days written notice from the Village, or as soon as practicable after written notice in the case of a default that creates a hazard to public health and safety, Developer shall post a letter of credit in an amount not less than the cost of six months of the Maintenance Obligation, as reasonably determined by the Village Administrator, based on general acceptable maintenance standards for properties of similar size and use, within ninety (90) days of a final order issued in an administrative or judicial action, which letter of credit the Village may draw upon to cure any future or continued breach of this Maintenance Obligation. The Village's remedies pursuant to this Section 7.G are in addition, and without prejudice, to any other rights and remedies available to the Village for Developer's breach of its Maintenance Obligation. This Section 7.G shall be a continuing obligation of the Developer and all subsequent owners of the Property until the fifth anniversary of the first day of the month after the Revenue Bonds and the Developer Note have been paid in full.

## **SECTION 8. RECAPTURES.**

The Village has no recapture fees that the Developer is required to pay pursuant to this Agreement. There are no costs for which the Developer is entitled to recapture under this Agreement.

## **SECTION 9. PAYMENT OF VILLAGE FEES AND COSTS AND OTHER PAYMENTS TO VILLAGE.**

A. Village Impact Fees. The Village has no Village impact fees in effect that will be caused by the Development.

B. General Requirements. In addition to any other costs, payments, fees, charges, contributions, or dedications required by this Agreement, the Developer shall pay to the Village, as and when due, all application, inspection, and permit fees, all water and sewer general and special connection fees, tap-on fees, charges and contributions, and all other fees, charges, and contributions required by applicable Village codes, ordinances, resolutions, rules, or regulations. Anything in this Section 9 to the contrary notwithstanding, during the first twenty-four months after the Effective Date, the Village shall not charge Developer or Residential Builder building permit and related fees higher than those currently specified in the Village Code, with permitted increases not to exceed the percentage increase in the Consumer Price Index.

C. Special Requirements. In addition to any other costs, payments, fees, charges, contributions, or dedications required by this Agreement or by applicable Village codes, ordinances, resolutions, rules or regulations, the Developer shall pay to the Village, immediately upon presentation of a written demand or demands therefor, all reasonable legal, engineering, and other consulting or administrative fees, costs, and expenses, excluding Costs of Issuance and TIF Administrative Costs (hereinafter defined), incurred or accrued in connection with the review and processing of plans for the development of the Property and in connection with the negotiation, preparation, consideration, and review of this Agreement and all of its exhibits subject to Section 9.D below. Payment of all such fees, costs, and expenses for which demand has been made, but payment has not been received, by the Village prior to execution of this Agreement shall be made in good funds immediately upon execution of this Agreement by the

Village President. Further, the Developer agrees that it will continue to be liable for and to pay, immediately upon presentation of a written demand or demands therefor, such fees, costs, and expenses (excluding the Costs of Issuance and TIF Administrative Costs) incurred in with any applications, documents, or proposals, whether formal or informal, of whatever kind submitted by the Developer during the term of this Agreement in connection with the development and use of the Property. Further, the Developer agrees that it shall be liable for and shall pay upon demand all costs incurred by the Village for publications and recordings required in connection with the aforesaid matters. Nothing in this Agreement, other than this Paragraph C and Paragraph D below shall affect the Reimbursement Agreement. Upon sale of the Residential Parcel to Residential Builder, and Residential Builder's assumption of the Developer's obligations under the Reimbursement Agreement pertaining to the Residential Parcel, Developer shall be released of such obligations.

D. Make Whole Payments. The Village shall, on a calendar quarter basis, commencing with the quarter beginning July 1, 2019, calculate the sum of Home Rule Sales Taxes and Village's distributive share of State Sales Taxes generated by the Property and received by the Village in respect of sales in such quarter (the "Quarterly Receipts") and provide Developer an accounting thereof with all reasonable supporting documentation. To the extent that the Quarterly Receipts for a quarter exceed the Baseline Taxes for such quarter, the excess shall be deposited in the Incremental Sales Tax Fund (as such term is hereinafter defined). To the extent the Baseline Taxes for a quarter exceed the Quarterly Receipts for such quarter, Developer shall remit an amount equal to such excess to the Village within thirty (30) days of its receipt of the Village accounting for such quarter. Once the Quarterly Receipts exceed the Baseline Taxes for two (2) consecutive calendar quarters, the Developer's obligations under this Section shall cease entirely.

## **SECTION 10. PERFORMANCE SECURITY**

A. Performance and Payment Bonds. In accordance with Section 12-8-3-c of the Village's Unified Development Code, the Developer hereby irrevocably elects, on behalf of itself and its successors, and agrees to provide the Village, no later than the date of the approval of the Final Engineering Plans, performance and payment security for the Public Improvements in the form of its contractor's irrevocable surety bonds (the "Performance Security") in the amount determined by the Village Engineer. The Performance Security shall be in form and substance substantially conforming with Exhibit H and satisfactory to the Village's Corporation Counsel, from a surety company licensed to do business in the State of Illinois with a general rating of A and a financial size category of Class X or better in Best's Insurance Guide. The Performance Security shall be administered pursuant to Section 12-8-3.C of the Unified Development Code.

B. Use of Funds in the Event of Breach of Agreement. If the Developer fails or refuses to complete the Improvements or Public Improvements in accordance with this Agreement, or fails or refuses to correct any defect or deficiency in the Improvements or Public Improvements, or fails to complete Site Restoration as required by this Agreement, or fails or refuses to pay any amount demanded by the Village as and when required pursuant to this Agreement, or in any other manner fails or refuses to meet fully any of its obligations under this Agreement, then the Village in its reasonable discretion may draw on and retain all or any of the funds remaining in the Performance Security or from the issuance of the Revenue Bonds. The Village thereafter shall have the right, subject to thirty (30) days' notice and opportunity for cure, to exercise its

rights under this Agreement, to take any other action it deems reasonable and appropriate to mitigate the effects of any failure or refusal, and to reimburse itself from the proceeds of the Performance Security for all of its costs and expenses, including legal fees and administrative expenses, resulting from or incurred as a result of the Developer's failure or refusal to fully meet its obligations under this Agreement. If the funds remaining in the Performance Security or from the Revenue Bonds are insufficient to repay fully the Village for all costs and expenses, then the Developer shall upon demand of the Village therefor deposit with the Village any additional funds as the Village determines are necessary, within thirty (30) days of a request therefor, to fully repay such costs and expenses.

C. Retail Construction Documents. Further, Developer, the Village, and (if such security is issued in conjunction with financing) Developer's lender will enter into a mutually acceptable agreement that will (i) provide that (a) if Developer's contractor, Developer, and Developer's lender all fail to complete construction of the Retail Facilities in accordance with this Agreement and the applicable construction contract or contracts therefor, after notice of default and a reasonable cure period, then (b) such construction contracts will be assigned to the Village, provided that (1) such assignment shall not include or apply to any of the loan documents by or between Developer and Developer's lender, (2) the Village acknowledges that the construction contracts shall be collaterally assigned to Developer's lender a security for, and as a condition to consummating closing of, financing provided to Developer and the Village hereby consents to such collateral assignment, (3) Developer's lender shall have the right (but not the obligation) to cause completion of construction of the Retail Facilities, and (4) if Developer fails to cause completion of the Retail Facilities in accordance with this Agreement, the Village will provide written notice of such failure to Developer's lender and Developer's lender shall have the right (but not the obligation) to commence to cure such failure by Developer within one hundred fifty (150) days of Developer's lender's receipt of such notice and such period shall be extended thereafter for so long as Developer's lender diligently prosecutes the cure thereof (including such period of time as is necessary for Developer's lender to obtain appointment of a receiver for the applicable mortgaged real property and/or obtain ownership thereof by foreclosure or deed-in-lieu of foreclosure), during which cure period the Village shall not be entitled to take an assignment of such construction contracts or take action to complete completion of the Retail Facilities, and (c) if Developer, Developer's contractor and Developer's lender fail to commence and diligently pursue to cure the failure to complete construction of the Retail Facilities as provided above, then the Village or its designee, as assignee of such contracts, may compel completion of the Retail Facilities as the case may be, and (ii) include mortgagee protection provisions in favor of Developer's lender and other commercially reasonable terms, including terms that protect Developer's ability to obtain market-rate financing for the Retail Project. The Village acknowledges the Developer's lender will require that Developer's rights under this Redevelopment Agreement and related agreements and instruments be collaterally assigned by Developer to Developer's lender and that the Village will execute a mutually-acceptable consent and agreement relating to such collateral assignment.

D. Residential Construction Performance Bond. Further, Residential Builder, the Village, and (if such security is issued in conjunction with financing) Residential Builder's lender will enter into a mutually acceptable agreement that will (i) provide that (a) if Residential Builder's contractor, Residential Builder, and Residential Builder's lender all fail to complete

construction of the Residential Facilities in accordance with this Agreement and the applicable construction contract or contracts therefor, after notice of default and a reasonable cure period, then (b) such construction contracts will, at the option of the Village, be assigned to the Village or its designee, and (ii) include other commercially reasonable terms, including terms that protect Residential Builder's ability to obtain market-rate financing for the Residential Development, provided that (1) such assignment shall not include or apply to any of the loan documents by or between Residential Builder and Residential Builder's lender, (2) the Village acknowledges that the construction contracts shall be collaterally assigned to Residential Builder's lender as a security for, and as a condition to consummating closing of, financing provided to Residential Builder and the Village hereby consents to such collateral assignment, (3) Residential Builder's lender shall have the right (but not the obligation) to cause completion of construction of the Residential Facilities, and (4) if Residential Builder fails to cause completion of the Residential Facilities in accordance with this Agreement, the Village will provide written notice of such failure to Residential Builder's lender and Residential Builder's lender shall have the right (but not the obligation) to commence to cure such failure by Residential Builder within one hundred fifty (150) days of Residential Builder's lender's receipt of such notice and such period shall be extended thereafter for so long as Residential Builder's lender diligently prosecutes the cure thereof (including such period of time as is necessary for Residential Builder's lender to obtain appointment of a receiver for the applicable mortgaged real property and/or obtain ownership thereof by foreclosure or deed-in-lieu of foreclosure), during which cure period the Village shall not be entitled to take an assignment of such construction contracts or take action to complete completion of the Residential Facilities, and (c) if Residential Builder, Residential Builder's contractor and Residential Builder's lender fail to commence and diligently pursue to cure the failure to complete construction of the Residential Facilities as provided above, then the Village or its designee, as assignee of such contracts, may compel completion of the Residential Facilities as the case may be, and (ii) include mortgagee protection provisions in favor of Residential Builder's lender and other commercially reasonable terms, including terms that protect Residential Builder's ability to obtain market-rate financing for the Residential Project. The Village acknowledges the Residential Builder's lender will require that Residential Builder's rights under this Redevelopment Agreement and related agreements and instruments be collaterally assigned by Residential Builder to Residential Builder's lender and that the Village will execute a mutually-acceptable consent and agreement relating to such collateral assignment.

E. Self-Help. During any period that a Developer is unable to perform or has failed to perform any steps necessary to complete the Development in the manner prescribed in the Agreement, after receipt of notice from the Village regarding such failure, and the act or omission causes a threat to the health, safety or welfare of the residents of the Village, the Village shall have the right to perform or cause to be performed the deficient or omitted work or cure a deficient portion of the Development, and the Developer shall take all actions reasonably necessary to facilitate such performance of the self-help cure. The Developer shall, within thirty (30) days of receipt of a summary and invoice, reimburse the Village at a sum of 120% of the amount actually incurred by the Village to effectuate the self-help.

## **SECTION 11. TIF FINANCING.**

### **A. General Provisions Related to the Issuance of the Revenue Bonds and Developer Note.**

1. The parties acknowledge that Developer will pay or has paid for some or all of the Redevelopment Project Costs. To provide for the reimbursement to Developer of Redevelopment Project Costs pursuant to this Agreement and the Revenue Bonds and the Developer Note, the Corporate Authorities shall adopt the necessary TIF Obligation Ordinances no later than fifteen (15) days after the preconditions set forth in Paragraph B below are met.
2. The Initial Revenue Bonds shall be issued pending market conditions and custom and practice, as soon as reasonably possible after adoption of the TIF Obligation Ordinance (the "Initial Bond Issuance Date"). The Second Revenue Bonds shall be issued pending market conditions and custom and practice within sixty (60) days after fulfillment of the conditions set forth in Section 11.C below (the "Second Bond Issuance Date") and as soon as reasonably possible after the adoption of the necessary TIF Obligation Ordinance.
3. On the Initial Bond Issuance Date, the Village shall execute and deliver to the Indenture Trustee the Initial Revenue Bonds and to the Developer the Developer Note.
4. On the Second Bond Issuance Date, the Village shall execute and deliver to the Indenture Trustee the Second Revenue Bonds.
5. Upon issuance, the Village shall issue a payment schedule for the Initial Revenue Bonds, which shall establish the "Initial Scheduled Payments."
6. Upon issuance the Village shall issue a payment schedule for the Second Revenue Bonds, which shall establish the "Second Scheduled Payments."
7. From the sale of each of the Initial Revenue Bonds and Second Revenue Bonds issued, the proceeds from the sale of such Revenue Bonds shall be deposited in a special fund (a "Project Fund") and accounts therein created pursuant to the Indenture and held by the Indenture Trustee for (i) payment of Costs of Issuance, (ii) the funding of a debt service reserve (a "Debt Service Reserve Fund"), (iii) the provision of capitalized interest for not more than a three (3) year period (a "Capitalized Interest Fund"), and (iv) the payment of Certified TIF Costs (a "Project Improvement Fund").
8. Notwithstanding any other provision of this Agreement, Developer shall be entitled to be reimbursed for Redevelopment Project Costs only if (i) Developer actually incurs such Redevelopment Project Costs; (ii) such Redevelopment Project Costs qualify as "redevelopment project costs" as defined in the TIF Act; (iii) such Redevelopment Project Costs are also Certified TIF Costs; and (iv) reimbursement is permitted pursuant to this Agreement, the TIF Act, and the documentation for the Revenue Bonds and Developer Note.
9. The Revenue Bonds will not be callable for a period of not less than five (5) years from the date of issuance as determined by the Village. The Initial Revenue Bonds may be callable in whole or in part as determined by the Village at the time of the sale of the Revenue Bonds in the outstanding par value called plus any accrued interest, and the Second Revenue Bonds are callable in whole or in part in the outstanding par value called plus any accrued interest.
10. The Village's inability to issue Tax-Exempt Bonds shall not be considered an Event of Default under this Agreement.
11. In any event, the Village shall have the right to issue any bonds or obligations that are subordinate to the Revenue Bonds and the Developer Note. The Village also reserves the right, without the need to obtain any consent of the Developer, to (a) refinance the

Revenue Bonds on any date after the Revenue Bonds become callable and (b) defease the Revenue Bonds and issue new senior revenue bonds secured by the same pledged taxes so long as such defeasance (i) does not adversely affect the tax-exempt status of the Revenue Bonds, (ii) the new senior revenue bonds are tax-exempt, and (iii) such defeasance allows for a restructuring or reduction of the debt service for the Revenue Bonds.

12. The Village will take all actions reasonably required by its bond counsel so that bond counsel may issue its opinion referenced in clause B.9 and C.6 below.

B. Pre-conditions to Initial Issuance. The issuance of the Initial Revenue Bonds and Developer Note will occur only upon the satisfaction of each and all of the following conditions with the exception of items 2 and 7 but only if performance of these items are waived by the Village Administrator and the underwriter:

1. The Corporate Authorities shall have adopted the PUD Ordinance.
2. The Corporate Authorities shall have approved the Final Plat, and the Final Plat shall have been recorded in the Office of the Cook County Recorder of Deeds.
3. Developer shall be in material compliance with all the terms and conditions of this Agreement, to be performed and/or observed by Developer, and no event of default exists as of the Initial Bond Issuance Date.
4. Developer shall have provided to the Village satisfactory evidence that the Developer has all Developer equity funds readily available and fully executed sets of loan and other documents evidencing the Developer has the ability to timely complete the construction of the Retail Facilities.
5. Developer shall have provided the Village with a written confirmation that Developer has entered into one or more third-party guaranteed maximum or lump sum contract(s) for the completion of the Retail Facilities.
6. Developer shall have provided to the Village evidence that it has executed leases with the Initial Retail Tenants, not including Starbucks and such other retail or commercial tenants for the Retail Parcel as may be required by Developer's lender pursuant to the construction loan documents. If Developer has not executed a lease with Ross or another retailer acceptable to the Village Administrator and bond underwriter, an amount equal to \$575,000 (the "Ross Holdback") shall be retained in the Project Fund under the Trust Indenture until such time as the Developer presents a signed lease from Ross or another retailer acceptable to the Village. At such time, the Ross Holdback will be released by the Trustee without further approval of the Village Board. If a signed lease is not presented to the Village by October 1, 2021 the Ross Holdback will be used to redeem a portion of the Initial Revenue Bonds.
7. Developer shall have provided to the Village with written confirmation that the Metropolitan Water and Reclamation District has issued its permit to Developer for the Retail Project and that Kenig, Lindgren, O'Hara, Aboona, Inc. has provided to both the Village and Developer written or verbal confirmation that IDOT has pre-approved the Site Plan with respect to all Public Improvements over which IDOT has jurisdiction.
8. The Village's underwriter and bond counsel has determined that the Developer has complied with all additional preconditions imposed by the underwriter and bond counsel for the Initial Revenue Bonds.

9. The Village and the Developer are in receipt of an opinion of bond counsel that (a) the interest paid and received on the Initial Revenue Bonds and the Developer Note are not includible in the gross income of the registered owners thereof under the Internal Revenue Code for federal income tax purposes, subject to customary qualifications and exceptions, and (b) the Initial Revenue Bonds and the Developer Note are valid and legally binding and enforceable obligations of the Village, subject to customary qualifications and exceptions.
10. A commitment from an underwriter to purchase all of the Initial Revenue Bonds at a purchase price that provides a yield on the Initial Revenue Bonds of not greater than 5.75% per annum and a maturity not in excess of the maturity provided in Section 11.E.1(a) below. The Village is not under any obligation to issue Initial Revenue Bonds unless the Underwriter is willing to purchase the Initial Revenue Bonds pursuant to the terms of this Agreement. Furthermore, the Developer shall provide the Village with copies of all documents provided to the Underwriter with respect to the issuance of the Initial Revenue Bonds.

C. Pre-condition to Second Issuance. The issuance of the Second Revenue Bonds shall occur only upon the satisfaction of each of the following conditions:

1. Developer shall be in material compliance with all the terms and conditions of this Agreement, to be performed and/or observed by Developer and no event of default by the Developer exists on the Second Bond Issuance Date.
2. Developer shall have provided to the Village satisfactory evidence that the Residential Builder has all of its required equity funds readily available and fully executed sets of loan and other documents evidencing the Residential Builder has the ability to timely complete the construction of the Residential Facilities.
3. Residential Builder shall have provided the Village with evidence satisfactory to the Village that Residential Builder has entered into one or more third-party guaranteed maximum or lump sum contract(s) for the completion of the Residential Development.
4. Residential Builder shall have provided to the Village with written confirmation that the Metropolitan Water and Reclamation District has issued its permit to Developer or Residential Developer for the Residential Development and that IDOT has provided to both the Village and Residential Developer written or verbal confirmation that IDOT has pre-approved the Site Plan with respect to all Public Improvements over which IDOT has jurisdiction.
5. The Village's underwriter and bond counsel has determined that the Developer has complied with all additional preconditions imposed by the underwriter and bond counsel for the Second Revenue Bonds.
6. The Village and the Developer are in receipt of an opinion of bond counsel that (a) the interest paid and received on the Second Revenue Bonds are not includible in the gross income of the registered owners thereof under the Internal Revenue Code for federal income tax purposes, subject to customary qualifications and exceptions, and (c) the Second Revenue Bonds are valid and legally binding and enforceable obligations of the Village, subject to customary qualifications and exceptions.
7. A commitment from an underwriter to purchase all of the Second Revenue Bonds at a purchase price that provides a yield on the Second Revenue Bonds of not greater than 5.75% per annum and a maturity not in excess of the maturity provided in Section

11.E.1(a) below. The Village is not under any obligation to issue Second Revenue Bonds unless an underwriter is identified by the Developer willing to purchase the Second Revenue Bonds pursuant to the terms of this Agreement. Furthermore, the Developer shall provide the Village with copies of all documents provided to any underwriter with respect to the issuance of the Second Revenue Bonds.

The Village shall be under no obligation to issue the Second Revenue Bonds unless all the forgoing conditions have been met on or before the Final Issuance Date.

Deposit of Pledged TIF Taxes in Incremental Property Tax Fund. The Village shall establish a special tax allocation fund pursuant to the requirements of the TIF Act ("TIF Fund"). The Village shall, within sixty (60) days of each Cook County property tax payment due date but not later than December 1 of such year, deposit any Retail Incremental Property Taxes related to such payment due date received by the Village from the Cook County Treasurer into a fund (the "Incremental Property Tax Fund") to be held by Indenture Trustee created pursuant to Indenture. Upon the issuance of the Second Revenue Bonds, the Village shall, within sixty (60) days of each Cook County property tax payment due date but not later than December 1 of such year, deposit any Residential Incremental Property Taxes related to such payment due date received by the Village from the Cook County Treasurer into the Incremental Property Tax Fund. Within the Incremental Property Taxes Fund, there shall be created separate subfunds which will provide for the payments (i) first, to the school districts as provided in Sections 3(q)(7.5) of the TIF Act, (ii) second, to pay the TIF Administrative Costs, (iii) third, to the payments next due under the Revenue Bonds (the "TIF Bond Fund"), (iv) fourth, to the payments due under the Developer Note (the "Developer Note Fund"), and (v) with any excess deposited to a general fund for excess Incremental Property Taxes available after the payment of the above described payments. Any amounts in the TIF Bond Fund in excess of the next payments of principal and interest due under the Revenue Bonds shall be deposited into the Developer Note Fund until the final payment of principal and interest due on the Developer Note has been paid. The Pledged TIF Taxes will be irrevocably pledged to (i) first, repay the principal and interest on the Revenue Bonds, (ii) second, subject to the Revenue Bonds' first lien on the Pledged TIF Taxes, the principal and interest on the Developer Note (provided that the proceeds of the Revenue Bonds and Developer Note are used to pay Certified TIF Costs, and (iii) to the obligation of the Village to provide for any Additional Payments as said term is hereinafter defined. In the Village's sole discretion, the principal and interest on the Revenue Bonds, the Developer Note, and the Additional Payments may also be paid from any other lawful source available to the Village; in which case the Pledged TIF Taxes shall be reduced by the amount of such payments from other sources. Any funds contained in the Incremental Property Tax Fund in any year in excess of the Pledged TIF Taxes needed to pay principal or interest due on the Revenue Bonds, the Developer Note and any Additional Payments in such year may be used by the Village for any lawful purpose permitted under the TIF Act (including, but not limited to, calculation and distribution of "surplus" in accordance with Sections 11-74.4-7 and 11-74.4-8a of the TIF Act). Because the TIF Fund is a special fund, the amounts deposited in the Incremental Property Taxes Fund shall be disbursed in accordance with this Agreement, the TIF Obligation Ordinance, and the Revenue Bonds and the Developer Note without further action by the Corporate Authorities

**D. Limited Obligation of the Village. THE DEVELOPER NOTE, THE REVENUE BONDS, AND THE ADDITIONAL PAYMENTS SHALL NOT CONSTITUTE A**



**GENERAL OBLIGATION OF THE VILLAGE, NOR SHALL THE DEVELOPER NOTE, THE REVENUE BONDS OR THE ADDITIONAL PAYMENTS BE SECURED BY THE FULL FAITH AND CREDIT OF THE VILLAGE. THE DEVELOPER HEREBY ACKNOWLEDGES THAT THE PLEDGED TIF TAXES MAY BE INSUFFICIENT TO COVER THE PAYMENT OF ALL PRINCIPAL AND INTEREST ON THE REVENUE BONDS, THE DEVELOPER NOTE, AND THE ADDITIONAL PAYMENTS. IF THE PLEDGED TIF TAXES ARE INSUFFICIENT TO PAY ALL THE PRINCIPAL AND INTEREST DUE UNDER THE REVENUE BONDS, THE DEVELOPER NOTE, AND THE ADDITIONAL PAYMENTS, DEVELOPER HEREBY ACKNOWLEDGES THAT IT SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, OTHER THAN ENFORCING THE VILLAGE'S OBLIGATIONS (I) TO DEPOSIT REQUIRED PLEDGED TIF TAXES IN THE INCREMENTAL PROPERTY TAX FUND, AND INCREMENTAL SALES TAX FUND FROM TIME TO TIME AS REQUIRED BY THIS AGREEMENT, AND (II) USE THE PLEDGED TIF TAXES SOLELY TO PAY THE PRINCIPAL AND THE INTERST DUE ON THE REVENUE BONDS, THE DEVELOPER NOTE AND THE ADDITIONAL PAYMENTS AS REQUIRED BY THIS AGREEMENT.**

E. Terms of the Revenue Bonds and Developer Note.

1. Terms of the Revenue Bonds. The Revenue Bonds shall
  - a. Have a maximum 20-year term, but in no event have a term exceeding the maximum term permitted by the TIF Act;
  - b. Be secured by the Pledged TIF Taxes, as provided in this Agreement;
  - c. Provide for payment of principal and interest on the Initial Revenue Bonds at least every six (6) months commencing with interest payments on January 1, 2020 or on the first July 1 or January 1 after the Initial Bond Issuance Date, which payment(s) shall be equal to the lesser of (I) the Initial Scheduled Payments or (II) the sums in the Capitalized Interest Fund established at the Initial Bond Issuance Date, TIF Bond Fund, and Debt Service Reserve Fund established at the Initial Bond Issuance Date until such time as the Initial Revenue Bonds are paid in full, expire, or are rescinded, canceled, or revoked;
  - d. Provide for payment of principal and interest on the Second Revenue Bonds at least every six (6) months commencing with interest payments on the first July 1 or January 1 after the Second Bond Issuance Date, which payment(s) shall be equal to the lesser of (I) the Second Scheduled Payments or (II) the sums in the Capitalized Interest Fund established at the Second Bond Issuance Date, TIF Bond Fund, and Debt Service Reserve Fund established at the Second Bond Issuance Date until such time as the Second Revenue Bonds are paid in full, expire, or are rescinded, canceled, or revoked;
  - e. Provide that interest will accrue on principal of the Initial Revenue Bonds starting on the Initial Bond Issuance Date and on principal of the Second Revenue Bonds starting on the Second Bond Issuance Date; and
  - f. Provide that each payment shall be applied first to interest and second to principal.

The Village shall issue the Initial Revenue Bonds in a minimum principal amount so that the amount received and available for deposit in the Project Improvement Fund pursuant

to Paragraph M below equals the Initial Revenue Bond Net Amount. The interest rate on the Revenue Bonds will be market established but in no event shall the rate be greater than 5.75%, shall be calculated based on a 30 day/360-day year and will be payable semi-annually. Neither party shall take any action that would jeopardize the tax-exempt status of the Revenue Bonds or the Developer Note and the Developer shall provide all information requested by the Village's bond counsel, and shall enter into customary agreements requested by such bond counsel, to allow such bond counsel to issue an opinion that (a) the interest paid and received on the Revenue Bonds and the Developer Note are not includible in the gross income of the registered owners thereof under the Internal Revenue Code for federal income tax purposes, subject to customary qualifications and exceptions and (b) the Revenue Bonds and the Developer Note are valid and legally binding and the procedures by which they were issued were lawful.

2. Terms of the Developer Note.

- a. The principal amount of the Developer Note shall be in an amount equal to Developer Note Amount.
  - b. The Village shall issue the Developer Note to Developer on the Initial Bond Issuance Date.
  - c. Interest on the Developer Note shall accrue at a rate equal to 6.5% commencing upon the later of: (i) Retail Substantial Completion or (ii) Developer's submission of the Cost Certificate as provided in Section 11-E.3
  - d. Payments on the Developer Note will be made at least once annually beginning with January 1 in the year next follows the date of Retail Substantial Completion, from amounts available in the Developer Note Fund.
  - e. The Developer Note will have a second lien on the available Pledged TIF Taxes. In the event of any conflict between the terms of the Developer Note and this Agreement, the Developer Note shall control.
  - f. The Developer Note shall have the same maturity date as the Initial Revenue Bonds. However, the term of the Developer Note shall be extended at the holder's option to the last date allowable under the TIF Act but shall only be payable during such extended period from Pledged Sales Taxes.
  - g. The Developer note shall be subject to the Movie Theater/Restaurant Holdback.
3. The Developer acknowledges that the level of financial assistance provided by the Village herein is based upon the Retail Project True Up Budget, attached hereto as Exhibit C-2. Within 6 months after Retail Substantial Completion, the Developer shall submit to the Village a certification ("Cost Certificate") of actual costs incurred in connection with the Retail Facilities described in the estimates set forth in each of the categories as shown on Exhibit C-2, and a commitment to spend the balance of the True-Up Budget by March 31, 2022, and shall provide the Village and the Financial Consultant (as herein defined) electronic access to all sworn contractors' statements, construction contracts and such other documents evidencing the actual costs incurred in connection with the Retail Facilities described in the estimates set forth in each of the categories as shown on Exhibit C-2, as may be reasonably requested by the Village ("Final Project Cost"). The Village and the Financial Consultant shall have ninety (90) days following receipt of the foregoing materials to review the Cost Certificate and the documentation evidencing the actual costs incurred in connection with the Retail

Facilities and shall notify the Developer in writing if the Cost Certificate and submitted documentation are reasonably acceptable to the Village within such ninety (90) day time period; provided, however, if the Village reasonably requires additional time and gives Developer written notice thereof prior to the end of such 90-day period, then such 90-day period may be extended for an additional sixty (60) days. If the Cost Certificate and submitted documentation are not reasonably acceptable to the Village, then the Village and the Developer shall cooperate in good faith to resolve the Village's objections, and if, within thirty (30) days, the Village and the Developer are not able to mutually resolve the same and agree upon the Final Project Cost, then the Final Project Cost shall be determined by binding arbitration, in accordance with the Project Cost Arbitration Methodology as hereinafter provided. In the event the Final Project Cost (whether determined upon agreement by the Village and the Developer or resulting from the decision under arbitration) is less than \$51,000,000.00, fifty (50%) percent of such amount ("Recapture Amount") shall be used first to reduce the principal amount of the Developer Note, and then to reduce the Additional Payments all within thirty (30) days after determination of the Final Project Cost. The Recapture Payment shall in no event exceed \$1,000,000.

"Project Cost Arbitration Methodology" shall mean the methodology set forth below to determine the Final Project Cost, in accordance with this Section 11F.3. in the event the Village and the Developer are not otherwise able to reach agreement as to the Final Project Cost within the time period prescribed in this Agreement. Following any inability of the Village and the Developer to reach agreement with respect to the Final Project Cost within the time period prescribed in this Agreement, either party (the "Arbitration Requesting Party") may notify the other party (the "Arbitration Non-Requesting Party"), in writing ("Arbitration Project Cost Notice"), of the Arbitration Requesting Party's desire to have the Final Project Cost determined by binding arbitration in accordance with the provisions set forth herein. The Arbitration Project Cost Notice shall include the name, address and professional qualifications of the person designated to act as arbitrator on its behalf. Within ten (10) days after service of the Arbitration Project Cost Notice, the Arbitration Non-Requesting Party shall give written notice to the Arbitration Requesting Party specifying the name, address and professional qualifications of the person designated to act as arbitrator on behalf of the Arbitration Non-Requesting Party. The two (2) arbitrators so appointed shall each determine the Final Project Cost by reviewing and analyzing the certification of actual costs incurred by the Developer, together with any such other documents evidencing the cost of the Retail Facilities, along with other documents deemed relevant by the arbitrators, and each shall submit a copy of the arbitrator's determination of the Final Project Cost, along with supporting documentation to the Village and the Developer in writing, within thirty (30) days after appointment. If the lesser of such determinations when multiplied by 105% exceeds the higher of such determination, then the Final Project Cost shall be the average of the two determined amounts. If the lesser of such determination when multiplied by 105% does not exceed the higher of such determinations, then the two (2) arbitrators shall, within ten (10) days after delivery of the second determination, select a third arbitrator who shall determinate the Final Project Cost based upon the arbitrators' determinations and supporting documentation, and such additional documentation and/or information the

third arbitrator shall deem relevant. The determination of the third arbitrator shall be given within a period of twenty (20) days after the appointment of such third arbitrator.

All arbitrators appointed by or on behalf of either Village and the Developer or appointed pursuant to the provisions hereof, shall be a real estate professional with not less than ten (10) years of experience in commercial real estate, and devoting substantially all of their time to professional construction work at the time of appointment and be in all respects impartial and disinterested. If the Arbitration Non-Requesting Party fails to appoint its arbitrator within the time specified above, or if the two (2) arbitrators so selected cannot agree on the selection of the third arbitrator within the time above specified, then either party, on behalf of both parties, may request the appointment of such second or third arbitrator, as the case may be, by application to any Judge of the Circuit Court of the County of Cook, State of Illinois, upon ten (10) days' prior written notice to the other party of such intent. Each party shall pay the fees and expenses of the arbitrator appointed by or on behalf of such party and the fees and expenses of the third arbitrator shall be borne equally by the parties, and shall not be considered a Project Cost.

4. Additional Payment. If the Second Revenue Bonds Net Proceeds are less than \$3,200,000.00, the Village will make an additional payment to the Developer equal to the difference between \$3,200,000.00 and the Second Revenue Bonds Net Proceeds from available Pledged TIF Taxes after the Developer Note has been paid in full (the "Additional Payment"), provided no event of default exists due to the action or omission of the Developer at the time said payment is due and Pledged TIF Taxes are available and can be paid (i) after the provision of annual debt service on the Revenue Bonds and (ii) in no event after the last date allowable under the TIF Act. No interest shall accrue with respect to this additional payment.

F. Procedure for Reimbursement of Cost Certification Requests.

1. Submission of TIF Certification Requests. For reimbursement of Certified TIF Costs in accordance with the Revenue Bonds and Developer Note, Developer shall submit to the Village one or more written requests for certification of such Certified TIF Costs in the form attached hereto as Exhibit I ("TIF Certification Request"). Developer shall not submit (i) more than four (4) TIF Certification Requests in any calendar year; (ii) a TIF Certification Request (except for the final TIF Certification Request) for less than \$250,000; (iii) a TIF Certification Request more than six (6) months after the last Certified TIF Costs have been paid by Developer; or (iv) a TIF Certification Request after the fourth (4<sup>th</sup>) anniversary of the Initial Bond Issuance Date, unless an expenditure is herein expressly referenced as a Redevelopment Project Cost, or a later submission is approved by the Corporate Authorities, taking into consideration market and other economic conditions during the first four (4) Years after the Initial Bond Issuance Date, which approval shall not be unreasonably withheld. Each TIF Certification Request shall be accompanied by (i) sworn statements and lien waivers for any material, fixtures, apparatus, machinery, services, or labor provided by any contractor, subcontractor, or other Person entitled to file a lien under the Mechanics Lien Act, 770 ILCS 60/1, included in the Certified TIF Costs for which reimbursement is sought; (ii) bills, contracts, and invoices relative to the Certified Costs; and (iii) other documents or information that the Village reasonably requires to evidence appropriate payment of Redevelopment Project Costs. To facilitate

the certification of Redevelopment Project Costs as provided herein, Developer shall (i) use its good faith efforts to require its contractors, suppliers, and others with whom it enters into contracts for Certified TIF Costs to submit pay requests, invoices, and bills that include only amounts that are Certified TIF Costs; and (ii) take such other actions as are reasonably necessary or desirable to identify Certified TIF Costs separately from other costs. Interest on the Revenue Bonds, interest on the Developer Note, the Additional Payments, the Costs of Issuance, reimbursements of the Village by Developer pursuant to this Agreement, and the Debt Service Reserve Fund are agreed each to be a Redevelopment Project Cost, shall not require a TIF Certification Request or a TIF Costs Certification Resolution, and shall nonetheless be deemed to be Certified TIF Costs.

2. Village Review and Approval of TIF Certification Requests. Within forty-five (45) days after the Village receives a TIF Certification Request, the Village shall send the Developer written notice (i) approving or disapproving the TIF Certification Request and (ii) if the Village disapproves the TIF Certification Request, specifying the error or deficiency in the TIF Certification Request in reasonable detail. Within twenty-one (21) days after approval of a TIF Certification Request ("TIF Costs Certification Resolution") identifying which Redevelopment Project Costs identified in the TIF Certification Request have been approved for payment ("Certified TIF Costs"). Certified TIF Costs will be allocated, first, to principal of the Revenue Bonds until its maximum principal is established, and second, to principal of the Developer Note, until its maximum principal is established.
3. Previously Approved Certified TIF Costs. Attached hereto as Exhibit J is a schedule of previously incurred and Village approved costs that are deemed to be Certified TIF Costs for purposes of this Agreement.
4. Submission of Other Certification Requests. Developer shall have the right to have all of its costs in connection with the Development that are not Certified TIF Costs reviewed and certified by the Village pursuant to this Paragraph 4 ("Other Certified Development Costs"). Developer may submit to the Village one or more written requests for certification of any costs incurred by Developer in connection with the Development that are not Certified TIF Costs. Developer shall not submit (i) more than four (4) such requests in any calendar year; or (ii) a request for less than \$250,000. Each such request shall be accompanied by (i) sworn statements and lien waivers for any material, fixtures, apparatus, machinery, services, or labor provided by any contractor, subcontractor, or other Person entitled to file a lien under the Mechanics Lien Act, 770 ILCS 60/1, included in the costs for which reimbursement is sought; (ii) bills, contracts, and invoices relative to the such costs; and (iii) other documents or information that the Village reasonably requires to evidence appropriate payment of such costs.
5. Village Review and Approval of Certification Requests. Within forty-five (45) days after the Village receives a request pursuant to Paragraph 4 above, the Village shall send the Developer written notice (i) approving or disapproving such request and (ii) if the Village disapproves such request, specifying the error or deficiency in the request in reasonable detail.
6. Village Certification. Upon request by Developer from time to time the Village shall promptly issue to potential lenders, tenants and purchasers an estoppel certificate completed as applicable, in form as attached hereto as Exhibit L. Such certificates may not be relied upon by Developer.

H. Creation of Separate Tax Code. The Parties acknowledge that (i) under the TIF Act, the

Cook County Clerk is required, for each individual tax parcel within the TIF District with a current EAV greater than its Initial EAV, to annually calculate, allocate, collect, and pay to the Village an amount equal to the Incremental Property Taxes attributable to such increase, (ii) as a matter of practice, the Cook County Clerk has not always followed this requirement and, instead of calculating Incremental Property Taxes on a parcel by parcel basis, has been calculated Incremental Property Taxes on an aggregate basis, taking the entire Incremental Property Taxes for an entire redevelopment project area, reducing that amount by the total reduction in property taxes that are paid for tax parcels that have a then-current EAV that is less than the Initial EAV, and allocating proportionate shares of that aggregate amount to the tax parcels within the redevelopment project area that have current EAV's greater than the Initial EAV, (iii) the aggregate method could result in an improper overpayment to certain taxing bodies and an improper underpayment of Incremental Property Taxes to the Village, and (iv) to avoid such improper underpayments, the Cook County Clerk and Cook County Assessor have sometimes assigned specific and unique tax code designations to certain tax parcels within a redevelopment project area to effectively allow Incremental Property Taxes to be calculated on the basis of the tax codes. The Village shall submit a request to the Cook County Clerk to petition for a separate tax code within thirty (30) days of the execution of this Agreement. The Village and Developer shall work cooperatively with the Offices of the Cook County Clerk and Assessor to create a separate tax code designation for the tax parcels located within the Property, so that Incremental Property Taxes can be properly calculated on a parcel by parcel basis.

I. Bank Qualified Provision. If, in any given calendar year after 2020, (i) the Village desires to issue Tax Exempt Bonds in an amount less than \$10,000,000 and (ii) the Revenue Bonds are issued pursuant to this Agreement, and the total amount of the Revenue Bonds would exceed the total amount of bonds that can be designated as bank qualified pursuant to Section 265(b)(3) of the Internal Revenue Code ("Section 265 Bonds") for that year, Developer shall reimburse the Village for any incremental interest costs that the Village may incur from the inability to issue the Tax Exempt Bonds as Section 265 Bonds, up to the interest arbitrage of up to \$10,000,000 in bonds. If Developer is responsible for such reimbursement, (x) the amount of the reimbursement shall be the net present value of the annual incremental interest (at a net present value rate equal to the interest rate if such Tax Exempt Bonds were issued as Section 265 Bonds) and (y) Developer shall pay the reimbursement to the Village on the date the Revenue Bonds are issued.

J. Property Tax Appeals. At any time during the Term of this Agreement, if an owner or Developer, or any other Person with the legal authority to do so, files or submits any appeal, objection, or other proceeding to any official, agency or other entity with jurisdiction, that seeks to reduce the assessed value of the Property or any part thereof, or to otherwise reduce the total amount of ad valorem taxes paid on the Property or any part thereof, during the term of this Agreement, copies of all documents, evidence or other materials filed by the owner, Developer or such other Person shall also be submitted to the Village not later than thirty (30) days after each such filing with such official, agency or other entity with jurisdiction.

K. Sales Tax Pledges.

The Village shall establish a sales tax allocation fund ("Sales Tax Fund"). The Village shall deposit into a subfund (the "Incremental Sales Tax Fund") of the Sales Tax Fund 50% of Sales

Taxes above the Baseline Taxes within thirty (30) days after receipt thereof by the Village (the "Pledged Sales Taxes"). The Pledged Sales Taxes shall be irrevocably pledged to repay the principal and interest on (i) the Revenue Bonds and (ii) subject to the first lien of the Revenue Bonds, the Developer Note and the Additional Payments, as provided herein. Any funds contained in the Sales Tax Fund in excess of the Pledged Sales Taxes amount may be used by the Village for any lawful purpose. Because the Sales Tax Fund is a special fund, the amounts deposited in the Incremental Sales Tax Fund shall be disbursed in accordance with this Agreement, the Revenue Bonds, the Revenue Bond Ordinance(s), the Developer Note Ordinance and the Developer Note without further action by the Corporate Authorities.

L. Rebate of LAT.

Pledge of LAT. The Developer shall provide the Village with a copy of its executed lease agreement with Flix Brewhouse. The Village hereby pledges to rebate to Developer exclusively for payment to Flix Brewhouse or a substitute approved by the Village Administrator ("Theatre") a portion of its Local Amusement Tax, collected and received by the Village pursuant to Village Code § 1-10F-2, from the operations of the Theatre (the "LAT") to the extent required to be rebated to the Theatre pursuant to the lease between the Theatre and the Developer, but not in excess of the amounts set forth in this section as follows:

1. 90% of the LAT received by the Village for the twelve (12) calendar months beginning with the calendar month in which date the Theatre opens for business to the public on the Retail Parcel;
2. 80% of the LAT received by the Village in the following twelve (12) calendar months;
3. 70% of the LAT received by the Village in the next twelve (12) calendar months;
4. 60% of the LAT received by the Village in the twelve (12) calendar months following that described in clause (3); and
5. 50% of the LAT received by the Village in each following twelve (12) calendar month period until the tenth (10th) anniversary of the commencement of the period described in clause (1) above.

Said payments shall be paid annually on or before 90 days after the first anniversary of the Theatre being open for business. If the Village defaults on its obligation pursuant to this Section 11. L, and the Developer makes said payment to the Theatre on the Village's behalf, then upon 30 day's written notice, the Village shall reimburse the Developer for any such payment the Developer has made to the Theatre plus interest on said payment at the rate of 6.5% per annum.

M. Investment, Special Funds and Sequencing.

1. A portion of the proceeds of the Initial Revenue Bonds (a) shall be placed in a Capitalized Interest Fund held by the Indenture Trustee in the amount necessary to pay interest on the Initial Revenue Bonds for a period of not to exceed three (3) years, (b) shall be placed in a Debt Service Reserve Fund held by the Indenture Trustee in an amount equal to the lesser of (i) 10 % of the par amount of the Initial Revenue Bond Amount; (ii) maximum annual debt service; or (iii) 125% of average annual debt service. (c) shall fund the Costs of Issuance and the balance (d) placed in the Project Improvement Fund. Once the Initial Revenue Bonds have been satisfied, any balance remaining in the Debt Service Reserve Fund shall be applied to the Developer Note and payable to Developer as therein provided.

2. A portion of the proceeds of the Second Revenue Bonds (a) shall be placed in a Capitalized Interest Fund held by the Indenture Trustee in the amount necessary to pay interest on the Second Revenue Bonds for a period of not to exceed thirty-six (36) months, (b) shall be placed in a Debt Service Reserve Fund held by the Indenture Trustee in an amount equal to the lesser of (i) 10 % of the par amount of the Second Revenue Bond Amount; (ii) maximum annual debt service; or (iii) 125% of average annual debt service. (c) shall fund the Costs of Issuance and the balance (d) placed in the Project Improvement Fund. Once the Second Revenue Bonds have been satisfied, any balance remaining in the Debt Service Reserve Fund shall be applied to the Developer Note and payable to Developer as therein provided.
3. The Indenture Trustee shall invest the funds in each Capitalized Interest Fund and each Debt Service Reserve Fund and TIF Bond Fund from time to time in interest bearing investments to the extent permitted under the Internal Revenue Code, and the investment earnings shall be added to the TIF Bond Fund.
4. The Project Improvement Fund shall be invested from time to time in interest bearing investments to the extent permitted under the Internal Revenue Code so long as or in an amount that such proceeds are not needed to pay for Certified TIF Costs, and the investment earnings shall be added to the Construction Escrow.
5. Scheduled Payments
  - a. The Initial Scheduled Payments shall be paid first from the Capitalized Interest Fund established for the Initial Revenue Bonds until such time as such fund has been thereby reduced to zero.
  - b. Once the Capitalized Interest Account established for the Initial Revenue Bonds has been reduced to zero, each of the Initial Scheduled Payments for the Initial Revenue Bonds shall be paid, on a pro rata basis with any outstanding Second Revenue Bonds, from available funds in the Incremental Property Taxes Fund and, if insufficient, the Incremental Sales Tax Fund, but if those funds are insufficient, then from the Debt Service Reserve Fund established for the Initial Revenue Bonds, provided however any accrued but unpaid interest then due under the Initial Revenue Bonds shall be paid first, from such sources. Any funds remaining in the Incremental Property Taxes Fund and the Sales Tax Fund after making an Initial Scheduled Payment and a Second Scheduled Payment shall be applied, first to replenish the Debt Service Reserve Fund established for the Initial Revenue Bonds and the Debt Service Reserve Fund established for the Second Revenue Bonds on a pro rata basis to their original amount if either fund has previously been reduced, and second, paid to Developer under the Developer Note, applied first to accrued but unpaid interest thereon, then to current interest, the balance applied to principal.
  - c. The Second Scheduled Payments shall be paid first from the Capitalized Interest Fund established for the Second Revenue Bonds until such time as such fund has been thereby reduced to zero.
  - d. Once the Capitalized Interest Account established for the Second Revenue Bonds has been reduced to zero, each of the Second Scheduled Payments for the Second Revenue Bonds shall be paid, on a pro rata basis with the Initial Revenue Bonds, from available funds in the Incremental Property Taxes Fund and, if insufficient, the Incremental Sales Tax Fund, but if those funds are insufficient, then from the



Debt Service Reserve Fund established for the Second Revenue Bonds. Any funds remaining in the Incremental Property Taxes Fund and the Sales Tax Fund after making a Second Scheduled Payment and an Initial Scheduled Payment shall be applied, first to replenish the Debt Service Reserve Fund established for the Second Revenue Bonds and the Debt Service Reserve Fund established for the Initial Revenue Bonds, on a pro rata basis, to their original amount if either fund has previously been reduced, and second, paid to Developer under the Developer Note, applied first to accrued but unpaid interest thereon, then to current interest, the balance applied to principal

N. Construction Escrow. The Village and Developer shall create a construction escrow with Chicago Title Insurance Company ("Escrowee") in form and content as attached hereto as Exhibit M (the "Construction Escrow") Upon request by the Village or Developer, the Project Improvement Fund shall be disbursed to the Escrowee for deposit in the Construction Escrow pursuant to which funds from the Project Improvement Fund will be disbursed. The Village and Developer shall direct Escrowee to make payments on a basis as set forth in this Section 11 and the Construction Escrow, after payment of any Escrowee fees (which the parties agree are deemed to be, upon payment, Redevelopment Project Costs and Certified TIF Costs).

O. Failure to Issue Tax Exempt Bonds.

1. This Agreement may be terminated by the Developer if for any reason the Initial Revenue Bonds are not issued by August 31, 2019 or the Initial Revenue Bonds Net Proceeds are projected to be less than at least \$13,500,000.00. This Agreement may be terminated by the Village if for any reason the Initial Revenue Bonds are not issued by May 1, 2020. Upon termination, the parties shall promptly release of record any recorded evidence of this Agreement.

2. If for any reason the Second Revenue Bonds are not issued by the Final Issuance Date, then upon notice from Developer, all reference to the Residential Development, Residential Facilities and the Residential Property shall be deemed deleted from this Agreement, and for purposes of this Agreement, the Development and the Property shall be deemed to exclude the Residential Property, and the Village and Developer shall promptly so amend this Agreement and any recorded evidence of this Agreement and the Village shall have no further obligation to issue the Second Revenue Bonds. The Village also reserves its right to pledge any taxes that are or would otherwise be related to the Residential Development, Residential Facilities and Residential Property if built to pay or secure other bonds and obligations of the Village.

P. The Village shall take all actions within its power to cause interest paid pursuant to the Developer Note to be excludable from gross income of the owners thereof for federal income tax purposes and not included as an item of tax preference in computing the alternative minimum tax under the Internal Revenue Code of 1986, as amended, including, without limitation, the filing of IRS Form 8038-G after issuance of the Revenue Bonds and Developer Note.

Q. Approved Categories. The Village agrees that the categories of expenses listed on Exhibit K attached hereto, subject to actual expenditure in connection with the Development, will constitute Redevelopment Project Costs.

**SECTION 12. RESERVED.**

**SECTION 13. RESERVED.**

**SECTION 14. LIABILITY AND INDEMNITY OF VILLAGE.**

A. Village Review. 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 for the Property, the Development, or the Improvements or the Public Improvements, or the issuance of any approvals, permits, certificates, or acceptances, for the development or use of the Property, the Development, or the Improvements, and that the Village's review and approval of any such plans and the Improvements and issuance of any such 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, and licensees, or any third party, against damage or injury of any kind at any time.

B. Village Procedure. The Developer acknowledges and agrees that all notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement and agrees not to challenge such approval on the grounds of any procedural infirmity or of any denial of any procedural right.

C. Release. Developer releases the Village, the Corporate Authorities, the Plan Commission, and all Village elected or appointed officials, officers, employees, agents, representatives, engineers, and attorneys thereof (hereinafter, for purposes of this Section, collectively the Released Parties ) from liability, and covenants and agrees that the Released Parties shall not be liable for, and agree to defend, indemnify and hold harmless the Released Parties against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Development or the Property or arising under this Agreement or actions in furtherance thereof, including but not limited to intergovernmental agreements regarding ingress and egress to the Property, to the extent not attributable to the negligent or willful act or omission of the Released Parties.

D. Indemnity. The Developer agrees to, and does hereby, hold harmless and indemnify the Released Parties, from any and all claims that may be asserted at any time against any of such parties in connection with (i) the Village's review and approval of any plans for the Property or the Improvements and Public Improvements; (ii) the issuance of any approval, permit, certificate or acceptance for the Property or the Improvements and Public Improvements; (iii) the development, construction, maintenance or use of any portion of the Property, the Development or the Improvements; and (iv) the collection and distribution of amounts paid by the Developer pursuant to Section 10 of this Agreement. The terms of this Section 14.D. shall include all costs and expenses incurred for intergovernmental agreements regarding ingress and egress to the Property.

E. **Defense Expense.** The Developer shall, and does hereby agree to, pay all reasonable expenses, including legal fees and administrative expenses, incurred by the Village in defending itself with regard to any and all of the claims referenced in Section 14.D. of this Agreement. The Village shall be permitted to select its own counsel in its defense. In the event the Village files an action to enforce the terms of Section 14.D. of this Agreement, the non-prevailing party shall pay all the reasonable expenses, including legal fees and administrative expenses, incurred by the party who substantially prevails in the settlement or resolution of the action.

F. **No Personal Liability.** No liability, right or claim at law or in equity shall attach to or shall be incurred by the Village's elected or appointed officials, officers, employees, agents, representatives, engineers, and attorneys acting within the scope of their employment or official Village capacity, and any such rights or claims of Developer against the Village's elected or appointed officials, officers, employees, agents, representatives, engineers, and/or attorneys are hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the Village.

G. **No liability, right or claim at law or in equity shall attach to or shall be incurred by Developer's members, managers, shareholders, officers, directors, attorneys, agents and/or employees acting within the scope of their employment or official capacity, and any such rights or claims of the Village against Developer's members shareholders, officers, attorneys, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by Developer.**

## **SECTION 15. NATURE, SURVIVAL AND TRANSFER OF OBLIGATIONS.**

A. **Binding on Successors.** All obligations assumed by the Developer under this Agreement shall be binding upon the Developer, upon any and all of the Developer's successors and assigns (excluding any lessees or tenants of the Property), and upon any and all of the respective successor legal or beneficial owners of all or any portion of the Property. A purchaser of or other successor to the interest of Developer to part but less than all the Property shall assume only those obligations pertaining to such part, and the release of Developer under Section 15.B shall pertain only to such part. To assure that all such successors, assigns and successor owners have notice of this Agreement and the obligations created by it, the Developer shall, from and after the Effective Date:

1. Deposit with the Village Clerk, concurrent with the Village's approval of this Agreement, any consents or other documents necessary to authorize the Village to record this Agreement with the Office of the Cook County Recorder of Deeds;
2. Notify the Village in writing at least thirty (30) days prior to any date upon which such party transfers a legal or beneficial interest in any portion of the Property to any party not a party to this Agreement (excluding Residential Builder and any lessees or tenants of the Developer);
3. Incorporate, by reference, this Agreement into any and all real estate sales contracts entered into for the sale of all or any portion of the Property to any party not a party to this Agreement; and

4. Require, prior to the transfer of all or any portion of the Property, or any legal or equitable interest therein, to any party not a party to this Agreement (excluding Residential Builder, any lessees or tenants or any lender), the transferee of the Property or of said portion of or interest in the Property, to execute an enforceable written agreement, in substantially the form attached to this Agreement as Exhibit G in which such party agrees to be bound by the provisions of this Agreement (Transferee Assumption Agreement) and to provide the Village, upon request, with such reasonable assurance of the financial ability of such transferee to meet those obligations as the Village may require.

B. Limited Release of the Developer. Except as specifically provided herein, this Agreement is not transferable or assignable without the written consent of the Village, and only if the Village so agrees and a successor becomes bound to the personal obligation created in the manner provided in this Agreement and provides the financial assurances required herein, the personal liability of the Developer shall be released to the extent of the transferee's assumption of such liability, provided the transferee can reasonably discharge such liabilities. The failure of the Developer to provide the Village with a fully executed copy of a Transferee Assumption Agreement required above by the transferee to be bound by the provisions of this Agreement and, if requested by the Village, with the transferee's proposed assurances of financial capability before completing any such transfer shall result in the Developer remaining fully liable for all of the Developer's obligations under this Agreement but shall not relieve the transferee of its liability for all such obligations as a successor to the Developer.

## **SECTION 16. TERM.**

The provisions of this Agreement shall run with and bind the Property, and shall inure to the benefit of, and be enforceable by, the Developer, the Village, and any of their respective legal representatives, heirs, grantees, successors, and assigns, from the Effective Date of this Agreement and until the latest of the following:

- A. After the payment of the last payment under any obligation issued pursuant to this Agreement,
- B. The life of the TIF District, or
- C. The maturity date (as may be extended) of any obligation issued pursuant to this Agreement (the "Term").

Upon the last day to occur of such events, the parties shall execute and record a release of this Agreement. Any rights of the parties or causes of action accruing to the parties during the Term of this Agreement shall survive its termination and be enforceable against the other party or parties. In addition, notwithstanding anything to the contrary in this Section 16, the Developer's indemnity and defense obligations as set forth in Section 14 of this Agreement, and Section 15, shall survive the termination of this Agreement.

**SECTION 17. DEVELOPER REPRESENTATIONS, COVENANTS, AND WARRANTIES.**

The Developer, and the persons executing this Agreement on behalf of the Developer, represent, warrant, and covenant, as of the date of this Agreement, that:

- A. The Developer is a Delaware limited liability company duly organized, validly existing, qualified to do business in Illinois.
- B. The Developer has the right, power, and authority to enter into, execute, deliver and perform this Agreement, and the Developer is in compliance with all Requirements of Law, the failure to comply with which could affect the ability of the Developer to perform its obligations under this Agreement.
- C. The individuals executing this Agreement on behalf of the Developer have the authority to bind the Developer and have been duly authorized by all appropriate action to enter into, execute and deliver this Agreement and perform the terms and obligations contained herein.
- D. This Agreement has been duly and properly executed by Developer, and constitutes the valid and legally binding obligations of it enforceable against it in accordance with its terms, except to such extent that enforceability may be limited by any bankruptcy or insolvency laws affecting the enforcement of creditors' rights and by the exercise of judicial discretion in accordance with general equitable principles.
- E. The execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its organizational documents, as amended and supplemented, any of the applicable Requirements of Law, or constitute a breach of or default under, or require any consent under, any agreement, instrument, or document to which the Developer is now a party or by which the Developer is now or may become bound.
- F. There are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened, or affecting the Developer which would impair its ability to perform under this Agreement.
- G. The Developer, to the extent it elects to proceed with the construction of the Development, shall apply for or cause to be applied for, and upon receipt, thereafter, maintain or caused to be maintained, all government permits, certificates, and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct and complete the Development and operate the Residential Facility and Retail Facilities as required by this Agreement.
- H. The Developer has sufficient financial and economic resources to implement and complete its obligations under this Agreement. The financial information and other written data submitted by the Developer or to be submitted by the Developer to the Village are true and correct in all material respects as of the dates of such statements and data.

I. There have been no material adverse changes in the Developer's business, operations, ownership or condition (whether financial or legal) as disclosed in such statements and data, and the Developer has no knowledge of any liabilities, contingent or other, that might have a material adverse effect upon the Developer's ability to perform its obligations under this Agreement, except as disclosed in writing to the Village;

J. Neither the execution and delivery of this Agreement by Developer, the consummation of the transactions contemplated hereby by Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Developer conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of Developer (with Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer or any of its managers, members or venturers is now a party or by which Developer or any of its managers, members or venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of Developer, any related party or any of its managers, members or venturers under the terms of any instrument or agreement to which Developer, any related party or any of its managers, members or venturers is now a party or by which Developer, any related party or any of its managers, members or venturers is bound.

K. The Developer agrees that, in the construction and completion of the Development, Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Developer shall take affirmative action to require that applicants are employed and that employees are treated in compliance with law during employment, and without regard to their race, creed, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the Village, setting forth the provisions of this nondiscrimination clause. Notwithstanding the foregoing, Developer may employ union labor hereunder pursuant to the rules, regulations and practices of applicable unions and shall comply with all Laws regarding the subject of this Section of this Agreement.

L. The Developer understands and acknowledges its legal obligation to pay ad valorem real estate taxes that will be levied by the various taxing districts authorized to levy taxes on the Property. Developer's failure to meet its legal obligations and pay such ad valorem real estate taxes will result in a lack of property tax increment needed to pay amounts due under the Developer Note.

M. The Developer will engage qualified professionals for all work anticipated in this Agreement and, upon request, shall furnish the Village with the names of such professionals.

N. The Developer acknowledges that its decision to execute this Agreement is based on its independent investigation and information and not on its reliance on any representations or

warranties made by the Village regarding the potential amount of incremental real property tax revenue that the Property or the Redevelopment Area will or may generate in the future.

O. No member of the Corporate Authority, nor any employee of the Village has a direct or indirect financial interest in the Developer or the Development.

#### **SECTION 18. VILLAGE REPRESENTATIONS, COVENANTS, AND WARRANTIES.**

A. The Village represents, warrants and agrees as the basis for the undertakings on its part contained in this Agreement that: The Village is a municipal corporation duly organized and validly existing under the law of the State of Illinois and has all requisite corporate power and authority to enter into this Agreement.

B. The execution, delivery and the performance of this Agreement and the consummation by the Village of the transactions provided for herein and the compliance with the provisions of this Agreement: (i) have been duly authorized by all necessary corporate action on the part of the Village, (ii) require no other consents, approvals or authorizations on the part of the Village in connection with the Village's execution and delivery of this Agreement, and (iii) shall not, by lapse of time, giving of notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the Village is subject.

C. To the best of the Village's knowledge, there are no proceedings pending or threatened against or affecting the Village or the Property in any court or before any governmental authority that involves the possibility of materially or adversely affecting the ability of the Village to perform its obligations under this Agreement.

D. The Village will not exercise any decision-making control over the environmental compliance or environmental remediation of the Property outside of the normal exercise of the Village's police powers.

#### **SECTION 19. ENFORCEMENT.**

The parties to this Agreement may, in law or in equity, by suit, action, mandamus or any other proceeding, including without limitation, specific performance, enforce or compel the performance of this Agreement: provided, however, that the Developer agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the Village or any elected or appointed officials, officers, employees, agents, representatives, engineers, or attorneys thereof, on account of the negotiation, execution, or breach of any of the terms and conditions of this Agreement, other than collection of amounts due from the Village to Developer pursuant hereto. In addition to every other remedy permitted by law for the enforcement of the terms of this Agreement, the Village shall be entitled to withhold the issuance of building permits or certificates of occupancy for any and all buildings and structures within the Property at any time when the Developer has failed or refused to meet fully any of its obligations under this Agreement after notice and an opportunity to cure as provided in Section 20. In the event of a judicial proceeding brought by one party to this Agreement against another party to this Agreement, the prevailing party in such judicial proceeding shall be entitled to

reimbursement from the unsuccessful party of all costs and expenses, including reasonable attorneys' fees, incurred in connection with such judicial proceeding. The payment of all subsidies under this Agreement shall be suspended during any Event of Default under this Agreement.

## **SECTION 20.        DEFAULT.**

A.     Events of Default by the Developer. The following shall be Events of Default with respect to this Agreement:

1. A statement or representation by the Developer in this Agreement, or in any certificate, notice, demand or request made by the Developer and delivered to the Village that is untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if the Developer does not remedy the default, within fifteen (15) days after written notice from the Village.
2. Default by the Developer, for a period of fifteen (15) days after written notice thereof from Village to Developer, in the performance or breach of any covenant, warranty, or obligation contained in this Agreement, including without limitation any covenant concerning the existence, structure or financial condition of the Developer; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said fifteen (15) days and the Developer, within said fifteen (15) days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within ninety (90) days after such notice.
3. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.
4. The commencement by the 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 the Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of the Developer generally to pay such entity's debts as such debts become due or the taking of action by the Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others.
5. Failure to have funds to meet the Developer's obligations as they come due, for a period of fifteen (15) days after written notice thereof from Village to Developer.
6. Sale, assignment, or transfer of the Property except in accordance with the provisions in Sections 4.C and 15 of this Agreement.
7. Change in the organizational status of the Developer except in accordance with the provisions in Sections 4.C and 15 of this Agreement, for a period of fifteen (15) days after written notice thereof from Village to Developer.



8. The Developer abandons the development and construction on the Property. Abandonment shall be deemed to have occurred when, after the commencement of construction on the Property as contemplated in Section 7.B of this Agreement, the construction work stops for more than sixty (60) days for any reason other than Uncontrollable Circumstances and winter weather and fifteen (15) days have elapsed after the Village has given notice to Developer of such abandonment. Except for a default by Village, neither the failure of the Developer to secure any approvals required for the Development or construction, nor the failure of the Developer to deliver the evidence of construction financing required pursuant to Section 7.B of this Agreement shall be valid defenses to abandonment
9. The Developer fails to comply with the Requirements of Law in relation to the construction and maintenance of the buildings contemplated by this Agreement, for a period of fifteen (15) days after written notice thereof from Village to Developer.

B. Events of Default by the Village. The following shall be Events of Default with respect to this Agreement:

1. If any material representation made by the Village in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the Developer pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if the Village does not remedy the default, within fifteen (15) days after written notice from the Developer.
2. Default by the Village in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of the Village; provided, however, that such default or breach shall constitute an Event of Default if the Village does not, within fifteen (15) days after written notice from the Developer, initiate and diligently pursue appropriate measures to remedy the default.
3. Default by the Village in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall not constitute an Event of Default if the Village, commences cure within 15 days after written notice from the Developer and in any event cures such default within 60 days after such notice, subject to Uncontrollable Circumstances.

C. Remedies for Default. In the case of a party's Event of Default under this Agreement:

1. The defaulting party shall, upon written notice from the non-defaulting party, take immediate action to cure or remedy such Event of Default. If, in such case, any monetary Event of Default is not cured, or if in the case of a non-monetary Event of Default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such Event of Default or breach shall not be cured or remedied within a reasonable time, but in no event more than thirty (30) additional days unless otherwise provided for in this this agreement or extended by mutual agreement, the non-defaulting party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance of the defaulting party's obligations under this Agreement.
2. In the case of an Event of Default by the Developer occurring and continuing after the expiration of any applicable notice and cure period set forth in this Agreement, the Village

may, and without prejudice to any other rights and remedies available to the Village, exercise any or all of the following options:

- a. If no building permits have been issued for the Development, the Village may require Site Restoration in accordance with the terms and provisions of Section 7.D of this Agreement, but excluding any area the subject of a lease to a retail tenant;
  - b. If one or more building permits have been issued for the Development, the Village may require demolition, removal, and restoration work in accordance with the terms and provisions of Section 7.D of this Agreement, but excluding any area the subject of a lease to a retail tenant; or
  - c. The Corporate Authorities may initiate the process for revocation of the Zoning and Special Use Ordinance, in accordance with the provisions of that Ordinance, but excluding any area the subject of a lease to a retail tenant. In such case, revocation shall be without protest or objection by the Developer.
3. In case the Village shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, then, and in every such case, the Developer and the Village shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Developer and the Village shall continue as though no such proceedings had been taken.
  4. If the Event of Default arises under this Agreement, the Village may, but shall not be required to, come onto the portions of the Property reasonably required to perform the tasks to remedy such default and perform such tasks without interference. Developer shall be responsible for the reasonable costs of such Village work. Except in the event of an emergency, the Village shall not exercise its rights under this Paragraph without first having given Developer at least ten (10) days advance specific notice of its intention to exercise its rights under this Paragraph in respect of such Event of Default.

## **SECTION 21. GENERAL PROVISIONS.**

A. 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. Unless otherwise expressly provided in this Agreement, notices shall be deemed received upon the earlier of (a) actual receipt; (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three (3) business days following deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section 21.A, each party shall have the right to change the address or the addressee, or both, for all future notices and communications to such party, but no notice of a change of addressee or address shall be effective until actually received.

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

Village of Morton Grove  
6101 Capulina Ave  
Morton Grove, IL 60053  
Attention: Village Administrator

With a copy to:

Village of Morton Grove  
6101 Capulina Ave  
Morton Grove, IL 60053  
Attention: Corporation Counsel and

Del Galdo Law Group, LLC  
1441 S. Harlem Avenue  
Berwyn, IL 60402  
Attention: James M. Vasselli

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

IM KENSINGTON MG, LLC  
77 W. Wacker Dr., Ste. 4025  
Chicago, IL 60601

With a copy to:

IM KENSINGTON MG, LLC  
c/o KENSINGTON DEVELOPMENT PARTNERS  
700 Commerce Dr – Suite 130  
Oak Brook, IL 60523

With a copy to:  
Jeffrey Jahns  
Seyfarth Shaw LLP  
233 South Wacker Drive  
Suite 8000  
Chicago, IL 60606-6448

Notices and communications to the Residential Builder shall be addressed and delivered to Developer as above and addressed to Residential Builder, and delivered at, the following addresses:

IM KENSINGTON MG, LLC  
c/o KENSINGTON DEVELOPMENT PARTNERS  
700 Commerce Dr – Suite 130  
Oak Brook, IL 60523

With a copy to:  
Jeffrey Jahns  
Seyfarth Shaw LLP  
233 South Wacker Drive

Suite 8000  
Chicago, IL 60606-6448

- B. Time of the Essence. Time is of the essence in the performance of all terms and provisions of this Agreement.
- C. 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, with the exceptions of the Reimbursement Agreement.
- D. Exhibits. Exhibits A through M attached to this Agreement are, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this Agreement, Section 4.B of this Agreement shall control, except that Exhibit B (Ordinance 19-03) and Exhibit M (Construction Escrow Agreement) hereto shall control over the text of this Agreement.
- E. Amendments and Modifications. No amendment or modification to this Agreement shall be effective unless and until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all applicable statutory procedures.
- F. Governing Law. This Agreement shall be governed by, and enforced in accordance with, the internal laws, but not the conflicts of laws rules, of the State of Illinois.
- G. Changes in Laws. Unless otherwise explicitly provided in this Agreement, any reference to any Requirements of Law shall be deemed to include any modifications of, or amendments to such Requirements of Law as may, from time to time, hereinafter occur, subject to any grandfathering provisions.
- H. Non-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.
- I. Severability. It is hereby expressed to be the intent of the parties hereto that should any provision, covenant, agreement, or portion of this Agreement or its application to any person, entity, 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, entity, 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.
- J. No Third-Party Beneficiaries. No claim as a third-party beneficiary under this Agreement by any Person shall be made, or be valid, against the Village, or the Developer.

K. Approvals. The Village agrees to expedite the processing of all applications made by Developer, the Residential Builder and any tenant of Developer. Wherever in this Agreement the consent or approval of the Village is called for, the Village shall process such request expeditiously and shall not unreasonably withhold or condition such consent or approval. Any approval or consent given in writing by the Village Administrator shall constitute approval or consent by the Village, such person being hereby authorized to issue same.

L. Drafting. This Agreement shall be interpreted on the basis that neither party nor its counsel shall be treated as its drafter.

M. TIF Act Changes. If the TIF Act changes and by the terms of such statutory change it is lawfully applicable to this Agreement, such change shall, prospectively, be deemed to be included in TIF Act as defined herein. Otherwise, TIF Act means the referenced statute in effect on the Effective Date, as theretofore amended.

N. Police Power; Freedom of Information Act; Open Meetings Act. Nothing herein waives the right of the Village to exercise any police power function normally attributed to a municipality. The Village shall comply with all provisions of the Freedom of Information Act (5 ILCS 140/1.1, et seq.) and the Open Meetings Act (5 ILCS 120/1.01 et seq.) applicable to this Agreement and any approvals and procedures contemplated herein.

O. No Liability of Village to Others for Developer's Expenses. The Village shall have no obligations to pay costs of the Development or to make any payments to Developer, nor shall the Village be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to Developer for the completion of the Development.

P. Successors and Assigns. The terms, conditions and covenants set forth in this Agreement shall extend to, be binding upon, and inure to the benefit of the respective successors and assigns of the Village and Developer and shall run with the land. Any person or entity now or hereafter owning legal title to all or any portion of the Property, including Developer, shall be bound to this Agreement only during the period such person or entity is the legal titleholder of the Property or portion thereof, provided, however, that all such legal title holders shall remain liable after their ownership interest in the Property ceases as to those liabilities and obligations which accrued during their period of ownership but remain unsatisfied or unperformed. To the extent reasonable and applicable, the term Developer shall mean successors and assigns of the Developer.

Q. Signs. The Village and/or the Developer may erect a sign of reasonable size and style in a conspicuous location on the Property chosen by Developer and approved by the Village during the construction of the Development indicating that the Village provided funding to assist the Development.

R. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement in

Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

S. Cooperation and Further Assurances. The Village and Developer covenant and agree that each will undertake, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts as may be reasonably required to carry out the terms, provisions and the intent of this Agreement. The Village agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary governmental approvals for the Development at no additional cost or expense. Notwithstanding the foregoing, the Village shall have no obligation to approve, to be a party to, or to be associated in any way with any third-party financing of the Development by Developer.

T. Survival of Representations and Warranties. The parties agree that each of their respective representations and warranties set forth in this Agreement are true as of the Effective Date of this Agreement, and each party agrees that it shall provide prompt written notice to each other party in the event any of the representations and warranties set forth herein change in any respect that will materially and adversely affect such party's ability to perform its obligations under this Agreement for any reason. The representations and warranties set forth in this Agreement shall survive until the issuance of the Certificate of Completion.

U. No Joint Venture, Agency or Partnership Created. Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

V. Immunity. Nothing contained in this Agreement constitutes a waiver of the Village's governmental immunities as provided by the laws of the United States or the State of Illinois.


W. Use of Headings. The headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

X. Conflicts. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, if any, the TIF Ordinances shall prevail and control.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have affixed their signatures the date and year first above written.

**VILLAGE OF MORTON GROVE**, an Illinois  
home rule municipal corporation

By:   
Its: Village President

**ATTEST:**

By:   
Its: Village Clerk

**IM KENSINGTON MG, LLC**, a Delaware limited  
liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have affixed their signatures the date and year first above written.

**VILLAGE OF MORTON GROVE**, an Illinois  
home rule municipal corporation

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

**ATTEST:**

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

**IM KENSINGTON MG LLC**, a Delaware limited  
liability company


By: I.M. Property Investments (USA) LLC, a  
Delaware limited liability company, its  
Manager

By: \_\_\_\_\_  
Name: Robert Gould  
Its: Vice President



STATE OF ILLINOIS       )  
                                          ) SS.  
COUNTY OF COOK )

The foregoing instrument was acknowledged before me on <sup>the 23</sup> September, 2019, by Daniel P. DiMaria, the Village President of the VILLAGE OF MORTON GROVE, an Illinois home rule municipal corporation, and by Eileen Scanlon Harford, the Village Clerk of said municipal corporation.

  
\_\_\_\_\_  
Signature of Notary

SEAL

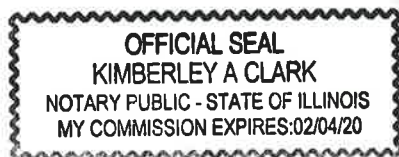


My Commission expires:

STATE OF ILLINOIS   )  
                                          ) SS  
COUNTY OF COOK    )

I, the undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Robert Gould, the Vice President of **I.M. PROPERTY INVESTMENTS (USA) LLC**, a Delaware limited liability company ("Manager"), acting in its capacity as the Manager of **IM KENSINGTON MG LLC**, a Delaware limited liability company ("Grantor"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of Manager, acting in its capacity as the Manager of Grantor, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20<sup>th</sup> day of September, 2019.



*Kimberley A Clark*  
Notary Public  
My commission expires: 02/04/20

## **LIST OF EXHIBITS**

Exhibit A	Legal Description of Property
Exhibit B	Ordinance 19-03
Exhibit C	Project Budget
Exhibit D	Form of Developer Note
Exhibit E	Final Plat
Exhibit F	Project Timeline
Exhibit G	Transferee Assumption Agreement
Exhibit H	Form and Performance and Payment Bonds
Exhibit I	Form of TIF Certification Request
Exhibit J	Existing Certified TIF Costs
Exhibit K	Approved Categories of Redevelopment Project Costs
Exhibit L	Village Estoppel Certificate
Exhibit M	Form of Construction Escrow

**Exhibit A**  
**LEGAL DESCRIPTIONS**

**Legal Description of Property**

THAT PART OF LOT 1 LYING WEST OF THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 OF WHITE'S SUBDIVISION OF THE WEST 1/2 OF THE NORTHEAST 1/4 AND PART OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTH LINE OF SAID LOT 1, 180 FEET WEST OF THE INTERSECTION OF THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE SOUTH PERPENDICULAR TO THE SAID NORTH LINE OF LOT 1, 274.92 FEET; THENCE EAST ALONG A LINE PARALLEL WITH THE SAID NORTH LINE OF LOT 1, 173.27 FEET TO A POINT ON THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE NORTH ALONG THE SAID DESCRIBED EAST LINE, 275 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE WEST ALONG THE NORTH LINE OF SAID LOT, 180 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN. DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF SAID LOT 1 WITH THE EASTERLY LINE OF WAUKEGAN ROAD PER DOCUMENT 19952575, BEING A LINE 54.0 FEET (MEASURED PERPENDICULARLY) EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT 1; THENCE NORTH 453.333 FEET ALONG SAID EASTERLY LINE: THENCE NORTH 6 DEGREES 55 MINUTES 28 SECONDS EAST 91.24 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD TO A POINT, SAID POINT BEING 65.00 FEET (MEASURED PERPENDICULARLY) EAST OF THE WEST LINE OF SAID LOT 1; THENCE NORTH 1 DEGREE 16 MINUTES 22 SECONDS EAST 90.03 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD TO A POINT 67.00 FEET (MEASURED PERPENDICULARLY) EAST OF THE WEST LINE OF SAID LOT 1; THENCE NORTH 50 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD PER DOCUMENT 19952575 TO THE POINT OF CURVATURE; THENCE NORTHEASTERLY 110.122 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 70.00 FEET CONVEX TO THE NORTHWEST AND WHOSE CHORD BEARS NORTH 45 DEGREES 04 MINUTES 05 SECONDS EAST TO THE POINT OF TANGENCY; THENCE SOUTH 89 DEGREES 51 MINUTES 50 SECONDS EAST, 1062.70 FEET ALONG THE SOUTH LINE OF DEMPSTER STREET PER DOCUMENT 19952575 AND 19952576, BEING A LINE 54.00 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 1 TO THE POINT OF INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF A PARCEL OF LAND WHICH WAS DEDICATED FOR DEMPSTER STREET PER DOCUMENT 11634381; THENCE NORTH 0 DEGREES 08 MINUTES 30 SECONDS EAST 4.00 FEET ALONG SAID SOUTHERLY EXTENSION TO THE SOUTHWEST CORNER OF SAID PARCEL OF LAND PER DOCUMENT 11634381 ; THENCE SOUTH 89 DEGREES

51 MINUTES 50 SECONDS EAST 55.745 FEET ALONG A LINE 50.00 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 1 TO THE POINT OF INTERSECTION WITH A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE OF LOT 1 AT A POINT 325.00 FEET (MEASURED ALONG SAID NORTH LINE) WEST OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE SOUTH 0 DEGREES 08 MINUTES 10 SECONDS WEST 170.00 FEET ALONG SAID PERPENDICULAR LINE TO A POINT; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 84.13 FEET ALONG A LINE DRAWN PARALLEL WITH THE NORTH LINE OF SAID LOT 1; THENCE SOUTH 0 DEGREES 08 MINUTES 10 SECONDS WEST 249.85 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 13.514 FEET; THENCE SOUTH 0 DEGREES 06 MINUTES 44 SECONDS WEST 132.575 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 16 SECONDS EAST 0.18 FEET; THENCE SOUTH 0 DEGREES 06 MINUTES 44 SECONDS WEST 204.937 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT 1, SAID POINT BEING 1102.502 FEET (MEASURED ALONG SAID SOUTH LINE) EAST OF THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 54 MINUTES 10 SECONDS WEST, 1102.502 FEET TO POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 WITH THE NORTH LINE THEREOF; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 180.00 FEET ALONG SAID NORTH LINE TO A POINT; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 50.00 FEET ALONG A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 145.00 FEET ALONG A LINE DRAWN PARALLEL WITH SAID NORTH- LINE; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 170.00 FEET ALONG A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 84.13 FEET ALONG A LINE DRAWN PARALLEL WITH SAID NORTH LINE OF LOT 1; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 249.85 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 13.514 FEET; THENCE SOUTH DO DEGREES 06 MINUTES 44 SECONDS WEST 132.575 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 16 SECONDS EAST 0.18 FEET; THENCE SOUTH 00 DEGREES 06 MINUTES 44 SECONDS WEST 204.937 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT 1, SAID POINT BEING 1156.502 FEET (MEASURED ALONG SAID SOUTH LINE) EAST OF THE SOUTHWEST CORNER of SAID LOT 1, THENCE SOUTH 89 DEGREES 54 MINUTES 10 SECONDS EAST 402.568 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE NORTH 1 DEGREE 32 MINUTES 17.5 SECONDS EAST, 532.33 FEET ALONG SAID EAST LINE TO A LINE DRAWN 274.92 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH SAID NORTH LINE OF LOT 1; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 173.27 FEET ALONG SAID PARALLEL LINE TO A LINE DRAWN PERPENDICULARLY TO THE NORTH LINE OF SAID LOT 1 AND PASSING THROUGH THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 08 MINUTES 10

SECONDS EAST 224.92 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY,  
ILLINOIS.

PROPERTY INDEX NUMBERS (as of Effective Date of Agreement)

10-19-103-001-0000

10-19-200-007-0000

10-19-200-010-0000

10-19-200-009-0000

Legal Description for Residential Parcel:

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, (ALL REFERENCES TO DEEDS, MICROFICHE, PLATS, SURVEYS, ETC. REFER TO THE RECORDS OF THE COOK COUNTY RECORDER'S OFFICE, UNLESS OTHERWISE NOTED) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 WITH THE NORTH LINE OF SAID LOT 1;

THENCE ALONG SAID EAST LINE, SOUTH 00 DEGREES 45 MINUTES 01 SECOND WEST, A DISTANCE OF 50.01 FEET TO THE POINT OF BEGINNING, BEING A POINT ON THE SOUTH LINE OF DEMPSTER STREET AS REFERENCED IN DOCUMENT NUMBER 11634381;

THENCE CONTINUING ALONG SAID EAST LINE, SOUTH 00 DEGREES 45 MINUTES 01 SECOND WEST, A DISTANCE OF 757.08 FEET TO A POINT ON THE SOUTH LINE OF AFORESAID LOT 1;

THENCE ALONG THE SOUTH LINE OF SAID LOT 1, SOUTH 89 DEGREES 18 MINUTES 53 SECONDS WEST, A DISTANCE OF 257.07 FEET;

THENCE NORTH 00 DEGREES 41 MINUTES 07 SECONDS WEST, A DISTANCE OF 320.00 FEET;

THENCE NORTH 37 DEGREES 12 MINUTES 56 SECONDS WEST, A DISTANCE OF 33.60 FEET;

THENCE NORTH 00 DEGREES 41 MINUTES 07 SECONDS WEST, A DISTANCE OF 197.00 FEET;

THENCE NORTH 44 DEGREES 18 MINUTES 53 SECONDS EAST, A DISTANCE OF 20.51 FEET;

THENCE NORTH 00 DEGREES 39 MINUTES 06 SECONDS WEST, A DISTANCE OF 198.51 FEET TO A POINT ON THE SOUTH LINE OF DEMPSTER STREET AS REFERENCED IN DOCUMENT NUMBER 11634381;

THENCE ALONG SAID SOUTH LINE, NORTH 89 DEGREES 20 MINUTES 54 SECONDS EAST, A DISTANCE OF 281.43 FEET TO THE POINT OF BEGINNING;

CONTAINING 207,243 SQUARE FEET OR 4.758 ACRES (MORE OR LESS).

THE ABOVE DESCRIBED PROPERTY IS TO BE KNOWN AS LOT 5 IN KENSINGTON SUBDIVISION.

THE BEARINGS IN THIS DESCRIPTION ARE BASED UPON THE ILLINOIS STATE PLANE COORDINATE SYSTEM EAST ZONE (NAD83).

PROPERTY INDEX NUMBERS FOR RESIDENTIAL PARCEL (as of Effective Date of Agreement)

### **Legal Description for Retail Parcel:**

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, (ALL REFERENCES TO DEEDS, MICROFICHE, PLATS, SURVEYS, ETC. REFER TO THE RECORDS OF THE COOK COUNTY RECORDER'S OFFICE, UNLESS OTHERWISE NOTED) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 WITH THE NORTH LINE OF SAID LOT 1;

THENCE ALONG SAID EAST LINE, SOUTH 00 DEGREES 45 MINUTES 01 SECOND WEST, A DISTANCE OF 50.01 FEET TO A POINT ON THE SOUTH LINE OF DEMPSTER STREET AS REFERENCED IN DOCUMENT NUMBER 11634381;

THENCE CONTINUING ALONG SAID EAST LINE, SOUTH 00 DEGREES 45 MINUTES 01 SECONDS WEST, A DISTANCE OF 757.08 FEET TO A POINT ON THE SOUTH LINE OF AFORESAID LOT 1;

THENCE ALONG THE SOUTH LINE OF SAID LOT 1, SOUTH 89 DEGREES 18 MINUTES 53 SECONDS WEST, A DISTANCE OF 257.07 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID SOUTH LINE OF LOT 1, SOUTH 89 DEGREES 18 MINUTES 53 SECONDS WEST, A DISTANCE OF 1248.00 FEET TO A POINT ON THE EAST LINE OF WAUKEGAN ROAD AS REFERENCED IN DOCUMENT NUMBER 19952575;

THENCE ALONG THE EAST LINE OF WAUKEGAN ROAD AND THE SOUTH LINE OF DEMPSTER STREET, BOTH AS REFERENCED IN DOCUMENT NUMBER 19952575, THE FOLLOWING SIX (6) COURSES:

- 1) NORTH 00 DEGREES 47 MINUTES 16 SECONDS WEST, A DISTANCE OF 452.96 FEET;
- 2) NORTH 06 DEGREES 08 MINUTES 12 SECONDS EAST, A DISTANCE OF 91.24 FEET;
- 3) NORTH 00 DEGREES 29 MINUTES 06 SECONDS EAST, A DISTANCE OF 90.03 FEET;
- 4) NORTH 00 DEGREES 47 MINUTES 16 SECONDS WEST, A DISTANCE OF 50.00 FEET;
- 5) NORTHEASTERLY, 110.12 FEET ALONG AN ARC TO THE RIGHT AND HAVING A RADIUS OF 70.00 FEET, SUBTENDED BY A LONG CHORD HAVING A BEARING OF NORTH 44 DEGREES 16 MINUTES 49 SECONDS EAST AND A LENGTH OF 99.11 FEET;
- 6) NORTH 89 DEGREES 20 MINUTES 54 SECONDS EAST, A DISTANCE OF 671.41 FEET TO THE SOUTHEAST CORNER OF LAND CONVEYED TO THE DEPARTMENT OF PUBLIC WORKS & BUILDINGS PER DOCUMENT NUMBER 19952575, BEING ALSO THE SOUTHWEST CORNER OF LAND CONVEYED TO THE DEPARTMENT OF PUBLIC WORKS & BUILDINGS PER DOCUMENT NUMBER 19952576;

THENCE ALONG THE SOUTH LINE OF DEMPSTER STREET AS REFERENCED IN DOCUMENT NUMBER 19952576, NORTH 89 DEGREES 20 MINUTES 54 SECONDS EAST, A DISTANCE OF 391.29 FEET TO THE SOUTHEAST CORNER OF LAND CONVEYED TO THE DEPARTMENT OF PUBLIC WORKS & BUILDINGS PER DOCUMENT NUMBER 19952576;



THENCE ALONG THE EAST LINE OF SAID LAND CONVEYED PER DOCUMENT NUMBER 19952576, NORTH 00 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 4.00 FEET TO THE SOUTH LINE OF DEMPSTER STREET AS REFERENCED IN DOCUMENT NUMBER 11634381;

THENCE ALONG SAID SOUTH LINE OF DEMPSTER STREET AS REFERENCED IN DOCUMENT NUMBER 11634381, NORTH 89 DEGREES 20 MINUTES 54 SECONDS EAST, A DISTANCE OF 98.10 FEET;

THENCE SOUTH 00 DEGREES 39 MINUTES 06 SECONDS EAST, A DISTANCE OF 198.51;

THENCE SOUTH 44 DEGREES 18 MINUTES 53 SECONDS WEST, A DISTANCE OF 20.51 FEET;

THENCE SOUTH 00 DEGREES 41 MINUTES 07 SECONDS EAST, A DISTANCE OF 197.00 FEET;

THENCE SOUTH 37 DEGREES 12 MINUTES 56 SECONDS EAST, A DISTANCE OF 33.60 FEET;

THENCE SOUTH 00 DEGREES 41 MINUTES 07 SECONDS EAST, A DISTANCE OF 320.00 FEET TO THE POINT OF BEGINNING;

CONTAINING 931,458 SQUARE FEET OR 21.383 ACRES (MORE OR LESS).

THE ABOVE DESCRIBED PROPERTY IS TO BE KNOWN AS LOTS 1 TO 4 AND 6 TO 13 IN KENSINGTON SUBDIVISION.

THE BEARINGS IN THIS DESCRIPTION ARE BASED UPON THE ILLINOIS STATE PLANE COORDINATE SYSTEM EAST ZONE (NAD83).

PROPERTY INDEX NUMBERS FOR RETAIL PARCEL (as of Effective Date of Agreement)

**Exhibit B**

**Ordinance 19-03**

Exhibit B

## ORDINANCE 19-03

APPROVING A MIXED USE PLANNED UNIT  
DEVELOPMENT, A SUBDIVISION AND RELATED WAIVERS FOR  
A COMMERCIAL/RETAIL/DINING/ENTERTAINMENT LIFESTYLE CENTER AND  
A SIX-STORY 250 UNIT RESIDENTIAL STRUCTURE,  
ALL ON A 26-ACRE PARCEL OF LAND, AT 6711-6947 DEMPSTER STREET AND  
8745 WAUKEGAN ROAD, MORTON GROVE, ILLINOIS

WHEREAS, the Village of Morton Grove ("Village"), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, and can exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and incur debt; and

WHEREAS, IM Kensington MG, LLC and UrbanStreet Group, LLC-ACQ ("Applicant"), have submitted an application to the Village's Plan Commission, under case number PC19-02, (the "Application") for a Special Use Permit for a Mixed Use Planned Unit Development to redevelop the existing shopping center located at the southeast corner of Dempster Street and Waukegan Road, common property address of 6711-6947 Dempster Street and 8745 Waukegan Road and legally described in Exhibit "A" attached to and made a part of this Ordinance (the "Property"), consisting of approximately 250 residential units, retail, restaurants, and entertainment uses. The Applicants also seek to subdivide the Property, which currently consists of 4 parcels of record, to 13 lots; and

WHEREAS, the Property is located in the C1 General Commercial District; and

WHEREAS, pursuant to the plans submitted by the Applicant, all existing structures on the Property, with the exception of the Bank of America building, will be demolished; and

WHEREAS, the plans submitted by the Applicant propose the Property be improved with a new main entry along Dempster Street, upgraded utilities, storm water retention facilities that comply with the Metropolitan Water Reclamation District's (MWRD) current standards, contemporary landscaping, new commercial and residential buildings sharing a common design theme, and improved pedestrian circulation and bicycle access to adjacent areas; and

WHEREAS, the Plans propose the construction of approximately 200,000 sq. ft. of new commercial space to be built for initial occupancy by Kohl's, Cooper's Hawk, Flix Brewery, Ross, LA Fitness, Starbucks, and a grocery store supported by approximately 1025 new parking spaces ("the Commercial Facilities"); and

WHEREAS, the Plans propose the construction of a 6 - story, 250-unit multi-family residential structure measuring approximately 75 feet in height with a proposed mix of approximately 45 studios, 155 one-bedrooms, and 50 two-bedrooms units ("the Residential Facility"). The Residential Facility will be supported by 481 dedicated residential parking spaces most of which will be located in a parking structure; and

WHEREAS, the Applicant proposes subdividing the Property into 13 lots. Lot 1 will contain the existing Bank of America building and its parking facilities. Lot 2 is currently vacant and expected to be developed in the future. Lot 3 will be improved with a small strip center with 4 proposed tenant spaces including Starbucks drive-through facilities. Lot 4 will be improved with a Cooper's Hawk restaurant. Lot 5 is proposed as the residential portion of the Property. Lot 6 will be a proposed grocery store. Lots 7, 8, and 9 will be improved with retail stores including Dollar Tree, Ross and Kohl's. Lot 10 will be improved with a LA Fitness Signature Club fitness center. Lot 11 will include all common shared parking. Lot 12 will be improved with a Flix Brewery cinema, microbrewery and restaurant, and Lot 13 will contain a small retail building, parking lot, and an open green space area, which is part of the site's storm water management system; and

WHEREAS, construction of the development is anticipated to commence in summer of 2019. A portion of the Commercial Facilities and associated improvements are anticipated to be completed in 2020 and completion of the entire project is planned for 2023; and

WHEREAS, Section 12-6-3:D of the Village's Unified Development Code allows planned unit developments in the C1 General Commercial District on sites greater than one acre and allows the Village Board to grant waivers for planned unit developments related to setback, height, density, floor area ratio (FAR), off-street parking and loading, screening, lighting, signage, and subdivision design standards; and

WHEREAS, pursuant to the applicable provisions of the Village's Unified Development Code, notice of a public hearing on the Application to be held on April 15, 2019, was published in the *Pioneer Press*, a newspaper of general circulation in the Village of Morton Grove, on March 28, 2019; a sign was posted on the Property from April 1, 2019 through April 15, 2019; and written notification was sent on March 28, 2019, to all property owners within 250 feet of the Property; and

WHEREAS, on April 3, 2019, the Village's Appearance Commission reviewed the Application's design for the Residential Facility and the Retail Facilities, as well as the proposed landscaping plans, and recommended certain conditions; and

WHEREAS, on April 4, 2019, the Village's Traffic Safety Commission reviewed the Application, including the plans and the traffic study provided by the Applicant, and recommended certain conditions; and

WHEREAS, at the April 15, 2019 public hearing, the Village's Plan Commission heard the Applicant's presentation and reviewed the Application, at which time all concerned parties were given the opportunity to be present and express their views for the consideration by the Plan Commission; and

WHEREAS, the Village's Plan Commission considered all the evidence and testimony presented to it, discussed the merits of the Application in light of applicable law, including the PUD criteria established in Section 12-16-4 of the Unified Development Code, and voted to recommend approval of a mixed-use PUD and related waivers as well as modifications to certain parking and loading requirements described below, subject to those conditions, restrictions and requirements contained in the report of the Plan Commission, which was presented to the Village Board on May 13, 2019, and a copy of that report is contained in Exhibit B attached to and made a part of this Ordinance ("Plan Commission Report"); and

WHEREAS, the President and Board of Trustees ("Corporate Authorities") have considered the Application and recommendations at a public meeting and find, pursuant to the relevant provisions of the Village's Unified Development Code, that the special use for a mixed-use PUD, as presented to the Plan Commission and as recommended in the Plan Commission Report, will be used and operated in such a way that the public health, safety and welfare of the Village will be protected and will not cause substantial injury to the other properties in the surrounding neighborhood; and

WHEREAS, pursuant to the provisions of the Village's Unified Development Code, the Corporate Authorities have determined that the proposed special use for a mixed-use PUD, subdivision and waivers should be approved, subject to the provisions, conditions and restrictions contained in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1. Incorporation By Reference. The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Ordinance by this reference, as though fully set forth herein, thereby making the findings as hereinabove set forth.

SECTION 2. Approval of Special Use for PUD, and Waivers. The Corporate Authorities hereby approve and grant a Planned Unit Development/Special Use Permit for the redevelopment of Sawmill Station (former Prairie View Shopping Center), a 26-acre parcel of land located at the southeast corner of Dempster Street and Waukegan Road, common property address of 6711-6947 Dempster Street and 8745 Waukegan Road in Morton Grove, IL and legally described in Exhibit A subject to the provisions, conditions and restrictions contained in this Ordinance, which shall be binding on all owners, lessees, occupants and users of the Property, and their successors and assigns. This approval shall include the following:

- A. Approval of multiple principal buildings on one zoning lot, per Section 12-2-2-A.(4);
- B. Approval of Special Use Permits for:
  1. Mixed Use Development,
  2. Multiple Structures on Zoning Lot,
  3. Drive-Through Facilities,
  4. Height of Structures - in excess of the permitted height,
  5. Physical Fitness and Health Services greater than 1,000 square feet with accessory Massage Services-Full Body,
  6. Restaurant - Drive-In (Drive-Through),
  7. Open Sales Lot (limited/seasonal),
  8. Garden Supply Store/Greenhouse accessory to Grocery Store (sales area >10,000 sq. ft.),
  9. Theatre, Microbrewery/Microdistillery with Tavern, Bar and Cocktail Lounge with live music and/or vocal entertainment as an accessory use, and
  10. Multifamily Dwellings (up to 80 ft. in height, with up to 250 dwelling units);
- C. Waivers to loading berth requirements for Lots 4, 10, & 12;
- D. Waiver of up to 15 parking stalls (1040 stalls by code - total with waiver 1025) on the commercial lot;

- E. Waiver of maximum height for the multi-family residence on Lots 5 (up to 80 ft.) and cinema on Lot 12 (up to 50 ft.);
- F. Waiver of the density requirements to allow up to 250 units on the 4.758-acre Residential Lot;
- G. Waiver of the lot coverage requirement for the Residential Lot (up to 70%);
- H. Waiver of the location of the surface parking lot on the north side of the multi-family residence;
- I. Waiver of requirement per 12-2-5 to allow detached accessory structure (parking garage) in the rear yard of a commercial lot;
- J. Waiver of requirement per 12-3-5, for fencing on commercial lot;
- K. Waiver of certain requirements pursuant to 12-5-4, relating to multiple-family residential structure special development provisions;
- L. Waiver of 12-5-5, Special criteria requirements for outdoor seating and drive-through facilities;
- M. Waiver of 12-5-6 requirements for mixed use development provisions related to bulk, setbacks, lot coverage, floor area ratio, height, density, screening, lighting, and subdivision design standards, density and floor area ratio, parking, loading, drive aisles, accessory buildings and uses, fences as long as such waivers are reflected in approved development plans and architectural elevations, and approved PUD documents and plan; and
- N. Waivers to certain landscaping and signage requirements, as approved by the Appearance Commission and the Village Administrator.

SECTION 3. The Corporate Authorities hereby approve of the Preliminary Plat of Subdivision, attached hereto as Exhibit C in accordance with Section 12-8 and subject to the provisions, conditions and restrictions contained in this Ordinance.

SECTION 4. The PUD/Special Use Permit shall be subject to the following conditions: A. The site, improvements and buildings shall be developed and operated consistent with the plans and supporting documents and modifications as finalized and specifically approved in writing by the Village Administrator or his designee including:

1. Preliminary Plat of Subdivision, prepared by Woolpert, dated 3/7/19, unless otherwise noted, consisting of the following three sheets:

- a. Sheet 1 of 3, Preliminary Plat of Subdivision;
  - b. Sheet 2 of 3, Preliminary Plat of Subdivision (over existing site conditions); and
  - c. Sheet 3 of 3, Preliminary Plat of Subdivision (legal description and signature blocks).
2. Traffic and Parking Impact Study – Proposed Sawmill Station Development, prepared by Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA), dated 3/26/19.
3. Site Improvement Plans, prepared by Woolpert, dated 3/7/19 REV: 4/3/19, consisting of the following 51 sheets:
- a. Sheet C000, Cover Sheet;
  - b. Sheet C001, General Notes;
  - c. Sheet C002, MWRD (Metropolitan Water Reclamation District) Notes;
  - d. Sheet C100, Existing Conditions Plan;
  - e. Sheet C101, Demolition Plan (1 of 8);
  - f. Sheet C102, Demolition Plan (2 of 8);
  - g. Sheet C103, Demolition Plan (3 of 8);
  - h. Sheet C104, Demolition Plan (4 of 8);
  - i. Sheet C105, Demolition Plan (5 of 8);
  - j. Sheet C106, Demolition Plan (6 of 8);
  - k. Sheet C107, Demolition Plan (7 of 8);
  - l. Sheet C108, Demolition Plan (8 of 8);
  - m. Sheet C200, Overall Site Plan;
  - n. Sheet C201, Site Plan Detail (1 of 8);
  - o. Sheet C202, Site Plan Detail (2 of 8);
  - p. Sheet C203, Site Plan Detail (3 of 8);
  - q. Sheet C204, Site Plan Detail (4 of 8);
  - r. Sheet C205, Site Plan Detail (5 of 8);
  - s. Sheet C206, Site Plan Detail (6 of 8);
  - t. Sheet C207, Site Plan Detail (7 of 8);
  - u. Sheet C208, Site Plan Detail (8 of 8);
  - v. Sheet C300, Overall Grading Plan;
  - w. Sheet C400, Overall Utility Plan;
  - x. Sheet C409, Structure Tables;
  - y. Sheet C600, Details;

- z. Sheet C601, Details;
  - aa. Sheet C602, Details;
  - bb. Sheet C603, Details;
  - cc. Sheet C604, Details;
  - dd. Sheet C700, Overall Photometric Plan;
  - ee. Sheet C701, Photometric Plan (1 of 8);
  - ff. Sheet C702, Photometric Plan (2 of 8);
  - gg. Sheet C703, Photometric Plan (3 of 8);
  - hh. Sheet C704, Photometric Plan (4 of 8);
  - ii. Sheet C705, Photometric Plan (5 of 8);
  - jj. Sheet C706, Photometric Plan (6 of 8);
  - kk. Sheet C707, Photometric Plan (7 of 8);
  - ll. Sheet C708, Photometric Plan (8 of 8);
  - mm. Sheet EXH-1, Drainage Exhibit;
  - nn. Sheet EXH-1, Truck Turn Exhibit;
  - oo. Sheet EXH-2, Truck Turn Exhibit;
  - pp. Sheet EX-R.0, Exhibit R;
  - qq. Sheet EX-R.1, Exhibit R;
  - rr. Sheet 0.0, Cover Sheet;
  - ss. Sheet 1.0, Doubletrap Design Criteria;
  - tt. Sheet 2.0, Doubletrap System Layout;
  - uu. Sheet 3.0, Doubletrap Installation Specifications;
  - vv. Sheet 3.1, Doubletrap Installation Specifications;
  - ww. Sheet 4.0, Doubletrap Backfill Specifications;
  - xx. Sheet 5.0, Recommended Pipe/Access Opening Specifications;
  - yy. Sheet 6.0, Doubletrap Module Types;
4. PUD Submittal (Commercial Lot architectural plans), prepared by Torti Gallas + Partners, dated March 25, 2019, consisting of the following 39 sheets:
- a. Project Vision Narrative;
  - b. Existing Site Overall;
  - c. Illustrative Site Plan;
  - d. Building A – Elevations (all elevations, color);
  - e. Building A – Elevations (all elevations, black and white);
  - f. Building A – Rendering (1 of 2);
  - g. Building A – Elevations (north elevation, color);
  - h. Building A – Elevations (north elevation, black and white);
  - i. Building A – Elevations (north elevation (part 4) and west elevation, color);
  - j. Building A – Elevations (north elevation (part 4) and west elevation, black and white);
  - k. Building A – Rendering (2 of 2);
  - l. Building A – Elevations (south elevation (part 1) and south elevation (part 2), color);
  - m. Building A – Elevations (south elevation (part 1) and south elevation (part 2), black and white);
  - n. Building A – Elevations (north elevation (part 4) and north west elevation, color);
  - o. Building A – Elevations (north elevation (part 4) and north west elevation, black and white);
  - p. Building A – Plans (1 of 2);
  - q. Building A – Plans (2 of 2);
  - r. Building B – Elevations (Flix Brewhouse) (exterior concept, color);
  - s. Building B – Elevations (Flix Brewhouse) (exterior concept, black and white);
  - t. Building B – Plan (Flix Brewhouse);
  - u. Building B – Rendering (1 of 2);
  - v. Building B – Rendering (2 of 2);
  - w. Building D – Elevations (Cooper's Hawk) (north elevation and west elevation, color);
  - x. Building D – Elevations (Cooper's Hawk) (north elevation and west elevation, black and white);
  - y. Building D – Elevations (Cooper's Hawk) (east elevation and south elevation, color);
  - z. Building D – Elevations (Cooper's Hawk) (east elevation and south elevation (black and white);
  - aa. Building D – Plan (Cooper's Hawk);
  - bb. Building E – Elevations (north elevation, east courtyard elevation, west courtyard elevation, color);
  - cc. Building E – Elevations (north elevation, east courtyard elevation, west courtyard elevation, black and white);
  - dd. Building E – Elevations (west elevation, east elevation, south elevation, color);

- ee. Building E – Elevations (west elevation, east elevation, south elevation, black and white);
  - ff. Building E – Plan;
  - gg. Building E – Rendering;
  - hh. Diagrams – Pedestrian Circulation;
  - ii. Diagrams – Bicycle Circulation;
  - jj. Diagrams – Vehicular Circulation;
  - kk. Diagrams – Snow Storage;
  - ll. Site – Material Sample Board; and
  - mm. Building A – Tenant Signage, dated April 5, 2019 (provided as a supplemental attachment).
5. PUD Submittal – Supplemental Elevations, prepared by Torri Gallas + Partners, dated March 25, 2019, consisting of 10 sheets:
- a. Building A – Elevations (all elevations, black and white);
  - b. Building A – Elevations (north elevation, black and white);
  - c. Building A – Elevations (north elevation (part 4), west elevation, black and white);
  - d. Building A – Elevations (south elevation (part 1), south elevation (part 2), black and white);
  - e. Building A – Elevations (north elevation (part 4), north west elevation, black and white);
  - f. Building B – Elevations (Flix Brevhouse) (exterior concept, black and white);
  - g. Building D – Elevations (Cooper's Hawk) (north elevation, west elevation, black and white);
  - h. Building D – Elevations (Cooper's Hawk) (east elevation, south elevation, black and white);
  - i. Building E – Elevations (north elevation, east courtyard elevation, west courtyard elevation, black and white);
  - j. Building E – Elevations (west elevation, east elevation, south elevation, black and white); and
  - k. Building A – Elevations, dated April 5, 2019 (north elevations, black and white – provided as a supplemental attachment).
6. Sawmill Station PUD Submittal (Residential Lot architectural plans), prepared by Built Form, LLC, dated March 28, 2019 unless otherwise noted, consisting of the following 10 sheets:
- a. Sheet A-100, Site Plan & Zoning Summary, dated April 9, 2019;

- b. Surface and structured parking detail, undated;
  - c. Illustrative Site Plan;
  - d. Illustrative Typical Plans;
  - e. Illustrative Materials Concept;
  - f. Perspective Rendering (1 of 2);
  - g. Perspective Rendering (2 of 2);
  - h. Site Plan (with Zoning Summary);
  - i. Residential Elevations; and
  - j. Garage Elevations.
7. Sawmill Station Landscape Construction Package, prepared by The Lakota Group, dated March 28, 2019, unless otherwise noted, consisting of the following 11 sheets:
- a. Sheet L1.1, Planting Plan (1 of 8);
  - b. Sheet L1.2, Planting Plan (2 of 8);
  - c. Sheet L1.3, Planting Plan (3 of 8);
  - d. Sheet L1.4, Planting Plan (4 of 8);
  - e. Sheet L1.5, Planting Plan (5 of 8);
  - f. Sheet L1.6, Planting Plan (6 of 8);
  - g. Sheet L1.7, Planting Plan (7 of 8);
  - h. Sheet L1.8, Planting Plan (8 of 8);
  - i. Sheet L2.1, Plant Lists/Schedules;
  - j. Sheet L2.2, Seed Lists and Village Requirements; and
  - k. Sheet L2.3, General and Planting Notes.
- B. All final site development plans must be approved in writing by the Village Administrator or his designee and shall be consistent with the site layout and building setbacks shown on Sheet C200, Overall Site Plan, dated 4/3/19, prepared by Woolpert, and Sheet A100, Site Plan, dated 4/9/19, prepared by Built Form LLC., and based on final recommendations by staff, Appearance Commission, Traffic Safety Commission, Plan Commission, and/or Village Board of Trustees.
- C. Prior to the issuance of any building permits for new buildings, except as may be qualified below or as modified in writing on a building-by-building basis or otherwise by the Village Administrator, the Owner/Applicants and/or Developer shall have filed the following:
- 1. An updated Traffic and Parking Impact Study, addressing all the comments and questions included in the Traffic Safety Commission staff report, dated March 29, 2019, the Village

Engineer's staff report, dated April 4, 2019, Traffic Safety Commission Report, dated April 5, 2019, and Plan Commission staff report, dated April 10, 2019, and any additional comments or questions raised by the Plan Commission public hearing on April 15, 2019, for review and approval by the Village Engineer;

2. Final engineering plans in accordance with Village requirements and standards approved by the Village Engineer. Such final engineering plans shall comply with all current local, regional and state codes and regulations;

3. Stormwater Management Report;

4. Copy of the approved Metropolitan Water Reclamation District (MWRD) permit;

5. Copy of all permit applications and permits when issued and all other documents from the Cook County Forest Preserve District related to proposed integration of storm water management system;

6. Copy of the Illinois Environmental Protection Agency (IEPA) permit for water and sanitary systems;

7. Copy of the storm water notice of intent for the National Pollution Discharge Elimination System through IEPA;

8. Copy of all permit applications and permits when issued and other documents supporting all proposed improvements to and within the Illinois Department of Transportation (IDOT) public right-of-way, including but not limited to the realignment of the full vehicular access with Birch Street; and any required to the signalized intersection(s);

9. Prior to site lighting construction, approved final site Lighting/Photometric Plan;

10. A detailed Construction Management and Phasing (CMP) Plan, approved in writing by the Village Administrator, based on recommendations from the Director of Public Works, Village Engineer, Director of Community and Economic Development, Building Official, Fire Chief, and Police Chief. Such Construction Management and Phasing Plan shall include, but not be limited to:

a. Phasing plan for the project area covered by this approved PUD, specifically including Lots 3-13: Such phasing plan(s) should include projected timelines for each phase of construction, location of construction fencing during each phase, etc.

b. Designated Truck Routes: Such CMP Plan should include all designated traffic routes. The CMP Plan shall include the proposed methods by which the Developer will keep all routes

used for construction traffic free and clear of mud, dirt, debris, obstructions, and hazards. The Developer shall repair all damage caused by the construction traffic.

c. Construction Parking and Material Storage: The CMP Plan shall show the location where all construction vehicles, including passenger vehicles, and construction equipment and construction materials will be parked or stored within the Property, for each phase of the project. Any proposed off-site parking or storage area(s) located within the Village of Morton Grove shall be identified and subject to approval by the Village Administrator or his designee.

d. Open Commercial Facilities Plan: The CMP Plan shall show how any existing businesses, the associated parking areas/facilities, and their employees and customers will be protected from any potential impacts from the proposed construction activities.

e. Erosion Control Measures: Such CMP Plan shall include provisions for erosion control measures, including proposed silt fences, etc., to ensure that no construction debris enters the storm drains, public right-of-ways, or any general interior access routes during each phase of construction.

f. The Applicant shall submit updated CMP Plan, as needed, to accommodate any changes in project phasing, development, and/or locations of truck routes, material storage, and/or worker parking, during each subsequent phase of construction.

g. Snow Storage: If applicable, such CMP Plan shall include designated snow storage areas through each phase of construction.

h. Emergency Access: Such CMP Plan shall be developed in such a way to ensure that emergency vehicles have access to all areas of the site, particularly construction areas, through each phase.

i. Such CMP Plan shall include an emergency contact list for all key personnel during each phase of construction.

11. Landscape plans approved by the Village Administrator consistent with the recommendations of the Appearance Commission. Such approval may include modifications to and/or elimination of landscape islands and proposed trees, along the south property line, as needed to facilitate required access for delivery trucks and emergency vehicles. The Owner/Applicants shall make every effort to install additional landscape islands and trees elsewhere on the site, to offset any reduced landscaping along the south property line.



12. Detailed screening plans for dumpster and mechanical equipment, approved by the Village Administrator;

13. Final material samples and specifications for each building, to ensure such materials are consistent with the design, appearance, quality and durability of the material presented to the Appearance Commission at their April 3, 2019, meeting;

14. Before the residential parcel is sold or any buildings are occupied Declarations and Covenants or similar documents approved by the Village Administrator or his designee. Declarations and Covenants shall be developed in accordance with Section 12-8-2.B.3 and such other conditions required by the Village Administrator including minimum interior and exterior maintenance standards for the buildings and the Property. Such Declarations and Covenants shall cover both the commercial and residential uses, common areas, etc. and shall provide some framework for shared responsibilities for common infrastructure and/or property maintenance and/or cross-access easement, as applicable, should any of the lots be sold and/or operated by separate management companies.

D. Except as provided in Section C, no construction, improvement, or development of any kind shall be permitted on any portion of the Property unless and until the Final Plans are approved by the Village Administrator or his designee in accordance with this Ordinance. Notwithstanding the provisions within this condition, the Owner/Applicants and/or Developer may apply for and the Village Administrator may issue demolition, partial site work, foundation and/or building permits, throughout various phases of development, and prior to full staff approval of all items listed above, provided the Village has received sufficient data, documents and plans to support the work covered by each such partial permit(s).

E. The Owner/Applicants shall comply with all applicable provisions of Title 12, Chapter 8 regarding the content and submission of the final plat of subdivision and such final plat of subdivision shall be consistent with the approved preliminary plat.

F. The Owner/Applicants shall obtain all necessary signatures and file the final plat of subdivision and all required easements with the Recorder of Deeds of Cook County Illinois, and shall file three paper copies, one Mylar, and one electronic copy of the recorded plat and easements with the Building Commissioner for the Village of Morton Grove within 90 days of such recording.

G. The Owner/Applicants and Developer shall advise the Village Administrator or his designee of any proposed change in ownership or operation of the Property or any part thereof, including the Residential Facility/Lot and/or individual Commercial Facilities/Lots. Such changes may subject

the Applicant, Developer or subsequent owners, lessees, occupants, and users of the Property to additional conditions and may serve as the basis for further amendment to the PUD and the Waivers. The PUD and Waivers are granted so long as the Applicant, Developer and subsequent owner, occupant and users of this property utilize the area for the purposes as herein designated. The Owner/Applicants and the Developer, and any lessees, occupants, and users of the Property, their successors and assigns, shall allow employees and authorized agents of the Village access to the Property at all reasonable times for the purpose of inspecting the Property to verify all terms and conditions of this Ordinance have been met.

SECTION 5. Village Records. The Village Clerk is hereby authorized and directed to amend all pertinent records of the Village of Morton Grove to show and designate the special use and waivers as granted and amended hereunder.

SECTION 6. Failure to Comply with Conditions. Upon failure or refusal of the Applicant or Developer to comply with any or all of the conditions, restrictions or provisions of this Ordinance, the Corporate Authorities may initiate the revocation of the special use for the mixed-use PUD and/or the Waivers granted in this Ordinance, in accordance with process and procedures established in the Unified Development Code.

SECTION 7. Effective Date. This Ordinance shall be effective only upon the occurrence of all of the following events:

- A. Passage by the Board of Trustees of the Village of Morton Grove by a majority vote in the manner required by law;
- B. Publication in pamphlet form in the manner required by law;
- C. The complete execution and recordation of the Redevelopment Agreement;
- D. The filing by the Applicant and the Developer with the Village Clerk of an unconditional agreement and consent to accept and abide by each and all of the terms, conditions, and limitations set forth in this Ordinance. Said unconditional agreement and consent shall be in the form of Exhibit "D", attached to and, by this reference, made a part of this Ordinance. In the event the Owner and the Developer do not file with the Village Clerk a fully executed copy of this unconditional agreement and consent within 90 days after the date of passage of this Ordinance by the Corporate Authorities, the Corporate Authorities shall have the right, in their sole discretion, to declare this Ordinance null and void and of no force or effect.

PASSED this 13th day of May 2019.

Trustee Grear

Trustee Minx

Trustee Ramos

Trustee Travis


Trustee Thill

Trustee Witko

APPROVED by me this 13th day of May 2019.

  
Daniel P. DiMaria, Village President  
Village of Morton Grove  
Cook County, Illinois

APPROVED and FILED in my office this  
14th day of May 2019.

  
Eileen Scanlon Harford, Village Clerk  
Village of Morton Grove  
Cook County, Illinois

LIST OF EXHIBITS

EXHIBIT A  
EXHIBIT B  
EXHIBIT C  
EXHIBIT D

Legal Description  
Plan Commission Report  
Preliminary Plat of Subdivision  
Unconditional Agreement & Consent of Applicant and Developer

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

THAT PART OF LOT 1 LYING WEST OF THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 OF WHITE'S SUBDIVISION OF THE WEST 1/2 OF THE NORTHEAST 1/4 AND PART OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTH LINE OF SAID LOT 1, 180 FEET WEST OF THE INTERSECTION OF THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE SOUTH PERPENDICULAR TO THE SAID NORTH LINE OF LOT 1, 274.92 FEET; THENCE EAST ALONG A LINE PARALLEL WITH THE SAID NORTH LINE OF LOT 1, 373.27 FEET TO A POINT ON THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE NORTH ALONG THE SAID DESCRIBED EAST LINE, 275 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE WEST ALONG THE NORTH LINE OF SAID LOT, 180 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF SAID LOT 1 WITH THE EASTERLY LINE OF WAUKEGAN ROAD PER DOCUMENT 19952575, BEING A LINE 54.0 FEET (MEASURED PERPENDICULARLY) EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT 1; THENCE NORTH 453.333 FEET ALONG SAID EASTERLY LINE; THENCE NORTH 6 DEGREES 55 MINUTES 28 SECONDS EAST 91.24 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD TO A POINT, SAID POINT BEING 65.00 FEET (MEASURED PERPENDICULARLY) EAST OF THE WEST LINE OF SAID LOT 1; THENCE NORTH 1 DEGREE 16 MINUTES 22 SECONDS EAST 90.03 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD TO A POINT 67.00 FEET (MEASURED PERPENDICULARLY) EAST OF THE WEST LINE OF SAID LOT 1; THENCE NORTH 50 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD PER DOCUMENT 19952575 TO THE POINT OF CURVATURE; THENCE NORTHEASTERLY 110.122 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 70.00 FEET CONVEX TO THE NORTHWEST AND WHOSE CHORD BEARS NORTH 45 DEGREES 04 MINUTES 05 SECONDS EAST TO THE POINT OF TANGENCY; THENCE SOUTH 89 DEGREES 51 MINUTES 50 SECONDS EAST, 1062.70 FEET ALONG THE SOUTH LINE OF DEMPSTER STREET PER DOCUMENT 19952575 AND 19952576, BEING A LINE 54.00 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 1 TO THE POINT OF INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF A PARCEL OF LAND WHICH WAS DEDICATED FOR DEMPSTER STREET PER DOCUMENT 11634381; THENCE NORTH 0 DEGREES 08 MINUTES 30 SECONDS EAST 4.00 FEET ALONG SAID SOUTHERLY EXTENSION TO THE SOUTHWEST CORNER OF SAID PARCEL OF LAND PER DOCUMENT 11634381; THENCE SOUTH 89 DEGREES 51 MINUTES 50 SECONDS EAST 55.745 FEET ALONG A LINE 50.00 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 1 TO THE POINT OF INTERSECTION WITH A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE OF LOT 1 AT A POINT 325.00 FEET (MEASURED ALONG SAID NORTH LINE) WEST OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE SOUTH 0 DEGREES 08 MINUTES 10 SECONDS WEST 170.00 FEET ALONG SAID PERPENDICULAR LINE TO A POINT; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 84.13 FEET ALONG A LINE DRAWN PARALLEL WITH THE NORTH LINE OF SAID LOT 1; THENCE SOUTH 0 DEGREES 08 MINUTES 10 SECONDS WEST 249.85 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 13.514 FEET; THENCE SOUTH 0 DEGREES 06 MINUTES 44 SECONDS WEST 132.575 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 16 SECONDS EAST 0.18 FEET; THENCE SOUTH 0 DEGREES 06 MINUTES 44 SECONDS WEST 204.937 FEET TO THE POINT OF INTERSECTION

WITH THE SOUTH LINE OF SAID LOT 1, SAID POINT BEING 1102.502 FEET (MEASURED ALONG SAID SOUTH LINE) EAST OF THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 54 MINUTES 10 SECONDS WEST, 1102.502 FEET TO POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 WITH THE NORTH LINE THEREOF; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 180.00 FEET ALONG SAID NORTH LINE TO A POINT; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 50.00 FEET ALONG A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 145.00 FEET ALONG A LINE DRAWN PARALLEL WITH SAID NORTH LINE; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 170.00 FEET ALONG A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 84.13 FEET ALONG A LINE DRAWN PARALLEL WITH SAID NORTH LINE OF LOT 1; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 249.85 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 13.514 FEET; THENCE SOUTH 00 DEGREES 06 MINUTES 44 SECONDS WEST 132.575 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 16 SECONDS EAST 0.18 FEET; THENCE SOUTH 00 DEGREES 06 MINUTES 44 SECONDS WEST 204.937 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT 1, SAID POINT BEING 1156.502 FEET (MEASURED ALONG SAID SOUTH LINE) EAST OF THE SOUTHWEST CORNER OF SAID LOT 1, THENCE SOUTH 89 DEGREES 54 MINUTES 10 SECONDS EAST 402.568 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE NORTH 1 DEGREE 32 MINUTES 17.5 SECONDS EAST, 532.33 FEET ALONG SAID LINE TO A LINE DRAWN 274.92 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH SAID NORTH LINE OF LOT 1; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 173.27 FEET ALONG SAID PARALLEL LINE TO A LINE DRAWN PERPENDICULARLY TO THE NORTH LINE OF SAID LOT 1 AND PASSING THROUGH THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 08 MINUTES 10 SECONDS EAST 224.92 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PROPERTY INDEX NUMBERS

10-19-103-001-0000  
10-19-200-007-0000  
10-19-200-010-0000  
10-19-200-009-0000

To: Village President and Board of Trustees  
From: Steven Blonz, Chairperson, Plan Commission  
Ralph Czerwinski, Village Administrator  
Teresa Hoffman Liston, Corporation Counsel  
Zoe Heidorn, Land Use Planner/Coordinator

Date: May 13, 2019

Re: Plan Commission Case PC 19-02 (Sawmill Station): Request by IM  
Kensington MG LLC and UrbanStreet Group LLC-ACQ for a PUD and  
Subdivision to Construct a New Lifestyle Center.

#### Executive Summary

The applicants, IM Kensington MG LLC, the property owners ("Kensington" or "Owners") and UrbanStreet Group LLC-ACQ, ("UrbanStreet" or "Contract Purchasers") (Kensington and UrbanStreet are collectively referred to as "Applicants") have filed an application for a Special Use Permit of approval of a Planned Unit Development Special Use Permit to redevelop the existing shopping center located at the southeast corner of Dempster Street and Waukegan Road, common property address of 6711-6947 Dempster Street and 8745 Waukegan Road (the "Property"), as a multi-use development consisting of approximately 250 residential units, retail, restaurants, and entertainment uses. The Applicants also seek to subdivide the Property, which currently consists of 3 parcels of record, to 13 lots.

The Applicant seeks the following approvals and relief:

- Approval of a Planned Unit Development (PUD) Special Use (Sect. 12-6);
- Approval of a Mixed Use Development Special Use (Sect. 12-5-6);
- Approval of multiple buildings on one zoning lot as a PUD (Sect. 12-2-2.A.(4));
- Approval of a drive-through facilities Special Use (Sect. 12-4-3.D);
- Waivers for height of structures in excess of the permitted height (Sect. 12-4-3.E and 12-5-4.F);
- Approval of a physical fitness and health services facility greater than 1,000 square feet with accessory full body massage services Special Use (Sect. 12-4-3.D);
- Approval of a restaurant with drive-in/drive-through facilities Special Use (Sect. 12-4-3.D);
- Approval of open sales Lot (limited/seasonal), garden supply store/greenhouse accessory to grocery store (principal use sales area >10,000 sq. ft.) Special Uses (Sect. 12-4-3.D);
- Approval of theatre, microbrewery/micro-distillery with tavern, bar and cocktail lounge with live music and/or vocal entertainment as an accessory use Special Uses (Sect. 12-4-3.D);
- Approval of a multifamily dwellings (up to 80 ft. in height, with up to 250 dwelling units) Special Use (Sect. 12-4-3.D);
- Approvals and Associated Waivers pursuant to Village Code Sections:
  - 12-2-5, detached accessory structure (parking garage) in the rear yard of a commercial lot
  - 12-3-5, fencing requirements,
  - 12-5-4, multiple-family residential structure special development provisions,
  - 12-5-5, Special criteria for outdoor seating and drive-through facilities,
  - 12-5-6, mixed use development provisions relating to related to bulk, setbacks, lot coverage, floor area ratio, height, density, screening, lighting, and subdivision

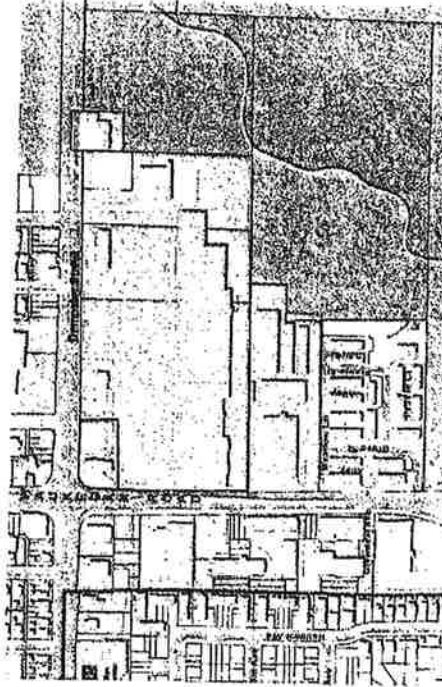
- design standards, density and floor area ratio, parking, loading, drive aisles, accessory buildings and uses, fences;
  - o 12-6-3. Planned Unit Developments, and
  - o 12-7. Parking and loading requirements
- Approval of a Preliminary Plat of Subdivision, with associated waivers pursuant to Sect. 12-8.

For the reasons set forth in this Report, on April 15, 2019, the Plan Commission unanimously recommended that the Village Board approve the Applicants' requests, grant the Special Use Permit and associated Variations, and approve the Preliminary Plat of Subdivision

#### Background

The Property is 26-acre parcel commonly known as 6711-6947 Dempster Street and 8745 Waukegan Road located at the southeast corner of Dempster Street and Waukegan Road in the C1 General Commercial District. The Property has been used as a shopping center for over fifty years but has fallen into disrepair and has been partially vacant for several years. Kensington purchased the Property in September, 2019. The legal description and property index numbers (PIN) for the Property are attached as Exhibit A.

The properties to the north of the Property, across Dempster Street, include the Prairie View Community Center and a mix of commercial uses including Gunzos, Elan Furs, Charcoal Flame, and Castle Honda. The properties to the west of the Property, across Waukegan Road, include a Shell service station and car wash, vacant property located at 8700 Waukegan, and the Morton Grove Estates, a five building, five-story residential condominium development. The properties to the south of the Property include a commercial storage facility and Trafalgar Woods, a 110-unit townhome development. The Cook County Forest Preserve District (Miami Woods) abuts the Property to east and southeast.



Map #1: Prairie View Plaza Shopping Center Overall Development Site (Area proposed for redevelopment in red, areas in blue will remain as existing)

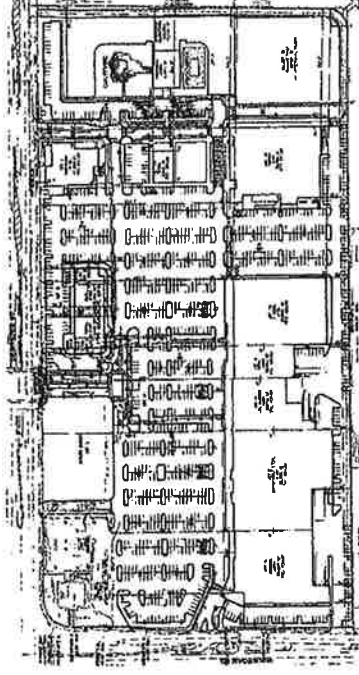
#### Application

Kensington, through its consultant WTK Consulting, Inc., and UrbanStreet Group filed an application with the Village on March 11, 2019, seeking approval for a Planned Unit Development (PUD) to construct a modern and pedestrian-friendly lifestyle center with "upgraded opportunities for shopping, dining, entertainment, and residential living." Pursuant to the plans submitted by the applicant, all existing structures, except for the Bank of America (BOA) building, will be demolished. The Property will be improved with a new main entry along Dempster Street, upgraded utilities, storm water retention facilities that comply with the Metropolitan Water Reclamation District's (MWRD) current standards, contemporary landscaping, new commercial and residential buildings sharing a common design theme, and improved pedestrian circulation and bicycle access to adjacent areas. The proposed buildings will include approximately 200,000 sq. ft. of new commercial space and will be supported by 1041 new parking spaces.

The Applicant proposes subdividing the Property into 13 lots. Lot 1 will contain the existing Bank of America building and its parking facilities. Lot 2 is currently vacant and expected to be developed in the future. Lot 3 will be improved with a small strip center with 4 proposed tenant spaces, 2 of which will include drive-through facilities. Lot 4 will be improved with a restaurant. Lot 6 will be a proposed grocery. Lots 7, 8, and 9 will be improved with retail stores. Lot 10 will be improved with a fitness center. Lot 11 will include all common shared parking. Lot 12 will be improved with a cinema and Lot 13 will contain a small retail building, parking lot, and an open green space area, which is part of the site's storm water management system.

Lot 5 is proposed as the residential portion of the Property and will be improved with a 7-story, 250-unit multi-family residential structure measuring approximately 75 feet in height, with 481 dedicated residential parking spaces for use by residents and guests. Most of the parking will be located in a parking garage on the southern portion of Lot 5. The proposed unit mix is as follows: 45 studios, 155 one-bedrooms, and 50 two-bedrooms.

Construction is anticipated to commence in summer of 2019. A portion of the commercial improvements are anticipated to be completed in 2020 and delivery of the entire project is planned for 2023.



Map #2: Overall Proposed Site Plan

The Unified Development Code allows for Planned Unit Developments (PUD) in the C1 District on properties greater than 1-acre and allows the Village Board to grant waivers for PUDs related to dimensional controls per Section 12-6 of the Unified Development Code.

### Plan Commission Public Hearing

#### Notice

Public notice of PC 19-02 for the April 15, 2019, Plan Commission public hearing was published in the *Pioneer Press* on March 28, 2019, and was mailed to surrounding property owners on March 28, 2019. A public notice sign was placed on the Property on April 1, 2019.

#### April 15, 2019, Proceedings

#### Introduction and Staff Reports

Nancy Radzevich, Director of Community & Economic Development, presented the case. The staff report dated April 10, 2019, attached hereto as Exhibit B was entered into the public record.

Ms. Radzevich summarized compliance with required notification requirements, provided a description of the existing site, and explained that the Property had changed ownership last fall. She noted the current owners and applicants are seeking approval of a Planned Unit Development (PUD) as a mixed use development. She provided an overview of the proposed project, with residential development on the east side and a mix of retail and entertainment type uses on the main western portion of the property.

Ms. Radzevich explained that the Owner/Applicants are also seeking approval of a Preliminary Plat of Subdivision, with the one residential lot (the "Residential Lot") on the east side, Lot 5, and twelve commercial lots (the "Commercial Lot"), which includes all proposed retail and entertainment uses and associated parking areas.

Ms. Radzevich noted that inclusion of a list of potential waivers in the project notice was requested by the Owner/Applicants as some minor aspects of the site design were being updated to respond to staff concerns when the notice was drafted.

The overall PUD, the Commercial Lot, and the Residential Lot comply with most requirements of the Unified Development Code's dimensional controls. However, the following waivers are being requested by the Applicant:

- Approval for multiple structures on a zoning lot as a PUD and on the Commercial and Residential Lots pursuant to Village Code Section 12-2-2:A.4.
- Waiver of the maximum permitted building height requirements for the Cinema/Microbrewery, to allow up to 50 ft. height, and for the multi-family structure to allow up to 75 ft. in height (per Sections 12-4-3:E and 12-5-4:F);
- Waiver of the maximum permitted density (24 units/acre) to allow up to 250 total units, which is approximately 52.5 units/acre (Section 12-5-4:C.1). Ms. Radzevich noted this waiver is only needed in relation to the Residential Lot. When evaluated against the overall PUD, the proposed density is well below the maximum limits established by Village Code.
- Waiver of the maximum permitted impervious lot coverage of 60% for multifamily developments to allow up to 70% impervious lot coverage (Section 12-5-4:I.2.).

Ms. Radzevich next reviewed the parking for the Commercial Lot. She noted that the two sub-lots without redevelopment plans will also be improved with parking facilities. Lot 1, the Bank of America building, has historically functioned as a stand-alone outlot with its own parking area. Lot 2, which is currently undefined, is similarly expected to be developed with sufficient parking to meet the projected demand of that future use. Ms. Radzevich noted that since the initial filing of the application, the plans have been updated to address access issues raised by the Morton Grove Fire Department. As a result, the number of proposed parking spaces on the Commercial Lot was reduced from 1065 to 1041. This still exceeds the Village Code requirement of 1040 parking spaces, under the Shared Parking Provisions of Section 12-7. Although the Owner/Applicants currently meet Village parking requirements, Ms. Radzevich noted that the Applicants have requested a 15-stall parking waiver as they believe they may lose additional spaces as they further refine the site development plans through building permit and final engineering plan development and review processes.

The Applicant is also seeking waivers to the loading berth requirement for 3 buildings – the fitness center, the cinema/microbrewery, and the restaurant. Village Code loading requirements do not distinguish between types of uses and require all commercial buildings over a certain size to have loading berths. Village Staff supports these 3 waivers as the proposed uses do not require large volume of deliveries.

Initially, the Owner/Applicants requested waivers to the residential parking requirements. However, during the review process the residential architects were able to redesign the parking deck to allow for additional on-site parking area. As a result, the proposed Residential Lot includes enough parking within the garage and the two surface lots to meet or exceed the parking requirements for multifamily residences. The proposed project meets the 1.75 parking space/unit requirement for residents and the 0.15 parking space/unit visitor parking requirement. The Applicant is also requesting waivers for the location of surface parking lot so that spaces may be located on the north and northeast sides of the building. While Village Code does not permit parking in a front yard or within a front yard setback, staff is supportive of the waiver for the site as it is consistent with the overall PUD development parking layout. Further, the provision is geared toward multifamily developments on smaller lots, particularly areas in the CR Commercial/Residential District.

Ms. Radzevich stated that most questions and issues raised in the staff report can be addressed through building permit and final engineering design and review processes. She highlighted a few of the questions and issues noted in the report, which she believes the Owner/Applicants should respond to at the public hearing or provide to the Plan Commission a plan to address those questions and issues.

Ms. Radzevich discussed the traffic study submitted by the Applicants. She noted that she and Chris Tomich, the Village Engineer, both had questions on the submitted traffic study. Specifically, she noted that staff took exception to the statement in the report that there would be no increase in traffic for this development when compared to the previous shopping center, at full occupancy. Ms. Radzevich stated that if this site is developed as proposed, there will be more traffic. Staff recommends the traffic engineer update its analysis and report to acknowledge the increased traffic and explain how that will be mitigated, if necessary, and/or how that increased traffic will be accommodated by the existing network and signals. The traffic engineer is expected to provide clarification on potential increased traffic and the potential impacts and/or mitigation.



Ms. Radzevich noted that staff also had some questions and concerns with regard to internal site circulation. In some areas, islands may need to be adjusted to provide larger turning radii for trucks and other commercial vehicles. The layout for Lot 3 includes several conflicts points: the access and exits to the drive through facilities on the south end of the building appear tight and may be challenging for some vehicles to access; the trash receptacles located at the drive through access for the coffee shop and may be problematic both for the trash company to access but also for retail staff to access; and there is no clear accessible pedestrian route to these uses from the residential building.

The Owner/Applicants indicated that they were aware of these issues and are already working through solutions. These issues, along with design details relating to landscape island layout and locations, snow storage areas, delivery, and emergency vehicles access routes, are types of issues that can and should be resolved through final site design and engineering.

On April 3 of 2019, the Appearance Commission reviewed the project's proposed facades and landscaping plan and recommended approval of Appearance Certificates with conditions. See minutes of the April 3, 2019, Appearance Commission meeting attached hereto as Exhibit C. The Appearance Commission supported the general design and proposed color scheme, but raised questions as to the long-term durability of the proposed materials. Two items discussed at the Appearance Commission, which were not fully resolved, related to the design of the two ends of the main retail building: the eastern facade of the LA Fitness and the western facade of the grocery, which faces Waukegan Road. The proposed facades have large sections of empty wall space that are non-descript and have the appearance of rear facades. Even though these are secondary facades, both will be highly visible to site users and the public right-of-way. The facades need further design work, which staff expects to be done through the building permit process. Significant changes to the design details, changes in materials, use of less quality materials, etc., will need additional review by the Appearance Commission.

At the Appearance Commission meeting, the Applicant requested a waiver/reduction from the requirement for landscaping area and trees along the south portion of property. Compliance with the requirement would cause the trees and landscape areas to the rear of the property to conflict with delivery truck and emergency vehicle access routes. This waiver will ensure that proper access for emergency and delivery vehicles is accommodated.

The project was reviewed by the Traffic Safety Commission on April 6, 2019. With some discussion, the Traffic Safety Commission voted to support the application with conditions. The Village Engineer's report to the Commission and the Chairperson's report of the Commission's actions are attached to Ms. Radzevich's report to the Plan Commission (Exhibit B) Attachment 1 and 2).

Ms. Radzevich noted the Applicant is required to follow the new MWRD requirements for underground storm water detention and water quality landscaping features on both the Commercial and Residential Lots. The Applicant will also upgrade and/or replace the site utilities. Mr. Tomich along with Corba, the Village's outside engineering firm, have been working closely with the Applicant's engineer, Woolpert, on the review and design of the storm water management system. Staff and the Applicants' consultant will continue to do so through the development and review of final stormwater management plan and final civil engineering plans.

Ms. Radzevich noted that when Kensington has defined plans and proposed uses/tenants for Lots 2 and 13, those plans will be required to go through the review process for those lots. As long as the tenant for Lot 13 is a general retail use (or use with a similar parking demand) that can locate within the building footprint as shown (or comparable), the tenant could go through basic building permitting process, with Appearance Commission review.

Ms. Radzevich concluded her presentation with a summary of the application. She noted that requested Special Use Permits, Variations, and waivers are typical and necessary for any modern lifestyle center. She noted that a lifestyle center is more viable than a large-scale retail center considering the volatility of the retail market.

#### Testimony From Applicant's Team

Jay Eck, one of the Principals at Kensington Development, began the presentation on behalf of the Owner/Applicants. He explained that Kensington, along with their equity partner, IM Properties, decided to purchase the property in the fall of 2018, without zoning entitlements, because they believed the Property was ideal for redevelopment as a lifestyle center. He explained that their team has experience with redevelopment of similarly "broken" shopping centers in strong demographic areas, having completed over 8 million square feet of commercial development since the recession ended.

Mr. Eck noted that Kensington completed its applications, plans, and supporting documents in less than 6 months when this scope of work typically takes between 12 and 18 months. He commended the Village staff on working with their team to expedite the reviews and feedback on the documents. He explained that they are under a critical timeline, per lease agreements, for a couple of the proposed tenants. He also noted that he believes the mix of uses proposed are some of the "best in class" and noted that the residential component will be a built-in customer base for these retailers. He explained that Bank of America has a long term lease, so that will remain, but everything else will be demolished and replaced. He provided a review of the site's proposed users. He also discussed the layout of the site and the rationale behind how they set up the proposed tenants. He spoke to staff's concern regarding potential parking competition between the fitness center and the cinema, noting that they believe there is sufficient parking for the mix of uses.

At the conclusion of his presentation, Chairperson Blonz asked if any of the commissioners had any questions of Mr. Eck. There were none at this time.

Luay Aboona, Principal at Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA) testified next. KLOA was hired by the Applicant to conduct the parking and traffic study. The firm performed traffic counts in December of 2018, when some of the previous uses were still active on-site. The firm looked at weekday morning, evening rush hour, and Saturday midday traffic patterns and focused on the intersection of Dempster and Waukegan and the existing curb cuts that currently serve the shopping center. Once the existing conditions were established, the firm determined how much traffic the proposed types of uses would generate considering the size of the center. KLOA then projected traffic counts for the next five years and analyzed how the future conditions would impact the existing intersection.

Mr. Aboona explained the Dempster and Waukegan intersection is very busy, carrying over 60,000 cars a day, and is part of a regional arterial network. The roadway has multiple lanes and double left turn lanes with very long cycle times at peak hours. He stated that while the delays may be undesirable, most of the vehicles are accommodated within the queuing stacks provided. Based on KLOA's analysis of future conditions, the current delays will continue to occur, but will not cause additional spillage or create additional delays.

The current intersection of Athletic Avenue and Dempster Street will continue as the main entry to the shopping center. The signalized intersection currently operates without left turn arrows, which compromises the efficiency of the intersection. KLOA has recommended this intersection be upgraded and equipped with the left turn arrows. He noted the Owner/Applicants will need to obtain Illinois Department of Transportation (IDOT) approval for this signal upgrade on the roadway system, as it falls under the agency's jurisdiction.

Mr. Aboona stated the Applicant plans to relocate the north entry to the Property east of Athletic Avenue to align with Birch Avenue. This access point is controlled by a stop sign and will likely be the main access point to the residential units. At peak hours, it is and will continue to be challenging for drivers to make left turns from this access point. Drivers will likely use the signalized intersection during peak times. Although staff noted some concerns with the Birch Avenue access, Mr. Aboona stated that it will be useful to have this full access available to help with traffic flow, particularly during non-peak times.

Mr. Aboona also addressed staff concerns related to the existing access drive at Waukegan Road, just south of the Bank of America site. He acknowledged staff's concerns that vehicles exiting here will often try to cut across Waukegan Road to access the left turn lane to westbound Dempster. He stated that this access drive has existed for years and believes that drivers will recognize that during peak times, that movement is not desirable. The Applicant is proposing to maintain this access point as-is because it helps to distribute traffic flow to Waukegan Road.

Mr. Aboona noted that the access drive closer to the proposed grocery store has three-quarter access, allowing right-in, right-out, and left-in movements. Left-out movement will be prohibited physically by an island and a median. The Applicant will also make internal changes to provide uninterrupted stacking and eliminate a point of conflict at this location. Mr. Aboona reviewed all other access drives on the site, which will remain in the same locations as existing access drives. He noted that the southernmost access to/from Waukegan, the "service drive", will be narrowed a bit, but still designed to accommodate necessary truck traffic.

KLOA concluded there is sufficient parking for both the residential and commercial developments. Both zoning lots meet the Village Code requirements and industry standards were used to verify parking demands. As shown in their report, they will meet or exceed parking demands.

Mr. Aboona then discussed staff's concern that the fitness center visitors will compromise parking for the cinema. He noted that the peak parking demand for the fitness center is typically in mornings and from 4-6pm, while the peak for the movie theatre is typically 7pm and later. Similarly, he believes the weekend parking demand peaks are staggered and will cause no issues with parking demands for both users.

Commissioner Gillespie asked Mr. Aboona if there is any plan to adjust the Waukegan-Dempster signal timing, given that this new development is going to generate significantly more traffic. Mr. Aboona responded that while there will be increased traffic, KLOA did not foresee the need to make any adjustments at this time. However, any decision to adjust the signal would be made by IDOT, as the signals are part of a larger interconnected system.

Commissioner Khan asked Mr. Aboona for clarification as to whether proposed on-site parking met the Village Code requirements. Mr. Aboona and Ms. Radzevich explained that earlier in the process the proposed plan did not provide for sufficient parking. The plan has evolved and the current plan as presented now has sufficient parking. She also asked about cars queuing up due to the Metra crossing. Mr. Aboona noted that the back-ups have and will continue to occur, and that there is little the Village can do. However, the new center will not significantly exacerbate this situation.

Commissioner Dorgan asked Mr. Aboona if Pace could make a "loop" through the center. Mr. Aboona stated that was within Pace's purview, but it was unlikely they would choose to enter private property.

Chairperson Blonz asked if the lane reduction on Dempster Street at Birch Avenue will make it more difficult for access from Birch Avenue, and if it would be possible to turn left. Mr. Aboona stated that the numbers of lanes and the amount of traffic would self-regulate and discourage such movement. Likewise, Oak Park Avenue would remain a difficult roadway from which to turn left onto Dempster. He also asked about crosswalks both at Athletic Drive and on Waukegan south of Dempster. Mr. Aboona stated a crosswalk currently exists on the Waukegan Rd

Chairperson Blonz asked for clarification about the internal changes at the access drive near the grocery store. Mr. Aboona noted the Owner was internally making this a "T" intersection, which will be much safer.

Chairperson Blonz asked if parking could be reserved for the cinema. He feels that otherwise, the fitness club members would monopolize the parking area to the west of the fitness facility. Mr. Aboona felt that while there would be some overlap, he thought the impact would be minimal.

Jonathan Grzywa of Woolpert, the Applicant's civil engineer, testified next. He reiterated the need for a parking waiver to provide flexibility in the event parking was reduced due to reconfiguration or relocation of some of the landscape islands or to accommodate vehicle circulation. He also noted that 21 ADA spaces are required by Code and 24 are being provided. The spaces may be redistributed based on the needs of various uses. The applicant is proposing to upgrade its infrastructure by constructing a new water main loop around the site, installing new fire hydrants, removing the existing sanitary lift station and replacing the existing storm sewer. The Property will be brought into compliance with the new MWRD Watershed Management Ordinance (WMO). Currently, the Property has no storm water management system. Instead, it drains to storm sewers in the middle of the lot, which connect to an existing 42 inch storm sewer that runs through the forest preserve into the creek. The proposed system will provide for on-site detention through the use of site amenities, brick pavers, plandings, filters, and restrictors. Storm water will eventually enter six underground vaults that will be connected to the existing 42 inch storm sewer at a reduced flow rate of less than 10 cubic feet per second. In response to Chairperson Blonz's inquiry, Mr. Grzywa stated that the system works like the region's deep tunnel, which stores water



and then slowly releases it into the sewer system. The on-site stormwater system will also help filter water as it enters the system. In the case of extreme flooding events, overflow holding areas are included in the system's design. In response to Commissioner Gabriel's question, the vault can be built under a building, but is typically constructed in a parking area for easy access.

Mr. Grzywa proceeded to review circulation routes for emergency vehicles, focusing on the residential area. The Applicant worked with staff to ensure that access ways will have sufficient room and can sustain the weight of ladder vehicles and aerial equipment. Delivery trucks will be directed to the rear of the buildings. Snow removal equipment will also be able to efficiently navigate the site. Snow removal areas will be designated near the perimeters of the property. In heavy snowfall, snow can be hauled off the property to mitigate parking issues.

Trash enclosure locations and access for garbage trucks for Building E have been designed to not interfere with drive-through lanes. In response to Commissioner Dorgan's question, Mr. Grzywa noted that there is roughly 15 feet of elevation change on the Property. The site has been designed to make sure that parking lot slopes are adequate for stormwater to drain to the storm sewer system, and make water drain away from finished floor elevations.

In response to Commissioner Khan's inquiry, Mr. Grzywa stated that the parking lot lighting will be upgraded to LED lights and decorative bollards will be installed. The lighting plan will be worked out through the building permit process. In response to Commissioner's Kintner's question, grocery cart corrals will be designated when the grocer is identified. Electric car charging stations will be added on the site at the request of the retailers.

Mr. Scott Freres presented the landscape plan for the project. Although the Applicant has requested relief from the number of trees required, the Applicant has tried to find creative ways to incorporate tolerant, non-invasive, and native plant species into a landscape plan that adds to the quality of the center. Plants, he noted, are used as storm water management features in the water treatment areas and are selected to hold water and filter out impurities. Sidewalks, sitting areas, curved and raised planters, removable pots, special areas, walkway connections, permeable pavers, pocket green spaces, and outdoor seating areas have been added to enhance the quality and character of the center and create a sense of place. Some users will have their own outdoor sitting areas. Parking areas will be planted with very tolerant plants that can withstand heavy snow loads and salting. Paved sidewalks will define pedestrian connections throughout the site and to the forest preserve. Bicycle parking areas have also been included in the site design. In response to Commissioner Khan's question, there will be a 10- to 15-foot ADA accessible area in front of the buildings to accommodate pedestrians and bicycles.

Ms. Amy Mockapetris from Torti Gallas, the Applicant's architect, then presented site design materials. The firm's vision was to combine traditional architecture and traditional materials to create a cohesive architectural theme that is sleek, modern, and dynamic. Storefronts and buildings were designed to be timeless, but also bold and fun. Many of the tenants, including LA Fitness, Flix Brewhouse, and Kohl's, have very strong prototypical branding styles. Torti Gallas worked with these tenants to respect their brand style, but created a cohesive architectural theme using similar materials and colors throughout the site. Materials were chosen to be durable, modular, and efficient.

The LA Fitness building will be a tilt-up concrete building, which is durable and strong but can be textured and painted to resemble traditional masonry. LA Fitness will have metal panels that resemble wood. A wainscoting was added to add variation to the facade. The Dollar Tree and Ross buildings will need to be presented to the Appearance Commission, but will be consistent in design with other buildings in the center. The Kohl's building will have darker gray accents and a white masonry texture panel. The grocery store will have a clean and modern aesthetic, and will include a wider array of materials. The rear elevations will include different colors and wainscoting to break up lengths of facade.

The Flix Brewhouse building has a north elevation facing Dempster and a west elevation facing LA Fitness. The cinema will have a large outdoor dining area. The facade will be tilt up concrete with a starburst painting technique and wood elements incorporating tiles of different textures. Decorative lighting has been included to create a sense of place.

The Cooper's Hawk building incorporates the restaurant's strong prototype but ties in with the center through the use of common materials, such as the dark brick used in the Kohl's facade. Cooper's Hawk will also have a covered patio area with decorative plantings to shield patrons and add an attractive visual element along Dempster Street.

Building E will be occupied by Starbucks and resemble the business's more modern small store concepts seen throughout the region. The building will incorporate decorative wood elements. The facade of the adjacent tenant space includes rose colored masonry, a material used throughout the center. Building E will also include an outdoor courtyard to break up the space. The Chipotle space will use the rose color brick and will have its own outdoor dining area.

Ms. Mockapetris noted that the rooftop HVAC units would be hidden to the extent possible by adjusting parapet heights and decorative screenings. She explained the benefits of using fiber cement panels: they allow for an endless diversity of colors and textures and are installed on a rail system, making them easy to repair, repaint, and replace. In response to Commissioner Gabriel's inquiry, Ms. Mockapetris explained that tilt-up concrete panels provide a high degree of insulation and are easy to maintain. The trusses for the roof rest on the panels. Commissioner Kintner asked about permanent shading element versus the use of umbrellas. Ms. Mockapetris stated the Applicant would consider the use of a permanent shading element, such as a pergola.

Chairperson Blonz requested and received an explanation of the structure of the panels. They are typically 12 inches thick with encased insulation. The panels are coated to mitigate water infiltration and have been used in shopping centers throughout the Chicagoland area. While the Applicant will not apply for LEED certification, many of the principles of sustainable site design and energy efficiency have been incorporated. The owner will also reuse some of the asphalt currently on-site through the demolition process and will try to use locally sourced materials as appropriate. Mr. Eck stated the buildings are designed to be energy efficient because the tenants will demand these cost saving measures.

Arden Freeman, the architect for the residential project, testified next. The residential building will be six stories and 75 feet tall with 250 units. The unit mix is approximately 20% studios, 50% one-bedroom units, and the remainder will be two-bedrooms units. This ratio was determined as a result of a market study conducted by the Applicants. The studio apartments will be approximately 550 sq. ft., the one-bedroom units will be approximately 750 sq. ft., and the two-

bedroom units will be 950 sq. ft. in area. The building will have two entrances, a pool, and a three-story parking structure with 430 spaces. Parking spaces will be 9' by 18'. Price ranges are targeted at market rate for luxury apartments, ranging from \$1,800/month to \$2,600/month. The location lends itself to a younger demographic, which will typically opt for one-bedroom units.

#### Questions from the Audience and Commission

Chairperson Blonz called for questions from the audience. Eric Poders asked whether the hearing would be continued as he had concerns regarding traffic and density. He asked to cross examine the traffic expert. This request was denied as only interested parties who registered with the Village at least three business days prior to the hearing could cross-examine witnesses. JoAnne Rapp, a member of Vision Morton Grove, requested that at least 13% of the residential units be designated as affordable housing. Bob Burkhardt echoed this request. The Applicant noted that this project will be market-rate and that there are no plans to designate a portion of the units as affordable. Chndy Tanaka voiced her approval and excitement for the project and asked about security for the garage and fencing. Nikki Crisan also voiced her approval for the project, calling it hip and modern. Gia Schultz noted her excitement for the project and asked questions about bike traffic, parking, and access to the forest preserve. She also asked about bus stops and circulation. She was advised that the Applicant was working with the Cook County Forest Preserve District to establish an access agreement. The Applicant plans to incorporate bike parking throughout the site and will consider adding a bike sharing location on the Property. Pace is planning to upgrade the current bus stop adjacent to the site. Anna Kang also noted her excitement for the project and asked where the children in the apartment building would attend school. She was advised that the apartment building will be located in the School District 70. Based on the size of the units and the residential developer's experience, between 7 and 10 school-age students of all ages are anticipated to reside in the apartment building.

Commissioner Gabriel asked about timing of the future development marked on the Lot 2 site. Ms. Radzevich replied that the Applicant was waiting for the grocer to be selected before making a commitment as to what will be placed on that parcel. Plans for that business will need to be reviewed by the Plan Commission. He then asked about the development team's role in future management and operation of the center. Ms. Radzevich noted the Applicant will need to prepare controlling documents for both the commercial piece and the residential piece. The commercial piece is subdivided so that all the common elements are on one lot. The storm water management facilities serve both the residential and commercial parcels. Commissioner Dorgan asked about additional revenue to the Village. While those figures are not available, Ms. Radzevich noted that increased sales tax revenue will be significant. Commissioner Gillespie asked about the timeline for the project. Mr. Eck stated the project is on a tight timeline imposed by retailers that want to open next summer. He stated it is critical to the project that the PUD be approved as soon as possible. The residential timeline is more extended, with an anticipated ground breaking of next spring, followed by 18 months of construction and one year thereafter for the building to be "leased up." Commissioner Khan asked about health care services and massage service. Ms. Radzevich noted these accessory uses pertained to the anticipated services provided by LA Fitness.

#### Motion and Commission Approval

Commissioner Kintner then moved as follows:

With respect to Plan Commission Case #19-02, filed by JM Kensington MG LLC (through WIK Consulting) and UrbanStreet Group LLC-ACQ I move:

- I. The Plan Commission recommend approval of a Planned Unit Development/Special Use Permit for redevelopment of Sawmill Station (former Prairie View Shopping Center), for the 26 acre parcel of land located at the southeast corner of Dempster Street and Waukegan Road, common property address of 6711-6947 Dempster Street and 8745 Waukegan Road in Morton Grove, IL and legally described in Exhibit A including:
  - A. Approval of multiple principal buildings on one zoning lot, per Section 12-2-2-A.(4),
  - B. Waivers to loading berth requirements for Lots 4, 10, & 12,
  - C. Waiver of up to 15 parking stalls on the Commercial Lot,
  - D. Waiver of maximum height for the multi-family residence on Lots 5 (up to 80 ft.) and cinema on Lot 12 (up to 50ft.),
  - E. Waiver of the density requirements to allow up to 250 units on the 4.758 acre Residential Lot,
  - F. Waiver of the lot coverage requirement for the Residential Lot (up to 70%), and
  - G. Waiver of the location of the surface parking lot on the north side of the multi-family residence; and
  - H. Approval of special use permits for
    1. Mixed Use Development;
    2. Multiple Structures on Zoning Lot,
    3. Drive-Through Facilities,
    4. Height of Structures – in excess of the permitted height,
    5. Physical Fitness and Health Services greater than 1,000 square feet with accessory Massage Services-Full Body,
    6. Restaurant – Drive-In (Drive-Through),
    7. Open Sales Lot (limited/seasonal),
    8. Garden Supply Store/Greenhouse accessory to Grocery Store (sales area >10,000 sq. ft.),
    9. Theatre, Microbrewery/Microdistillery with Tavern, Bar and Cocktail Lounge with live music and/or vocal entertainment as an accessory use, and
    10. Multifamily Dwellings (up to 80 ft. in height, with up to 250 dwelling units);
      - a. Select waivers to Sections 12-2-5, 12-3-5, 12-4, 12-5-4, 12-5-5, 12-5-6, 12-6-3, and 12-7 related to bulk, setbacks, floor area ratio, screening, lighting, drive aisles, accessory buildings and uses, fences, and
      - b. Select criteria for specific commercial special uses and mixed use provisions as long as such select waivers are reflected in development plans and architectural elevations consistent with the approved PUD documents and plan; and
  - I. Approval of a Preliminary Plat of Subdivision, in accordance with Section 12-8; and
  - J. Waivers to the landscaping requirements and signage, as approved by the Appearance Commission.
- II. The PUD/Special Use Permit shall be subject to the following conditions:
  - A. The site and buildings shall be developed and operated consistent with the plans and supporting documents in the application, as specifically approved in writing by the Village Administrator including:
    1. Preliminary Plat of Subdivision, prepared by Woolpert, dated 3/7/19, unless otherwise noted, consisting of the following three sheets:
      - a. Sheet 1 of 3, Preliminary Plat of Subdivision;
      - b. Sheet 2 of 3, Preliminary Plat of Subdivision (over existing site conditions); and
      - c. Sheet 3 of 3, Preliminary Plat of Subdivision (legal description and signature blocks).

2. Traffic and Parking Impact Study - Proposed Sawmill Station Development, prepared by Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA), dated 3/26/19.
3. Site Improvement Plans, prepared by Woolpert, dated 3/1/19 REV: 4/3/19, unless otherwise noted, consisting of the following 51 sheets:

- a. Sheet C000, Cover Sheet;
- b. Sheet C001, General Notes;
- c. Sheet C002, MWRD (Metropolitan Water Reclamation District) Notes;
- d. Sheet C100, Existing Conditions Plan;
- e. Sheet C101, Demolition Plan (1 of 8);
- f. Sheet C102, Demolition Plan (2 of 8);
- g. Sheet C103, Demolition Plan (3 of 8);
- h. Sheet C104, Demolition Plan (4 of 8);
- i. Sheet C105, Demolition Plan (5 of 8);
- j. Sheet C106, Demolition Plan (6 of 8);
- k. Sheet C107, Demolition Plan (7 of 8);
- l. Sheet C108, Demolition Plan (8 of 8);
- m. Sheet C200, Overall Site Plan;
- n. Sheet C201, Site Plan Detail (1 of 8);
- o. Sheet C202, Site Plan Detail (2 of 8);
- p. Sheet C203, Site Plan Detail (3 of 8);
- q. Sheet C204, Site Plan Detail (4 of 8);
- r. Sheet C205, Site Plan Detail (5 of 8);
- s. Sheet C206, Site Plan Detail (6 of 8);
- t. Sheet C207, Site Plan Detail (7 of 8);
- u. Sheet C208, Site Plan Detail (8 of 8);
- v. Sheet C300, Overall Grading Plan;
- w. Sheet C400, Overall Utility Plan;
- x. Sheet C409, Structure Tables;
- y. Sheet C600, Details;
- z. Sheet C601, Details;
- aa. Sheet C602, Details;
- bb. Sheet C603, Details;
- cc. Sheet C604, Details;
- dd. Sheet C700, Overall Photometric Plan;
- ee. Sheet C701, Photometric Plan (1 of 8);
- ff. Sheet C702, Photometric Plan (2 of 8);
- gg. Sheet C703, Photometric Plan (3 of 8);
- hh. Sheet C704, Photometric Plan (4 of 8);
- ii. Sheet C705, Photometric Plan (5 of 8);
- jj. Sheet C706, Photometric Plan (6 of 8);
- kk. Sheet C707, Photometric Plan (7 of 8);
- ll. Sheet C708, Photometric Plan (8 of 8);
- mm. Sheet EXH-1, Drainage Exhibit;
- nn. Sheet EXH-1, Truck Turn Exhibit;
- oo. Sheet EXH-2, Truck Turn Exhibit;
- pp. Sheet EX-R.0, Exhibit R;
- qq. Sheet EX-R.1, Exhibit R;
- rr. Sheet 0.0, Cover Sheet;
- ss. Sheet 1.0, Doubletrap Design Criteria;
- tt. Sheet 2.0, Doubletrap System Layout;

- uu. Sheet 3.0, Doubletrap Installation Specifications;
  - vv. Sheet 3.1, Doubletrap Installation Specifications;
  - ww. Sheet 4.0, Doubletrap Backfill Specifications;
  - xx. Sheet 5.0, Recommended Pipe/Access Opening Specifications;
  - yy. Sheet 6.0, Doubletrap Module Types;
4. PUD Submittal (Commercial Lot architectural plans), prepared by Torti Gallas + Partners, dated March 25, 2019 unless otherwise noted, consisting of the following 39 sheets:
- a. Project Vision Narrative;
  - b. Existing Site Overall;
  - c. Illustrative Site Plan;
  - d. Building A - Elevations (all elevations, color);
  - e. Building A - Elevations (all elevations, black and white);
  - f. Building A - Rendering (1 of 2);
  - g. Building A - Elevations (north elevation, color);
  - h. Building A - Elevations (north elevation, black and white);
  - i. Building A - Elevations (north elevation (part 4) and west elevation, color);
  - j. Building A - Elevations (north elevation (part 4) and west elevation, black and white);
  - k. Building A - Rendering (2 of 2);
  - l. Building A - Elevations (south elevation (part 1) and south elevation (part 2), color);
  - m. Building A - Elevations (south elevation (part 1) and south elevation (part 2), black and white);
  - n. Building A - Elevations (north elevation (part 4) and north west elevation, color);
  - o. Building A - Elevations (north elevation (part 4) and north west elevation, black and white);
  - p. Building A - Plans (1 of 2);
  - q. Building A - Plans (2 of 2);
  - r. Building B - Elevations (Flix Brewhouse) (exterior concept, color);
  - s. Building B - Elevations (Flix Brewhouse) (exterior concept, black and white);
  - t. Building B - Plan (Flix Brewhouse);
  - u. Building B - Rendering (1 of 2);
  - v. Building B - Rendering (2 of 2);
  - w. Building D - Elevations (Cooper's Hawk) (north elevation and west elevation, color);
  - x. Building D - Elevations (Cooper's Hawk) (north elevation and west elevation, black and white);
  - y. Building D - Elevations (Cooper's Hawk) (east elevation and south elevation, color);
  - z. Building D - Elevations (Cooper's Hawk) (east elevation and south elevation (black and white));
  - aa. Building D - Plan (Cooper's Hawk);
  - bb. Building E - Elevations (north elevation, east courtyard elevation, west courtyard elevation, color);
  - cc. Building E - Elevations (north elevation, east courtyard elevation, west courtyard elevation, black and white);

- dd. Building E – Elevations (west elevation, east elevation, south elevation, color);
  - ee. Building E – Elevations (west elevation, east elevation, south elevation, black and white);
  - ff. Building E – Plan;
  - gg. Building E – Rendering;
  - hh. Diagrams – Pedestrian Circulation;
  - ii. Diagrams – Bicycle Circulation;
  - jj. Diagrams – Vehicular Circulation;
  - kk. Diagrams – Snow Storage;
  - ll. Site – Material Sample Board; and
  - mm. Building A – Tenant Signage, dated April 5, 2019 (provided as a supplemental attachment).
5. PUD Submittal – Supplemental Elevations, prepared by Torti Gallas + Partners, dated March 25, 2019 unless otherwise noted, consisting of 10 sheets:
- a. Building A – Elevations (all elevations, black and white);
  - b. Building A – Elevations (north elevation, black and white);
  - c. Building A – Elevations (north elevation (part 4), west elevation, black and white);
  - d. Building A – Elevations (south elevation (part 1), south elevation (part 2), black and white);
  - e. Building A – Elevations (north elevation (part 4), north west elevation, black and white);
  - f. Building B – Elevations (Flux Brewhouse) (exterior concept, black and white);
  - g. Building D – Elevations (Cooper's Hawk) (north elevation, west elevation, black and white);
  - h. Building D – Elevations (Cooper's Hawk) (east elevation, south elevation, black and white);
  - i. Building E – Elevations (north elevation, east courtyard elevation, west courtyard elevation, black and white); and
  - j. Building E – Elevations (west elevation, east elevation, south elevation, black and white).
  - k. Building A – Elevations, dated April 5, 2019 (north elevations, black and white – provided as a supplemental attachment)
6. Sawmill Station PUD Submittal (Residential Lot architectural plans), prepared by Built Form, LLC, dated March 28, 2019 unless otherwise noted, consisting of the following 10 sheets:
- a. Sheet A-100, Site Plan & Zoning Summary, dated April 9, 2019;
  - b. Surface and structured parking detail, undated;
  - c. Illustrative Site Plan;
  - d. Illustrative Typical Plans;
  - e. Illustrative Materials Concept;
  - f. Perspective Rendering (1 of 2);
  - g. Perspective Rendering (2 of 2);
  - h. Site Plan (with Zoning Summary);
  - i. Residential Elevations; and
  - j. Garage Elevations.

7. Sawmill Station Landscape Construction Package, prepared by The Lakota Group, dated March 28, 2019, unless otherwise noted, consisting of the following 11 sheets:
  - a. Sheet L1.1, Planting Plan (1 of 8);
  - b. Sheet L1.2, Planting Plan (2 of 8);
  - c. Sheet L1.3, Planting Plan (3 of 8);
  - d. Sheet L1.4, Planting Plan (4 of 8);
  - e. Sheet L1.5, Planting Plan (5 of 8);
  - f. Sheet L1.6, Planting Plan (6 of 8);
  - g. Sheet L1.7, Planting Plan (7 of 8);
  - h. Sheet L1.8, Planting Plan (8 of 8);
  - i. Sheet L2.1, Plant Lists/Schedules;
  - j. Sheet L2.2, Seed Lists and Village Requirements; and
  - k. Sheet L2.3, General and Planting Notes.
- B. Prior to Village Board approval of the Planned Unit Development, Special Use Permit and Preliminary Plat of Subdivision, the Owner/Applicants and/or Developers shall:
  1. Present the proposed façade elevations for the junior department and the general retail stores, Lots 8 and 9, respectively, to the Appearance Commission for review; and
  2. Comply with all applicable provisions of Title 12, Chapter 8 and address all comments, questions, and/or concerns identified in the Village Engineer's staff report dated April 4, 2019 and the Plan Commission staff report dated April 10, 2019, and provide an updated the Preliminary Plat Subdivision prior to the Village Board taking action on the Preliminary Plat of Subdivision.
- C. All site development plans must be revised and shall be consistent with the site layout and building setbacks shown on Sheet C200, Overall Site Plan, dated 4/3/19, prepared by Woolpert, and Sheet A100, Site Plan, dated 4/9/19, prepared by Built Form LLC., as amended and approved in writing by the Village Administrator or his designee based on final recommendations by staff, Appearance Commission, Traffic Safety Commission, Plan Commission, and/or Village Board of Trustees.
- D. Prior to the issuance of any site improvement or building permits, including but not limited to foundation only permits, the Owner/Applicants and/or Developer shall have filed the following:
  1. An updated Traffic and Parking Impact Study, addressing all the comments and questions included the Traffic Safety Commission staff report, dated March 29, 2019, the Village Engineer's staff report, dated April 4, 2019, Traffic Safety Commission Report, dated April 5, 2019, and Plan Commission staff report, dated April 10, 2019, and any additional comments or questions raised by the Plan Commission public hearing on April 15, 2019, for review and approval by the Village Engineer;
  2. Final engineering plans in accordance with Village requirements and standards, for review and approval by the Village Engineer. Such final engineering plans shall comply with all recommendations, comments, questions, and requested information in the Traffic Safety Commission staff report, dated March 29, 2019, the Village Engineer's staff report, dated April 4, 2019, Traffic Safety Commission Report, dated April 5, 2019, and Plan Commission staff report, dated April 10, 2019, and any additional comments or questions raised by the Plan Commission.

public hearing on April 15, 2019, Such final engineering plans shall comply with all current local, regional and state codes and regulations;

3. Stormwater Manager Report;
4. Copy of the approved Metropolitan Water Reclamation District (MWRD) permit;
5. Copy of any necessary permits or other documents from the Cook County Forest Preserve District related to proposed integration of storm water management system;
6. Copy of any approved permits or other documents supporting the pedestrian and bicycle access routes to/from Sawmill Station and the Forest Preserve District property;
7. Copy of the Illinois Environmental Protection Agency (IEPA) permit for water and sanitary systems;
8. Copy of the stormwater notice of intent for the National Pollution Discharge Elimination System through IEPA;
9. Copy of any approved permits or other documents supporting all proposed improvements to and within the Illinois Department of Transportation (IDOT) public right of way, including but not limited to the realignment of the full vehicular access with Birch Street, the proposed improvements for the pedestrian access across Waukegan Road, and any necessary improvement to the two signalized intersections;
10. A Final Site Lighting/Photometric Plan, for review and approval.
11. A detailed Construction Management and Phasing (CMP) Plan, for review and approval by the Village Administrator, based on recommendations from the Director of Public Works, Village Engineer, Director of Community and Economic Development, Building Official, Fire Chief, and Police Chief. Such Construction Management and Phasing Plan shall include, but not be limited to:

- a. Proposed phasing plan for the project area covered by this approved PUD, specifically including Lots 3-13: Such phasing plan(s) should include projected timelines for each phase of construction, location of construction fencing during each phase, etc.
- b. Designated Truck Routes: Such CMP Plan include all designated traffic routes. The CMP Plan shall include the proposed methods by which the Developer will keep all routes used for construction traffic free and clear of mud, dirt, debris, obstructions, and hazards. The Developer shall repair all damage caused by the construction traffic.
- c. Construction Parking and Material Storage: The CMP Plan shall show the location where all construction vehicles, including passenger vehicles, and construction equipment and construction materials will be parked or stored within the Property, for each phase of the project. Any proposed off-site parking or storage area(s) located within the Village of Morton Grove shall be identified and subject to approval by the Village Administrator or his designee.
- d. Open Commercial Facilities Plan: The CMP Plan shall show how any existing businesses, the associated parking areas/facilities, and their employees and customers will be protected from any potential impacts from the proposed construction activities.

- e. Erosion Control Measures: Such CMP Plan shall include provisions for erosion control measures, including proposed silt fences, etc., to ensure that no construction debris enters the storm drains, public right-of-ways, or any general interior access routes during each phase of construction.
- f. The Applicant shall submit updated CMP Plan, as needed, to accommodate any changes in project phasing, development, and/or locations of truck routes, material storage, and/or worker parking, during each subsequent phase of construction.
- g. Snow Storage: If applicable, such CMP Plan shall include designated snow storage areas through each phase of construction
- h. Emergency Access: Such CMP Plan shall be developed in such a way to ensure that emergency vehicles have access to all areas of the site, particularly construction areas, through each phase.
- i. Such CMP Plan shall include an emergency contact list for all key personnel during each phase of construction
12. Final landscape plans, consistent with the plans listed in Condition A. In accordance with the Appearance Commission recommendations, such final landscape plans may include modifications to and/or elimination of landscape islands and proposed trees, along the south property line, as needed to facilitate required access for delivery trucks and emergency vehicles. The Owner/Applicants shall make every effort to install additional landscape islands and trees elsewhere on the site, to offset any reduced landscaping along the south property line.
13. Detailed screening plans for dumpster and mechanical equipment, for review and approval by the Director of Community and Economic Development;
14. Final architectural plans, consistent with those listed in Condition 1. Such final architectural plans shall address all comments, concerns and recommendations in the Appearance Commission staff report, dated March 29, 2019.
15. Final material samples and specifications for each building, prior to issuance of the individual building permits, to ensure such material are consistent with the design, appearance, quality and durability of the material present to the appearance commission at their April 5, 2019 meeting.
16. Declarations And Covenants or similar documents approved by the Village Administrator or his designee. Declarations and Covenants shall be developed in accordance with Section 12-8-2.B.3. Such Declarations and Covenants shall cover both the commercial and residential uses, common areas, etc. and shall provide some framework for shared responsibilities for common infrastructure and/or property maintenance and/or cross-access easement, as applicable, should any of the lots be sold and/or operated by separate management companies.
17. A detailed Construction Management Plan, including but not limited to: proposed development phasing plan, location of proposed construction and silt fencing, location of proposed contractor/subcontractor parking during each phase of construction, location of material storage during each phase of construction, proposed construction vehicle accessway(s); proposed truck routes to/from the site, etc.

E. No construction, improvement, or development of any kind shall be permitted on any portion of the Property unless and until the Final Plans are approved by the Village Administrator or his designee in accordance with this Ordinance. Notwithstanding the

provisions within this condition, the Owner/Applicants and/or Developer may apply for and the Village Administrator may issue partial site work, foundation and/or building permits, throughout various phases of development, and prior to full staff approval of all items listed above, provided the Village has received sufficient data, documents and plans to support the work covered by each such partial permit(s).

F. The Owner/Applicants shall submit all plans, details, and supporting documents to the Appearance Commission for review and approval, for proposed sign package, prior to installation of any such signage on the site;

G. The Owner/Applicants shall comply with all applicable provisions of Title 12, Chapter 8 regarding the content and submission of the final plat of subdivision and such finally plat of subdivision shall be consistent with the approved preliminary plat.

H. The Owner/Applicants shall obtain all necessary signatures and file the final plat of subdivision and all required easements with the Recorder of Deeds of Cook County Illinois, and shall file three paper copies, one Mylar, and one electronic copy of the recorded plat and easements with the Building Commissioner for the Village of Morton Grove within 90 days of such recording.

I. The Owner/Applicants and Developer shall advise the Village Administrator or his designee of any proposed change in ownership or operation of the Property or any part thereof, including the Residential Facility/Lot and/or individual Commercial Facilities/Lots. Such changes may subject the Applicant, Developer or subsequent owners, lessees, occupants, and users of the Property to additional conditions and may serve as the basis for further amendment to the PUD and the Waivers. The PUD and Waivers are granted so long as the Applicant, Developer and subsequent owner, occupant and users of this property utilize the area for the purposes as herein designated.

J. The Owner/Applicants and the Developer, and any lessees, occupants, and users of the Property, their successors and assigns, shall allow employees and authorized agents of the Village access to the Property at all reasonable times for the purpose of inspecting the Property to verify all terms and conditions of this Ordinance have been met.

The motion was seconded by Commissioner Dorgan and approved unanimously pursuant to a roll call vote of 6-0 (Commissioner Farkas being absent)

## Exhibit A Legal description and Property Index Numbers (PIN)



EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

**PARCEL 1:**

THAT PART OF LOT 1 LYING WEST OF THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 OF WHITE'S SUBDIVISION OF THE WEST 1/2 OF THE NORTHEAST 1/4 AND PART OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTH LINE OF SAID LOT 1, 180 FEET WEST OF THE INTERSECTION OF THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE SOUTH PERPENDICULAR TO THE SAID NORTH LINE OF LOT 1, 274.92 FEET; THENCE EAST ALONG A LINE PARALLEL WITH THE SAID NORTH LINE OF LOT 1, 173.27 FEET TO A POINT ON THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE NORTH ALONG THE SAID DESCRIBED EAST LINE, 275 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE WEST ALONG THE NORTH LINE OF SAID LOT, 180 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF SAID LOT 1 WITH THE EASTERLY LINE OF WAUKEGAN ROAD PER DOCUMENT 19952575, BEING A LINE 54.0 FEET (MEASURED PERPENDICULARLY) EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT 1; THENCE NORTH 453.333 FEET ALONG SAID EASTERLY LINE; THENCE NORTH 6 DEGREES 55 MINUTES 28 SECONDS EAST 91.24 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD TO A POINT; SAID POINT BEING 65.00 FEET (MEASURED PERPENDICULARLY) EAST OF THE WEST LINE OF SAID LOT 1; THENCE NORTH 1 DEGREE 16 MINUTES 22 SECONDS EAST 90.03 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD TO A POINT 67.00 FEET (MEASURED PERPENDICULARLY) EAST OF THE WEST LINE OF SAID LOT 1; THENCE NORTH 50 FEET ALONG SAID EASTERLY LINE OF WAUKEGAN ROAD PER DOCUMENT 19952575 TO THE POINT OF CURVATURE; THENCE NORTHEASTERLY 110.122 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 70.00 FEET CONVEX TO THE NORTHWEST AND WHOSE CHORD BEARS NORTH 45 DEGREES 04 MINUTES 05 SECONDS EAST TO THE POINT OF TANGENCY; THENCE SOUTH 89 DEGREES 51 MINUTES 50 SECONDS EAST, 1062.70 FEET ALONG THE SOUTH LINE OF DEMPSTER STREET PER DOCUMENT 19952575 AND 19952576, BEING A LINE 54.00 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 1 TO THE POINT OF INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF A PARCEL OF LAND WHICH WAS DEDICATED FOR DEMPSTER STREET PER DOCUMENT 11634381; THENCE NORTH 0 DEGREES 08 MINUTES 30 SECONDS EAST 4.00 FEET ALONG SAID SOUTHERLY EXTENSION TO THE SOUTHWEST CORNER OF SAID PARCEL OF LAND PER DOCUMENT 11634381; THENCE SOUTH 89 DEGREES 51 MINUTES 50 SECONDS EAST 55.745 FEET ALONG A LINE 50.00 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 1 TO THE POINT OF INTERSECTION WITH A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE OF LOT 1 AT A POINT 325.00 FEET (MEASURED ALONG SAID NORTH LINE) WEST OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE SOUTH 0 DEGREES 08 MINUTES 10 SECONDS WEST 170.00 FEET ALONG SAID PERPENDICULAR LINE TO A POINT; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 84.13 FEET ALONG A LINE DRAWN PARALLEL WITH THE NORTH LINE OF SAID LOT 1; THENCE SOUTH 0 DEGREES 08 MINUTES 10 SECONDS WEST 249.85 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 13.514 FEET; THENCE SOUTH 0

DEGREES 06 MINUTES 44 SECONDS WEST 132.575 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 16 SECONDS EAST 0.18 FEET; THENCE SOUTH 0 DEGREES 06 MINUTES 44 SECONDS WEST 204.937 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT 1, SAID POINT BEING 1102.502 FEET (MEASURED ALONG SAID SOUTH LINE) EAST OF THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 54 MINUTES 10 SECONDS WEST, 1102.502 FEET TO POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

**PARCEL 3:**

THAT PART OF LOT 1 OF WHITE'S SUBDIVISION IN SECTION 19, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1 WITH THE NORTH LINE THEREOF; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 180.00 FEET ALONG SAID NORTH LINE TO A POINT; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 50.00 FEET ALONG A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 145.00 FEET ALONG A LINE DRAWN PARALLEL WITH SAID NORTH LINE; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 170.00 FEET ALONG A LINE DRAWN PERPENDICULARLY WITH SAID NORTH LINE; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 84.13 FEET ALONG A LINE DRAWN PARALLEL WITH SAID NORTH LINE OF LOT 1; THENCE SOUTH 00 DEGREES 08 MINUTES 10 SECONDS WEST 249.85 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 13.514 FEET; THENCE SOUTH 00 DEGREES 06 MINUTES 44 SECONDS WEST 132.575 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 16 SECONDS EAST 0.18 FEET; THENCE SOUTH 00 DEGREES 06 MINUTES 44 SECONDS WEST 204.937 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT 1, SAID POINT BEING 1156.502 FEET (MEASURED ALONG SAID SOUTH LINE) EAST OF THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 89 DEGREES 54 MINUTES 10 SECONDS EAST 402.568 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF THE WEST 763.00 FEET OF THE EAST 26.31 ACRES OF SAID LOT 1; THENCE NORTH 1 DEGREE 32 MINUTES 17.5 SECONDS EAST, 532.33 FEET ALONG SAID EAST LINE TO A LINE DRAWN 274.92 FEET (MEASURED PERPENDICULARLY) SOUTH OF AND PARALLEL WITH SAID NORTH LINE OF LOT 1; THENCE NORTH 89 DEGREES 51 MINUTES 50 SECONDS WEST 173.27 FEET ALONG SAID PARALLEL LINE TO A LINE DRAWN PERPENDICULARLY TO THE NORTH LINE OF SAID LOT 1 AND PASSING THROUGH THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 08 MINUTES 10 SECONDS EAST 224.92 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

**PROPERTY INDEX NUMBERS**

10-19-103-001-0000  
10-19-200-007-0000  
10-19-200-010-0000  
10-19-200-009-0000

**Exhibit B**  
**Staff Report Dated April 10, 2019**

**To:** Chairperson Blonz and Members of the Plan Commission

**From:** Nancy Radzevich, AICP, Community and Economic Development Director

**Date:** April 10, 2019

**Re:** Plan Commission Case PC 19-02 (Sawmill Station); JM Kensington MG LLC (through WJK Consulting) and UrbanStreet Group LLC-AQC are requesting approval of a Planned Unit Development Special Use Permit for redevelopment of the existing shopping center located at the southeast corner of Dempster Street and Waukegan Road, common property address of 6711-6947 Dempster Street and 8745 Waukegan Road, in the C1 General Commercial District per Title 12, Chapter 6 with multiple buildings on one zoning lot, per Section 12-2-2(A)(4); approval of special use permits for: Mixed Use Development, Multiple Structures on Zoning Lot, Drive-Through Facilities, Height of Structures – In excess of the permitted height, Physical Fitness and Health Services greater than 1,000 square feet with accessory Massage Services-Full Body, Restaurant – Drive-In (Drive-Through), Open Sales Lot (limited/seasonal), Garden Supply Store/Greenhouse accessory to Grocery Store (sales area >10,000 sq. ft.), Theatre, Microbrewery/Microdistillery with Tavern, Bar and Cocktail Lounge with live music and/or vocal entertainment as an accessory use, and Multifamily Dwellings (up to 80 ft. in height, with up to 250 dwelling units); select waivers to Sections 12-2-5, 12-3-5, 12-4, 12-5-4, 12-5-5, 12-5-6, 12-6-3, and 12-7 related to bulk, setbacks, lot coverage, floor area ratio, height, density, screening, lighting, and subdivision design standards, density and floor area ratio, parking, loading, drive aisles, accessory buildings and uses, fences, and select criteria for specific commercial special uses and mixed use provisions; and approval of a Preliminary Plat of Subdivision, with associated waivers, in accordance with Section 12-8, of Ordinance 07-07 (Village of Morton Grove Unified Development Code).

**STAFF REPORT**

**Public Notice**

The Village provided public notice of PC 19-02 for the April 15, 2019 Plan Commission public hearing in accordance with the Unified Development Code. The *Pioneer Press* published the public notice and the Village mailed letters notifying surrounding property owners on March 28, 2019, and a public notice sign was placed on the subject property on April 1, 2019.

**Background**

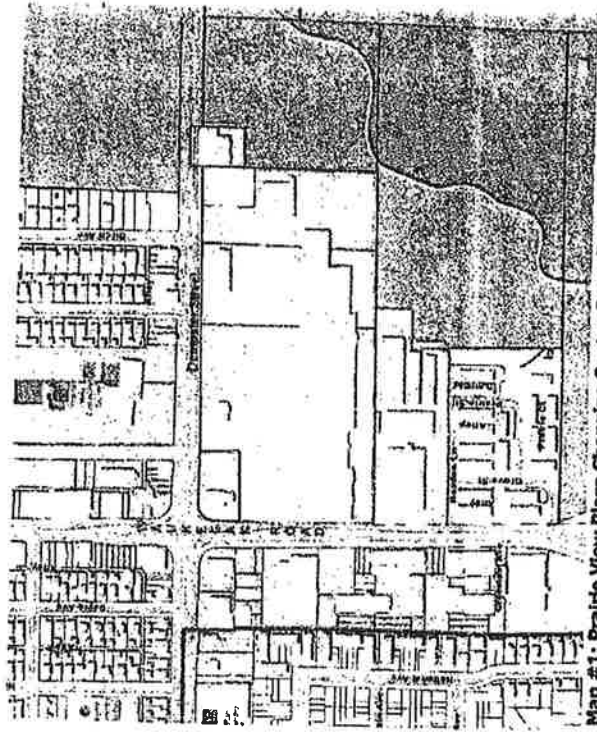
**The Subject Property**

The approximately 26-acre subject property is located at the southeast corner of Dempster Street and Waukegan Road. The site, with the common property address of 6711-6947 Dempster Street and 8745 Waukegan Road, is located in the C1 General Commercial District, and is currently improved with and has been utilized as a commercial shopping center. Since the change in ownership last fall, some selected demolition has occurred and many of the existing tenants have vacated their spaces in anticipation of further demolition.



### The Surrounding Area

The properties to the north of the subject property, across Dempster Street, include the Prairie View Community Center and a mix of commercial uses (including Gunzios, Elan Furs, Charcoal Flame, and Castle Honda); the proposed 8700 Waukegan Road mixed use development (with 187 apartments and 14,000 sq. ft. of retail planned) and the existing Morton Grove Estates, a five building, five-story residential condominium development, are to the west, across Waukegan Road; a commercial storage facility is located immediately to the south of the development site; and the Miami Woods Cook County Forest Preserve abuts the subject property to east and southeast. (See Context Map below and Zoning Map on Page 26).



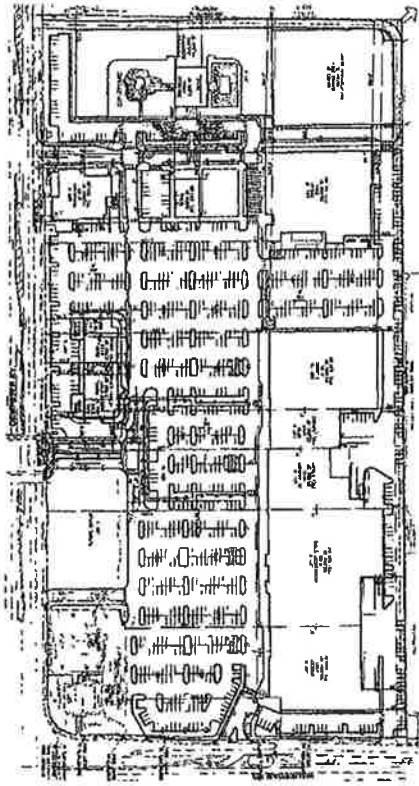
Map #1: Prairie View Plaza Shopping Center Overall Development Site (Area proposed for Redevelopment in Red, Area in Blue will remain as existing)

### Overview of the Application

IM Kensington MG LLC, the property owners ("Owners") and commercial development applicants ("Applicants") and UrbanStreet Group LLC-AQC ("Applicants") are seeking approval of a Planned Unit Development (PUD), with more than one principal building on a zoning lot and waivers to select setbacks, lot coverage, floor area ratio, height, density, screening, lighting, and subdivision design standards, density and floor area ratio, parking, loading, drive aisles, accessory buildings and uses, fences, and select criteria for specific commercial special uses and mixed use provisions; and approval of special uses for Mixed Use Development, Multiple Structures on Zoning Lot, Drive-Through Facilities, Height of Structures - in excess of the permitted height, Physical Fitness and Health Services greater than 1,000 square feet with accessory Massage Services-Full Body, Restaurant - Drive-In (Drive-Through), Open Sales Lot (limited/seasonal), Garden Supply

Store/Greenhouse accessory to Grocery Store (sales area >10,000 sq. ft.), Theatre, Microbrewery/Microdistillery with Tavern, Bar and Cocktail Lounge with live music and/or vocal entertainment as an accessory use, and Multifamily Dwelling, to redevelop the former Prairie View Plaza Shopping Center. The proposed development project includes the existing Bank of America ("BOA") site plus approximately 227,250 sq. ft. of total new commercial space with 1041 new parking spaces (on new Lots 3-13) and up to 250 residential units with 481 dedicated residential parking spaces (for residents and their guests).

The Unified Development Code allows for Planned Unit Developments in the C1 District on properties greater than 1-acre and allows the Village Board to grant waivers for PUDs related to dimensional controls per Section 12-6 of the Unified Development Code.



Map #2: Overall Proposed Site Plan

The Owner and Applicants are proposing to demolish all existing structures except the BOA building (8745 Waukegan, outlined in Blue in Map#1) and redevelop the site with a Mixed-Use PUD, consisting of a 250-unit 7 story residential structure, on a separate residential zoning lot, and retail and entertainment development on the adjacent Commercial zoning lot. That commercial zoning lot will be further subdivided into 12 separate parcels. Lot 1 will contain the existing Bank of America building and its parking facilities. Lot 2 is currently vacant and expected to be developed in the future. Lot 3 will be improved with a small strip center, with 4 proposed tenant spaces, 2 of which will include drive-throughs. Lot 4 will be improved with a restaurant. Lot 6 will be a proposed grocery. Lots 7, 8, and 9 will be improved with retail stores. Lot 10 will be improved with a fitness center. Lot 11 will include all the common shared parking. Lot 12 will be improved with a cinema, and Lot 13 will be a small future retail building, small parking lot, and an open green space area, which is part of the storm water management system.

The residential lot, Lot 5, will be developed with a multi-family residential building, up to 75 ft. in height, with up to 250 dwelling units and a parking garage at the rear. The proposed unit mix is as follows: 45 studios, 155 one-bedrooms, and 50 two-bedrooms.

Proposed Use	Lot	lot area (SF)	lot acreage	bidg. area (SF)	FAR
Existing Bank of America	1	44,310	1.017	5,278	0.121
Undefined	2	43,557	1.000	-	-
Small Strip center/Drive-thru's	3	46,727	1.073	12,000	0.257
Restaurant	4	24,700	0.567	11,950	0.484
Grocery	6	80,115	1.839	35,000	0.437
Retail (Dept. Store)	7	80,276	1.843	55,000	0.685
Retail (Dr. Dept. Store)	8	42,770	0.982	20,800	0.462
Retail	9	25,969	0.596	12,000	0.462
Fitness Center	10	57,280	1.315	37,000	0.646
Parking/Common Areas	11	402,381	9.237	-	-
Cinema/Brewhouse/Restaurant	12	73,600	1.690	39,500	0.537
Retail	13	9,783	0.225	4,000	0.408
Commercial Total		931,468	21.384	232,628	0.25
Residential Building				256,000	1.235
Parking Deck Structure	5	207,243	4.758	160,000	0.772
Residential Total				416,000	2.007
<b>OVERALL TOTAL</b>		<b>1,138,711</b>	<b>26.141</b>	<b>648,628</b>	<b>0.57</b>

The Owner is planning a phased construction project that would start in late summer. Portions of the commercial lot would be improved by spring/summer 2020, and the next phases would be completed in 2021-22.

Staff notes that when the developer has defined plans and proposed uses/tenants for Lots 2 and 13, they will be required to go through the review process for those lots. As long as the tenant for Lot 13 is a general retail use (or use with a similar parking demand), which can locate within the building footprint as shown (or comparable), then it is anticipated that tenant could go through basic building permitting process, with Appearance Commission review. Lot 2 will be processed as an amendment to the PUD, since no site plan, parking, etc. has been included in this application project.

#### Zoning Analysis/Variations Requested

The Applicant has filed an application for approval of a mixed use Planned Unit Development (PUD). Within this PUD, there are two distinctive, but connected zoning lots. The main portion of the site, the Commercial Lot, is designed as a retail, restaurant, and entertainment center, while the eastern portion is proposed to be a 250 unit, seven story multi-family development, with a 3 level parking deck and some dedicated surface visitor parking.

While there are vehicular and pedestrian interconnections and some correlation between the architecture, the two lots each have their own dedicated parking areas. Further, it is anticipated the residential portion will have a separate property manager. As such, this overall mixed use PUD is best evaluated as a PUD with two primary zoning lots - a 4.76 acre residential zoning lot and a 21.38 acre commercial lot, with 12 sub-lots.

Staff notes that nearly all of the plans and supporting documents included in this review and within the packet are the identical plans that were reviewed by the Appearance Commission, Traffic Safety Commission and Village Staff. There are two notable differences that staff needs to point out up front, to avoid any confusions related to consistency of plans:

- ✓ Civil Engineering Plans (Sheets C200-C208, EXH1-3), dated April 3, 2019 and Residential Site Plan - Sheet A100, dated April 9, 2019: The Plan Commission's packet includes a slightly modified version of these site plans. The recently updated plans are a result of staff concerns, particularly the Fire Department's concern, about the need for them to have sufficient room to access the residential building, in times of emergency. The Civil Engineer and the Residential Architect worked through the early part of this week to address this concern. These updated plans are progress prints, but are important to include to show that they can address the life safety issues, with the shifting of the residential building, parking decks and the access road between the parking deck and the cinema. Due to these shifts, the dimensional controls and zoning analysis, particularly for the Residential Zoning Lot, were modified a bit. *NOTE: to ensure all necessary waivers and/or approvals are granted, staff has used these updated dimensional controls for the zoning review below.*

- ✓ Façade Elevations for Jr. Department and General Retail stores (Lots 8 and 9): The developer just received the approval from the prospective tenants for the façade designs for these two spaces. While these elevations were not included in the Appearance Commission packet, staff has reviewed these with the Chairperson and he noted that because the material are similar to the elevations the Commission reviewed on April 5<sup>th</sup>, he recommends they be included with the Plan Commission review packet, with the condition those elevations be submitted to the full appearance commission for review prior to adoption of the PUD ordinance. It is expected these elevations will be reviewed by the Appearance Commission at their May meeting, which will held prior to the Village Board taking action on the PUD ordinance.

Staff notes that these plans and elevations provide additional key information and/or respond to a key site access issue, but do not really impact the comments, notes, issues and/or recommendations identified by the Appearance Commission, Traffic Safety Commission or other staff reviews. As such, although the other plans for the landscaping, civil engineering, etc. have not all been updated to reflect the progress change on the residential site, staff believe those changes can be done at time of permitting, to reflect the new setbacks, and such modifications will not change the overall intent of the PUD or the proposed commercial and residential development plans.

### Commercial Zoning Lot Analysis

The following table provides a comparison of proposed commercial/entertainment development on the Commercial Zoning Lot against the relevant dimensional controls:

DIMENSIONAL CONTROL	ORDINANCE REQUIREMENT	PROPOSED	COMMENT
Lot Size for PUD Eligibility	1 acre minimum (Sec. 12-6-3:D.4)	Overall Site is 26 acres	Compliant
Front Yard (west and north)	0 ft. (Sec. 12-4-3:E)	Waukegan Road: 17.31 +/- ft. (existing BOA); 59.4 ft. (proposed grocery) Demopster Street: 17.31 +/- ft. (existing BOA); 15 ft. (proposed restaurant)	Compliant  Compliant
Side Yard (south)	0 ft.; but if provided, it shall not be <5 ft. (Sec. 12-4-3:E)	46 ft. (department store - closest)	Compliant
Rear Yard (east at Residential Zoning Lot line)	5 ft. (Sec. 12-4-3:E)	Restaurant: 51.6 ft. Future Retail: 60.5 ft. Cinema/restaurant / microbrewery: 26.4 ft.	Compliant
Building Height	40 ft. (Sec. 12-4-3:E)	All = 40 ft. except Cinema/restaurant/microbrewery = 50 ft.	Compliant except Cinema/restaurant/microbrewery = 10 ft. waiver requested
FAR	2.0 (Sec. 12-4-3:E)	0.25	Compliant
Number of structures on a zoning lot	Only one principal building allowed on a zoning lot (Sec. 12-2-2:A.)	Up to 14 buildings on overall PUD lot; up to 13 buildings on Commercial Lot; up to Commercial sub-Lot 3	Seeking approval of multiple structures on one zoning lot, through the PUD

### Residential Zoning Lot Analysis

The following table provides a comparison of Multifamily Development on the Residential Zoning Lot against the relevant dimensional controls:

DIMENSIONAL CONTROL	ORDINANCE REQUIREMENT	PROPOSED	COMMENT
Lot Size for PUD Eligibility	1 acre minimum (Sec. 12-6-3:D.4)	Overall Site is 26 acres	Compliant
Density	Min. of 1,815 sq. ft. per unit OR max of 24 units / acre = Max. of 114 Unit on 4,758 acres (Res. Lot) (Sec. 12-5-4:C.1.)	250 units = 52.54 units / acre (Res. Lot)	Waiver of 136 units requested
Lot Width	Min. 50 ft. (Sec. 12-5-4:D.)	281.43 ft.	Compliant
Front Yard (north)	15 ft. by right; 10 ft. by Special Use (Sec. 12-5-4:E.1.)	62.3 ft.	Compliant
Side Yard (east & west)	Min. of 5 ft. for bldg's up to 20 ft. high; + 1 ft. for each 3 additional ft. in height, up to 10 ft. setback (Sec. 12-5-4:E.2.)	East = 31 ft. (residential bldg.); 24.6 ft. (parking deck) West = 53.4 ft. (residential bldg.-closest); 89.5 ft. (lobby); 25.25 ft. (parking deck)	Compliant  Compliant
Rear Yard (east)	18 ft. (Sec. 12-5-4:E.3.)	24 ft.	Compliant
Building Height	45 ft. (Sec. 12-5-4:F.)	75 ft.	30 ft. waiver requested
FAR	2.0 (Sec. 12-4-3:E)	1.235 (NOTE: parking deck will be open structure, as such not included in FAR.)	Compliant
Impervious Lot Coverage	Max. of 60% (Sec. 12-5-4:I.2.)	70%	Waiver requested to allow up to 70%
Number of structures on a zoning lot	Only one principal building allowed on a zoning lot (Section 12-2-2:A.)	Up to 14 buildings on overall PUD lot; up to 2 buildings on Residential Lot	Seeking approval of multiple structures on one zoning lot, through the PUD

As shown in the tables above, the Owner and Applicants are seeking approval of the following waivers for the proposed Planned Unit Development in the C1 District, pursuant to Section 12-6:

- Section 12-2-2-A.4: Approval to allow multiple structures on a zoning lot as a planned unit development for overall PUD and on the Commercial and Residential Zoning Lots;
- Sections 12-4-3-E and 12-5-4-F: Waivers to the maximum permitted building height requirements for commercial (40 ft.) and multi-family structures (45 ft.) to allow one commercial building to be up to 50 ft. and the residential structure to be up to 75 ft.;
- Section 12-5-4-C.1: Waiver to the maximum permitted density to be up to 250 total units (approx. 52.54 units / acre); and
- Section 12-5-4.1.2: Waiver to the maximum permitted impervious lot coverage requirement for multi-family developments to allow up to 70%.

#### Site Development

##### Site Access

The existing shopping center has seven (7) ingress/egress points: three (3) access driveways via Waukegan Road and four (4) access ways via Dempster Street. The Owner/Applicants are proposing to maintain all of the access ways along Waukegan and the two western most access ways along Dempster, as they currently exist. The existing full access east of the signalized intersection at Dempster and Athletic Avenue will be moved to align with Birch Street and eastern most access way to/from Dempster will be converted to a fire lane, which will be limited to emergency vehicles only. The Village Engineer raised some questions and concerns with the realignment of Birch as well as with maintaining the northern most "right-in, right-out" along Waukegan Road (See Comments 54-56 in the attached report). The Village Engineer also notes that additional information is needed for the mid-block pedestrian crossing between the service drive and the south access along Waukegan. (See Comment 58 in the attached report) ***The developer is expected to provide responses and/or additional data or supporting documents, as necessary, at the public hearing related to these concerns.***

##### Internal Vehicular Access - General

Generally, the internal circulation seems appropriate for general vehicle (non-emergency, non-delivery, etc. vehicles) movements through the site. While there are some islands that have tight radii which might be difficult for larger SUV's to manage, the refinement of the size and/or locations of some of the islands can be done through final engineering review and permitting.

Staff is more concerned with the ability for vehicles to access into, through and out of the two new drive-throughs on Lot 3. Based on the site layout and geometry of the drive-throughs, vehicles travelling west-bound on the northern most internal access driveway will have a hard time making the turn into the coffee drive-through. Similarly, those exiting the café drive through may have a difficult time turning west-bound to access the signalized intersection. While the Civil Engineer recently provided a graphic showing a passenger vehicle turning movements, due to time constraints, staff has not fully reviewed these plan yet. Staff did note, however, that the graphics are for a passenger vehicle, which may not effectively show movements for SUV's, which are increasingly more common vehicles. ***Prior to the public hearing, staff will review recently submitted turning plans and the developer should provide updated turning plan showing movements for SUV's.***

As along as safe access can be accommodated, staff notes that the proposed queuing capacity for both drive throughs meet or exceed code requirements. Further, the traffic engineer notes that the drive throughs meet expected queuing capacity in terms of number of vehicles.

Staff notes a concern with one aspect of the internal site circulation by the main retail building cluster. The proposed "drop off" areas on the north side of the grocery and near the small retail building are problematic. These area along and in front of the building should be maintained as clear fire lines. Further the location of these drop off area, along the southern most internal circulation routes and at or near pedestrian crossways, introduce additional potential vehicular and pedestrian conflict points. ***These "drop off" areas should be removed as part of the final engineer plan submittal. Staff will recommend a condition that no permits be issued until those are removed from the site plans.***

##### Internal Vehicular Access - Emergency Vehicles and Delivery Trucks

Although the Owner/Applicants have provided some truck turning plans, staff notes that they have not provided plans showing all movements for such vehicles. Of particular concern is how larger Fire Department vehicles will be able to access certain areas of the site where the islands have tight turning radii and/or narrow access points. For example, the access out of the one-way exit just west of the café drive-through lane appears too narrow for large vehicles to maneuver. In response to staff concerns with how delivery trucks will maneuver into and out of the loading docks along the south side of the large retail building, the Civil Engineer recently provided an additional truck turning plan. As expected, some of the islands along the back and the concrete dock extensions will need to be reduced in size and/or removed to ensure the delivery vehicles can get in and out of those loading docks. Understanding that these site changes may be necessary, staff had suggested and the Appearance Commission agreed to grant additional waivers to landscaping requirements to allow for the removal of any of the islands as necessary, along the south property line, to ensure delivery truck and vehicular access. Staff is still reviewing these recently submitted updated plan, and should complete that review before the public hearing. ***The developer is expected to provide responses and/or updated plans, as necessary, at the public hearing to respond to these concerns.***

Staff also have concerns with ability of a garbage truck to access the trash area on Lot 3. The trash area is current located in between the two smaller buildings at the coffee drive-through entrance. The Owner's/Applicants' architect advised that they expect the trash to be dragged out to the northern most internal access road for pick up. This is not a desirable solution as it could cause conflicts with vehicular traffic flows on one of the main interior circulation routes and also will likely result in the spillage and leakage of trash and liquids along the drive through and into that internal circulation road. Further the location of the trash receptacles is not ideal for the two restaurants. ***In addition to responding to concerns related to drive-through and pedestrian access to/through these business on Lot 3, the trash location and proposed methodology for pick up is problematic.***

As previously noted, the plans provided to the Plan Commission include two updated site plans, which show the residential building moved further west on the site. This was done to address a significant access concern raised by the Fire Department. ***The updated configuration and setbacks shown on those plans must be carried forward on all the final plans, prior to issuance of any building or site improvement permits, as a condition of the PUD.***

### Pedestrian/bicycle access

The site includes a number of well-delineated and accessible pedestrian routes to allow residents, employees and customers to walk through the site. One area of concern, however, is the lack of safe pedestrian access from the apartments to the coffee shop and café on Lot 3. Currently the walking path lead pedestrians into the back of the building, intersecting with the drive-throughs. This is a critical desire path and needs to be resolved to ensure safe accessible access to the front of those tenant spaces on Lot 3. **Staff is suggesting that the developer look at overall improvements to the Lot 3 layout and function, and that no building permits be issued for that site until all of the concerns have been addressed to the satisfaction of the Village Administrator and/or his/her designee(s).**

Although desire paths are shown, it is unclear how bike and pedestrian access to the forest preserve will be accommodated. **The developer is expected to provide additional information on this question at the public hearing.**

### Parking

Per Section 12-7-3-B of the Unified Development Code, proposed parking standards identified in the code as "Required Spaces By Use" shall be advisory only for Special Use and PUD applications as required parking will be reviewed and established as part of the PUD/Special Use Permit. The final number of required parking spaces for PUDs/Special Use Permits is set by the Village Board based on the submitted, independent traffic and parking study and any traffic and parking recommendations by the Traffic Safety and Plan Commissions and/or staff.

### Commercial Zoning Lot Parking

As previously noted, although this is a mixed use PUD, the residential and commercial parking areas have been segregated to ensure that each aspect of this development has distinct parking areas to serve their needs and demands.

On the Commercial Lot, there are two sub-lots that are further expected to have their own parking. Lot 1, the Bank of America building, has historically functioned as a stand-alone outlot, with its own parking field. Under this redevelopment plan, it is expected to operate the same, however, as noted by the Village Engineer in his review, no data or analysis has been provided on the parking for the bank. The traffic study should be updated as noted by the Village Engineer, prior to issuance of any building permits. Lot 2, which is currently undefined, is similarly expected to be developed with sufficient parking to meet the projected demand of that future use. An update parking and traffic analysis will be required when the Owner files the PUD Amendment for the proposed development of that outlot.

The balance of the Commercial Lot, as per the application, is being presented as a more traditional shopping/life-style center, with shared parking for the various uses. The following is the calculation of required parking, pursuant to Sections 12-7-3-H, & I., submitted by the Owner's Civil Engineer, in consultation with staff:

Parking Analysis									
Lot	Building	Gross Floor Area	Required Parking Ratio	Required Parking	Actual Parking	Excess/Deficit	Notes	Lot	Building
Lot 1	Bank of America	2,400 SF	1 Space / 250 SF Gross Floor Area	10	10	0		Lot 10	Pharmacy
Lot 2	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 11	Pharmacy
Lot 3	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 12	Pharmacy
Lot 4	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 13	Pharmacy
Lot 5	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 14	Pharmacy
Lot 6	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 15	Pharmacy
Lot 7	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 16	Pharmacy
Lot 8	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 17	Pharmacy
Lot 9	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 18	Pharmacy
Lot 10	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 19	Pharmacy
Lot 11	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 20	Pharmacy
Lot 12	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 21	Pharmacy
Lot 13	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 22	Pharmacy
Lot 14	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 23	Pharmacy
Lot 15	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 24	Pharmacy
Lot 16	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 25	Pharmacy
Lot 17	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 26	Pharmacy
Lot 18	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 27	Pharmacy
Lot 19	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 28	Pharmacy
Lot 20	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 29	Pharmacy
Lot 21	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 30	Pharmacy
Lot 22	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 31	Pharmacy
Lot 23	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 32	Pharmacy
Lot 24	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 33	Pharmacy
Lot 25	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 34	Pharmacy
Lot 26	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 35	Pharmacy
Lot 27	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 36	Pharmacy
Lot 28	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 37	Pharmacy
Lot 29	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 38	Pharmacy
Lot 30	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 39	Pharmacy
Lot 31	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 40	Pharmacy
Lot 32	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 41	Pharmacy
Lot 33	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 42	Pharmacy
Lot 34	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 43	Pharmacy
Lot 35	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 44	Pharmacy
Lot 36	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 45	Pharmacy
Lot 37	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 46	Pharmacy
Lot 38	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 47	Pharmacy
Lot 39	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 48	Pharmacy
Lot 40	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 49	Pharmacy
Lot 41	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 50	Pharmacy
Lot 42	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 51	Pharmacy
Lot 43	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 52	Pharmacy
Lot 44	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 53	Pharmacy
Lot 45	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 54	Pharmacy
Lot 46	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 55	Pharmacy
Lot 47	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 56	Pharmacy
Lot 48	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 57	Pharmacy
Lot 49	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 58	Pharmacy
Lot 50	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 59	Pharmacy
Lot 51	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 60	Pharmacy
Lot 52	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 61	Pharmacy
Lot 53	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 62	Pharmacy
Lot 54	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 63	Pharmacy
Lot 55	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 64	Pharmacy
Lot 56	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 65	Pharmacy
Lot 57	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 66	Pharmacy
Lot 58	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 67	Pharmacy
Lot 59	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 68	Pharmacy
Lot 60	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 69	Pharmacy
Lot 61	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 70	Pharmacy
Lot 62	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 71	Pharmacy
Lot 63	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 72	Pharmacy
Lot 64	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 73	Pharmacy
Lot 65	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 74	Pharmacy
Lot 66	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 75	Pharmacy
Lot 67	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 76	Pharmacy
Lot 68	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 77	Pharmacy
Lot 69	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 78	Pharmacy
Lot 70	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 79	Pharmacy
Lot 71	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 80	Pharmacy
Lot 72	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 81	Pharmacy
Lot 73	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 82	Pharmacy
Lot 74	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 83	Pharmacy
Lot 75	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 84	Pharmacy
Lot 76	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 85	Pharmacy
Lot 77	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 86	Pharmacy
Lot 78	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 87	Pharmacy
Lot 79	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 88	Pharmacy
Lot 80	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 89	Pharmacy
Lot 81	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 90	Pharmacy
Lot 82	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 91	Pharmacy
Lot 83	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 92	Pharmacy
Lot 84	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 93	Pharmacy
Lot 85	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 94	Pharmacy
Lot 86	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 95	Pharmacy
Lot 87	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 96	Pharmacy
Lot 88	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 97	Pharmacy
Lot 89	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 98	Pharmacy
Lot 90	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 99	Pharmacy
Lot 91	Pharmacy	1,200 SF	1 Space / 250 SF Gross Floor Area	5	5	0		Lot 100	Pharmacy



Utilizing the Village's Shared Parking Ordinance, the anticipated peak Commercial Lot parking demand is expected to occur generally on weekday nights and weekend days. This is consistent with Staff's expectations for the peak demands, based on the proposed mix of uses. The projected peak demand, based on the code requirements is 1040 parking spaces for Lots 3-13; the Owner is proposing 1041 spaces. *Staff notes that the Village Engineer found some discrepancies between the Civil Engineer's and Residential Architect's analyses and the one found in the traffic and parking study. Staff agrees with the Civil Engineer's and Architect's analyses and, as such, the traffic and parking study should be updated accordingly.*

Further, staff notes some concerns related to certain aspects of the open shared parking concept and site configuration. For example, both the fitness center and the cinema have high parking demands, but have overlapping shared parking spaces. Given that the cinema is located in corner of Commercial Lot, the competition for those shared spaces may adversely impact the users of the cinema. *Staff suggests that perhaps the Owner consider designating certain spaces on the southeast of the Commercial Lot (immediately surrounding and particularly those to the west of the cinema), during peak movie/dining times, to provide opportunity for their customers have access to walkable parking spaces. Further, staff is concerned that the ITE parking demand numbers may be low for this mix of uses and suggests the traffic engineer provide some alternative parking demand analysis based on similar existing developments located within the Chicago metro-area.*

Staff believes the parking demand will be high at key times – some week nights and weekend days – and as such, there is some concern with the proposed plan to utilize some of the on-site parking areas for snow storage. This is particularly troubling as peak snow fall can coincide with peak holiday parking demands. Further the plans indicate some areas for cart corals – but it not clear if these are large enough for the proposed tenants. Insufficient cart storage areas could result in patrons abandoning carts within usable parking spaces. *The developer should provide responses to these concerns at the public hearing.*

The following is an overview of the Commercial Lot parking facilities for Lots 3-13 based on the requirements established in Section 12-7:

PARKING STANDARD	ORDINANCE REQUIREMENT	PROPOSED	COMMENT
Number of Required Spaces	"Shared Parking" per analysis above = 1040 req'd spaces (Sec. 12-7-3:H, S.I.)	1041 spaces provided	Compliant (but request waiver of up to 15 spaces to ensure proper access)
Number of Required ADA Spaces	21 req'd Accessible Spaces (IAC 208.2)	24 Accessible Spaces provided	Compliant
Stall Width (Visitor Parking)	9 ft. (Section 12-7-3)	9 ft.	Compliant
Stall Depth (Visitor Parking)	18 ft. (Section 12-7-3)	18 ft.	Compliant
Aisle width	24 ft. (Section 12-7-3)	24 ft.	Compliant
Drive-through queuing	Min. stacking length = 100 ft. (Sec. 12-5-5:B.)	Coffee: 200' Cafe: 150'	Compliant
Loading Berth Size	12 ft. x 50 ft.	12 ft. x 50 ft. (where they are provided)	Compliant
Loading Berths	1 loading berth per 10,000 to 100,000 sq. ft.; 1 berth for each additional 100,000 sq. ft. (Sec. 12-7-4.1)	Lot 3 (each tenant < 10,000): 0 required, 0 provided Lot 4 (restaurant): 1 required, 0 provided Lot 6 (Grocer): 1 required, 2 provided Lot 7 Department Store: 1 required, 2 provided Lot 8, Jr. Anchor: 1 required, 2 provided Lot 9, Retail: 1 required, 1 provided Lot 10, Fitness: 1 required, 0 provided Lot 11, Cinema/Restaurant / Microbrewery: 1 required, 0 provided	Compliant Waiver of 1 loading berth Compliant Compliant Compliant Compliant Waiver of 1 loading berth Waiver of 1 loading berth

As shown in the table above, the proposed Commercial Lot parking stalls and drive aisles all comply with the dimensional controls in Section 12-7. However, the Owner/Applicants are requesting the following waivers to the loading berth requirements:

- *Section 12-7-4.1: A waiver of 3 total loading berths at the restaurant (Lot 4), the fitness center (Lot 10) and the cinema/restaurant/microbrewery (Lot 12); and*

- **Section 12-7-3:** A waiver of up to 15 parking stalls and to establish the required parking for this Commercial Lots 3-13, at 1025 spaces. *Staff notes that although the Owner/Applicants currently exceed the parking requirements by 1 staff, they believe they may lose a few spaces, through final engineering, to accommodate some of the vehicle, truck, pedestrian, etc. access.*

Staff is not concerned with the requested waivers to the loading docks for those uses that have requested them. While the applicant is meeting the code requirements related to the number Accessible Parking Spaces, the locations may need to be further studied. Those locations can be refined through review of final engineering and building permit plans. **At the public hearing, the Owner/Applicant will provide additional information and testimony as to why they believe the requested 15 stall parking waiver would have no adverse impact on the operations of the Commercial Lot and the overall PUD.**

#### Resident Zoning Lot Parking:

The Residential Zoning Lot has its own parking deck and surface lots for the exclusive use by residents and their residents. The following is a review of the dimensional controls for parking stalls, drive aisles, etc. for the Multifamily Development on the Residential Lot:

PARKING SPACE STANDARD	ORDINANCE REQUIREMENT	PROPOSED	COMMENT
Number of Parking Spaces for Multi-family Residence	1.75 spaces / unit @ 250 units = 438 spaces (Sec. 12-7-3)	443 spaces (430 in parking deck + 13 surface parking spaces)	Compliant
Number of Visitor Parking Spaces	0.15 space / unit @ 250 units = 38 spaces required (Sec. 12-7-3, Note 2.)	38 spaces	Compliant
Number of ADA spaces	9 req'd Accessible Spaces (IAC 208.2)	6 surface spaces 3 spaces in parking deck	Compliant
Stall Width	9 ft. (Sec. 12-7-3)	9 ft.	Compliant
Stall Depth (Visitor Parking)	18 ft. (Sec. 12-7-3)	18 ft.	Compliant
Aisle width	24 ft. (Sec. 12-7-3)	24 ft.	Compliant
Location of parking	No parking in front or side yards (Sec. 12-5-4.G.2.)	37 surface parking spaces on north and northeast side of building	Waiver requested
Setback of parking	No surface parking in front of bldg., adj. to public street (Sec. 12-5-4.G.4.)	24 surface parking lot in front of bldg., adj. to Dempster Street	Waiver requested
Fire Lane Requirements	Fire lanes to be provided (Sec. 12-5-4.I.1.)	Fire lanes/access provided on updated plans	Compliant

As shown in the table above, the proposed Residential Lot surface parking and parking deck comply with parking requirements established in Section 12-7, except as follows:

- **Sec. 12-5-4.G.2:** A waiver is being requested to allow surface parking lot, for visitors, to be in the front and side yards of a multi-family residence; and

- **Sec. 12-5-4.G.4:** A waiver is being request to allow surface parking lot in front a multi-family residence building, adjacent to a public street.

The traffic and parking study does include a parking demand analysis. Based on the example developments that the traffic engineer provided, the average number of parking spaces per unit is 1.65. What is not clear, from the information provided, is whether these developments are truly "comparable" developments. Are any of these located within walking distance to a train station? If so, that can help justify a reduction in the number of parking spaces. Staff is curious if these developments include comparable sized units (square footage) and/or a similar proportion of bedroom mix. Further, it is not clear what types, if any, of amenities are located within walking distance of these residential developments. **The Owner/Applicants are expected to discuss basis for and comparability of the source data for the parking demand analysis at the public hearing.**

Staff notes that requests for waivers for the surface parking location are acceptable as they are not inconsistent with rest of the overall PUD development plan.

#### Traffic and Parking Analysis

##### Traffic Impact

In accordance with ordinance requirements for a PUD/Special Use Permit application (Section 12-7-3.B), the Owners/Applicant hired Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA) to complete a traffic and parking study, "Traffic Impact Study - Proposed Sawmill Station Development" dated March 26, 2019, for the proposed development. It is worth noting that earlier this week, KLOA, provided staff with an updated report, in an effort to respond to some of staff's concerns and questions, however, due to time constraints, staff was not able to complete a thorough review of that document before the completion of this report. It is expected that the traffic engineer will present their clarification and any updated data at the public hearing, and incorporate responses to any additional questions, concerns, and/or comments raised by Plan Commissioner in a final updated report, which must be submitted for review and approval by the Village prior to issuance of any building permits.

KLOA evaluated the impact of the proposed redeveloped shopping center on the area roadway system for weekday morning, weekday evening, and Saturday midday peak hours through comparing the existing traffic counts to the overall development site's traffic impact at full build out in 2025. In this March 26, 2019 report, KLOA did a vehicle trip generation comparison between the proposed development and the previously existing (355,000 sq. ft.) shopping center. KLOA states that the proposed mixed use development will have a comparable, if not less, traffic impact on the surrounding roadway network than the existing development if it were at full capacity. Both the Village Engineer (see comment 34 in the attached report) and the Director of Community and Economic Development raised concerns with the methodology used for this analysis as well as the conclusion. First, the existing shopping center has been vacant and blighted for decades, as such a comparison based on full-occupancy of the previous/existing shopping center does not accurately depict the expected increases in traffic. Also, due to the condition and design of the existing and previous structures, such "full occupancy" would never be of comparable caliber or intensity of uses as what is currently proposed. Further, the Village Engineer also questions KLOA's assumptions and methodology related to use of existing traffic to estimate development generated traffic (See Comment 35 in the attached report). **Staff has advised the Owner/Applicants of these concerns with the March 26, 2019 report; it is expected**

**the traffic engineer will provide responses, and updated analyses, as necessary, at the public hearing.**

KLOA also performed capacity analyses for the intersections of Waukegan Road and Dempster Street, Access/Athletic Drive and Dempster Street, and the un-signalized intersections providing access to the proposed development. KLOA performed these analyses using the methodologies outlined in the Transportation Research Board's *Highway Capacity Manual (HCM)*, 2010 and using industry software. Based upon their review of the egress/ingress access point intersections to the development, and their conclusion that the proposed redevelopment will generate less traffic than the existing retail center at full occupancy, KLOA proposed some relatively minor adjustments to the existing access points. KLOA's recommendations will need to be re-evaluated once they address the issues noted in the paragraph above and by the Village Engineer in his report. The Village Engineer included some additional questions and concerns with some of the assumptions, methodologies and resulting conclusions/recommendations (See Comments 36-40 in the attached report). ***The Owner/Applicants are expected to respond to all questions and concerns and provide additional data and/or analysis, as necessary, at the public hearing.***

#### **Commission Review**

##### **Appearance Commission**

The Owner/Applicants made a presentation on the proposed elevations and landscaping plan to the Appearance Commission on April 5, 2019.

##### **Building Elevations**

At that time, the presentation included proposed elevations for the small strip center (Lot 3), the restaurant (Lot 4), the residential building (Lot 5), a potential grocery (Lot 6), department store (Lot 7), the fitness center (Lot 10), and the cinema/restaurant/microbrewery (Lot 12). The designs for the junior department store (Lot 8) and the general retail store (Lot 9), were completed, but had not been "approved" by the prospective tenants. Since that time, those two tenants have given their approval of those proposed elevations. These elevations were reviewed by the Chairperson of the Appearance Commission this week, and he agreed that the design are consistent with the other buildings that the commission review and agreed that could be included in the Plan Commission packet, with the condition that they will need to be presented to the Appearance Commission for final review and approval prior to the Board taking action on the ordinance for the PUD.

At the Appearance Commission meeting, the lead architect for Torti Gallas, made the initial presentation. She explained their firm is designing select buildings, but is overseeing the overall design scheme for the development. She has been working with the other commercial project architects (for the restaurant, grocery, fitness center, and the cinema) to help create a cohesive design program. In addition, she has been working closely with the residential developer, who has been working to balance the desires of the Village staff with the need to include some elements common to the Commercial Lot development.

The architect presented sample material including, the following predominate materials:

- Tilt-Up Concrete Panels (concrete textured as masonry, etc. and painted)
- "Architectural Panels" (either metal or fiber cement)
- Wood-Look Fiber Cement Board
- Masonry

- Metal trims, coping, etc.
- EIFS (a/k/a/ Exterior Insulation and Finish Systems) Cornice (LA Fitness)

The color palette shown on the plans is generally in the neutral tones.

The residential developer's architect, Built Form, is designing the residential building and garage structure on the residential lot. Based on the design of the commercial development and the overall character of the site, the residential developer and architect decided to design a building that is reminiscent of loft buildings, but with some more modern-traditional elements to help assimilate the structure a bit more into a Morton Grove "feel", while still maintaining a level of continuity with the overall mixed use development. The current design includes the following predominant materials:

- Brick
- Fiber Cement Architectural Board
- Wood-textured panels

The proposed color palette is a reddish brick, with lighter fiber cement "accents" to mimic architectural block and wood-textured panels, which tie into the commercial development design scheme. It is expected the architect will provide more details on the materials and color palette at the meeting.

As noted in the staff report, the Commissioners similarly asked questions regarding the long term quality, durability and performance of the proposed materials. A copy of the Appearance Commission staff report and summary response from Torti Gallas are attached. At the meeting, Commissioners also asked if there were any locations nearby where these material have been used, longer-term, so that members to get a sense of what they look like over time. The architect advised that she could provide examples. ***It is expected the architect will provide those examples to the public hearing.***

At the meeting, the Commissioners asked staff if the Owner/Applicants would need to go back to the Appearance Commission for the other building facades which had not been presented. Staff stated that they would need to go back to the Appearance Commission have any additional new tenant facades as well as any significant changes to any of the current facades.

##### **Landscaping/Screening**

The Owner and Applicants hired The Lakota Group to develop an overall landscape plan for the project. As with many shopping/"life-style" center developments, there is a need to balance the desire to maximum parking (and associated impervious lot coverage), while also providing some needed and desired pervious, landscaped areas.

In accordance with the landscaping requirements established in 12-11, Lakota has made an effort to comply with the overall base level requirement for landscaping. Because this is within a TIF District, the code requires that 8% of the overall site be pervious, landscaped area. The Owner/Applicants are proposing to meet and slightly exceed that requirement through the use of landscaped area along the public right of ways, landscape islands, and the two stormwater quality areas. They're plan, however, does include some waivers to the landscape requirements. These include reduced length of islands (36 ft. vs. 40 ft., required), waivers to the number of required trees, and waivers to the parking lot landscaping requirements for the residential lot, particularly for the parking deck.



The attached plan was presented to the Appearance Commission at their April 5<sup>th</sup> meeting. At that time, staff and the landscape architect noted that the plan as presented will likely be modified based on needs for vehicular access. Specifically, it is expected that number of the proposed islands along the south property line, behind the retail buildings, will be eliminated to ensure emergency vehicles and delivery trucks can maneuver in and out of the loading docks and around the site. The landscape architect noted they will seek to find alternate locations, wherever possible, for replacement of those trees and/or pervious areas. The Appearance Commission acknowledged this anticipated change (and increased waiver to the tree requirement) and recommended approval of the landscape plan and their requested waivers, with conditions.

Staff notes that in addition to the landscaping and screening shown on these plans, additional screening will be required for all dumpsters and HVAC equipment. Compliance with code requirements for screening of these will be condition of the building permit for each building.

#### Appearance Commission Action

While the Appearance Commission voted unanimously to recommend the proposed building elevations and landscaping, with specified waivers and conditions, the issues raised by staff related to the lack of character and design for the end facades (eastern fitness building and western grocery building) still has not been resolved. Staff will expect updated facades that are more reflective of "front" facades, for the entire length of those walls, to be submitted for review and approval prior to issuance of any building permits.

Staff notes that the Owner/Applicants will be making a follow up presentation to the Appearance Commission in May for the sign package and for the review of the Junior Department and the General Retail store facades.

#### Traffic Safety Commission

In accordance with Section 12-16-4 of the Unified Development Code, the Owner/Applicants appeared before the Traffic Safety Commission (TSC) at their April 6, 2019 meeting. After the Owner/Applicants made their presentation, the traffic engineer responded to some specific questions raised in the Village Engineer's staff report.

At the conclusion of the presentation/discussion, the TSC voted unanimously to support this project, with conditions, which included those suggested by staff as well as a condition related to the aeration of the detention pond and access prohibitions. (See attached TSC Report, dated March 29, 2019.)

#### Storm Water Management & Site Utilities

As part of the redevelopment of the site, the Owner/Applicants will be upgrading the stormwater management system in accordance with MWRD requirements. The system will include an enclosed underground detention system, with volume control. The design also includes some natural water quality landscaped areas, both on the Commercial and Residential Zoning Lots.

The Owner/Applicants are proposing to replace/upgrade on-site water lines and sanitary and storm sewers as well as new parking facilities throughout the development area.

Staff notes that although the Bank of America (BOA) building and parking facilities are not proposed to be changed, through the PUD development, that property is part of the overall PUD.

While the current lot and parking facilities appear to be adequate, the developer has not provided much detail on their existing site. That needs to be included in the updated traffic and parking study. Further, once the balance of the site is improved, the lack of maintenance and improvements to the BOA will become much more prevalent. As such, staff is recommending such things as the possible resurfacing of the parking facilities and addition of new plantings, etc. to provide a more consistent appearance for the overall center. ***The Owner/Applicants are expected to discuss this issue and provide their ideas for addressing and improving the BOA site conditions.***

The Village has hired Clorba Group to review the engineering plans for the proposed development. Their comments have been incorporated in the Village Engineer's report, dated April 4, 2019, attached. ***At the public hearing, the Owner's/Applicants are expected to provide some additional details about the proposed infrastructure improvements and how they expect to respond to any questions, concerns or issues raised by Village Engineer.***

#### Departmental Reviews

As mentioned previously, the Village is utilizing Clorba Group to review the project's overall engineering. The Village Engineer included Clorba's comments in his April 4, 2019 staff report. ***The Village Engineer has a number of comments, questions and concerns in his report, beyond those specifically noted in this staff report. It is expected that the Owner/Applicants should address all of those comments either at the public hearing or through the permitting process.***

In addition to the Village Engineer's comments, the Fire Department reviewed the proposal and initially had a number of concerns about access for the residential building. With the updated site plan with the relocation of the building further west and the incorporation of a drivable surface within the front courtyard, the Fire Department is more comfortable with the site layout. Additional questions related to maneuverability through various "tight" spots on the site, the number and location of fire hydrants, and other similar design details can be addressed through review of final engineering plans.

#### Discussion

##### Planned Unit Development Application

The Applicant and Owner have filed an Application for approval of a Planned Unit Development (PUD) for this 25 acre shopping center. While not specifically included in the PUD application, and as such specific responses are not required as part of the application submission, staff notes that the PUD Ordinance includes specific objectives that should be "...considered and may serve as a basis for approving a planned unit development." The listed objectives are as follows:

- A. Allow flexibility in the development of land and in the design of structures thereon;
- B. Facilitate more efficient arrangement of buildings, traffic and circulation systems, land use, and utilities;
- C. Provide for more usable and suitably located common open space and/or recreation areas and to encourage the construction of appropriate aesthetic amenities which will enhance the character of the site;
- D. Preserve and enhance desirable site characteristics and natural features such as natural topography, vegetation, and geological features, and the prevention of soil erosion;

- E. Promote a higher standard of site and building design which will ensure a quality of construction commensurate with other developments within the village and is compatible with the character of the surrounding area and adjoining properties;
- F. Provide for a variety of housing types within the village;
- G. Provide for the development and redevelopment of unique land areas and sites that may not otherwise be possible under the strict application of village regulations and standards governing said development;
- H. Facilitate the implementation of the goals and objectives of the comprehensive plan, particularly in respect to areas designated for potential redevelopment;
- I. Encourage the development of quality affordable residential housing units; and
- J. Encourage energy efficiency and use of green building and site design techniques

***The Applicant should be prepared to discuss how they believe their project meet the above criteria and standards at the public hearing.***

**Planned Unit Development Approvals/Waivers**

The Applicant has requested PUD approval for a mixed use development on this 26 acre site and approval of multiple principle buildings on one zoning lot, in accordance with Section 12-2-2-A. As previously discussed, based on the site layout and the clear delineation of the residential versus the commercial uses, the staff has viewed this as a PUD with a Residential Lot and a Commercial Lot, which will be further subdivided into building parcels along with a common parking and circulation lot. The siting of multiple principle buildings on one zoning lot is consistent with most shopping center layouts.

The Applicant is also requesting waivers to loading berths for 3 buildings, waiver of up to 15 parking spaces on the Commercial Lot, waivers to the building height for two buildings (cinema and residential), waiver to density for the residential building, waiver to parking location for the residential visitor parking lot, and waiver to lot coverage for the Residential Lot.

As previously noted, the applicant will need to get final approval from appearance commission for the two new elevations for the junior department store and retail building, Lots 8 and 9, respectively, and when they find a tenant for Lot 13. In addition, they will need to file for and obtain approval of an amendment to the PUD when they have a development plan for Lot 2, which will also require appearance commission review as well as submission of an updated parking and traffic study and may require another public hearing before the plan commission.

**Special Uses**

The Applicant has applied for special uses for Mixed Use Development, Multiple Structures on Zoning Lot, Drive-Through Facilities, Height of Structures – In excess of the permitted height, Physical Fitness and Health Services greater than 1,000 square feet with accessory Massage Services-Full Body, Restaurant – Drive-In (Drive-Through), Open Sales Lot (limited/seasonal), Garden Supply Store/Greenhouse accessory to Grocery Store (sales area >10,000 sq. ft.), Theatre, Microbrewery/Microdistillery with Tavern, Bar and Cocktail Lounge with live music and/or vocal entertainment as an accessory use, and Multifamily Dwelling.

The attached correspondence from Kensington Development Partners, dated March 27, 2019, includes the Owner/Applicants summary of these special uses, why they are requesting them and/or why they believe they will not have an adverse impact.

Staff notes that most of the uses included in the request are uses that are becoming increasingly more common in "shopping"/"life-style" centers. Given the tumultuous retail market, having a mix of uses that includes retail as well as residential, entertainment and fitness helps to ensure a more sustainable, longer term development strategy.

With that said, staff does note one concern related to the fitness center and its proximity to the cinema/microbrewery and the overlap in their anticipated preferred parking fields. From experience and observation of the current shopping center, staff is aware fitness centers have high parking demand and most users, ironically, do not want to park where they are forced to walk very far to enter the gym. Staff is concerned that their users will target the prime parking spaces between the gym and the cinema. This would push the cinema users to park further away, north and west of the gym. Staff has suggested the developer consider designated most if not all of those spaces for the cinema – particularly at peak movie going times. Further, it is suggested that the fitness special use be conditioned upon the manager providing regular instructions to their members to park away from the cinema on certain week nights and weekend afternoons and evenings.

In addition, the fitness facility plans to provide accessory massage services. Staff notes that they will need to comply with all relevant sections of Village Title 4, Chapter 6, Section 4-6J of the Municipal Code "Massage Establishments and Massage Therapists." Compliance with the relevant sections of this code will be reviewed as part of the building permit process.

***It is expected that the applicant will provide additional information/responses pertaining these requested special use permits before or at the Public Hearing.***

**Subdivision**

In conjunction with the PUD and Special Use Permit approvals, the Owner/Applicants are also seeking approval of a thirteen lot preliminary subdivision. The Preliminary Plat includes one 4.758 acre residential lot (Lot 5) and twelve commercial lots as follows: Lot 1 – Bank of America building and lot; Lot 2 – undefined; Lot 3 – small retail strip center with two drive-throughs; Lot 4 – restaurant; Lot 6 – proposed grocery; Lot 7 – department store; Lot 8 – junior department store; Lot 9 – retail; Lot 10 – fitness center; Lot 11 – common parking and access ways; Lot 12 – cinema /restaurant/microbrewery; Lot 13 – small retail. (See also table on p. XX)

The Village Engineer had a number of questions (See comments 136-141 in the attached Village Engineer report). In addition, staff notes the following requirements, pursuant to 12-8, that are missing from the submitted plat:

- 1) Underground facilities are to be shown "to a distance of one hundred feet beyond the tract."
- 2) Front and side street setback lines are missing.

***The Owner/Applicant should updated the Preliminary Plat, as needed to assure compliance with all the requirements in Section 12-8, and respond the Village Engineer's comments and questions, prior to the Village Board approving the Preliminary Plat of Subdivision. (See comments 136-141 in the attached Village Engineer report).***

### **Standard for Review/Approval**

As the application is for both a Planned Unit Development and for specific Special Uses within the subject site, the specific standards for consideration of each request is provided below with the standard for the Planned Unit Development provided first.

#### **Standards for Planned Unit Development**

In accordance with Section 12-16-4, the following Standards for Planned Unit Developments are provided to assist the Commission's consideration of this request. The Applicant provided answers to the following standards in their application, which are summarized below. In addition, staff provided additional comments on relevant standards.

- *The planned unit development shall be consistent with the general policies of the village as may be expressed in the comprehensive plan.* – The Owner/Applicants stated the new shopping center will be modern, pedestrian friendly, and diverse, and will elevate the experience of shopping, entertainment, dining and living. Staff notes that this one of the largest commercially zoned properties within the Village and the proposed use, which includes a mix of uses, including many sales tax generating businesses, along with entertainment and health (fitness) uses does comply the comprehensive plan. Further, the Morton Grove Strategic Plan Goal 4.3 states the Village should focus efforts for redevelopment on key areas and sites, which includes the Dempster and Waukegan commercial areas.
- *The planned unit development should be so located, designed, operated and maintained in a manner that will not only protect, but promote the public health, safety, and welfare of the village.* – The Owner/Applicants stated that the proposed new shopping center promotes simple pedestrian access and ease of overall maintenance as well as public safety. Provided the Owner/Applicants can address some of the site circulation and access issues/concerns, then staff believe the proposed development will promote public health safety and welfare.
- *The proposed planned unit development will not be injurious to the use and enjoyment of adjoining property and that the exceptions to the underlying district regulations are for the purpose of promoting development which is beneficial to the residents or occupants of the surrounding properties with and adjoining the proposed development.* The Owner/Applicants stated that the new shopping center replaces the former one, with upgraded opportunities for shopping, dining, entertainment and residential living. ***It's not clear how that is responsive to this criteria - the owner/applicants are expected to provide additional response prior to or at the public hearing.*** Staff notes that the development should not adversely impact adjoining properties as long as their stormwater management system works and they stay on top of regular routine property maintenance. While they are requesting some waiver to certain sections of the Unified Development Code (Title 12), the proposed mix of uses should provide balanced benefits to a variety of residents of both Morton Grove and surrounding communities.
- *Principal vehicular access to the planned unit development shall be designed to encourage smooth traffic flow with controlled turning movements and minimum hazards to vehicular and pedestrian traffic. Adequate provision should be made to provide ingress and egress in a manner that minimizes traffic congestion in the public streets.* The Owner/Applicants stated that the new main entry on Dempster allows for increased traffic flow and the entry on Waukegan adds safety. ***The Owner/Applicants are expected to clarify this statement, before or at the public hearing.*** Staff believes that if the Owner/Applicants

can address the issues/questions raised by the Village Engineer, then the proposed project will encourage smooth traffic and pedestrian flows to/from and through the site.

- *The planned unit development shall be so designed that adequate utilities, road access, drainage, and other necessary facilities will be provided to serve it and not negatively impact the existing public infrastructure. Surface water in all paved access areas shall be collected in a manner that will not obstruct the flow of vehicular and pedestrian traffic.* The Applicant notes that the required utilities will be upgraded, as necessary, to adequately serve the new uses. In addition, the stormwater management system will adhere to MWRD requirements. Staff believe that infrastructure, including stormwater management, will be improved over existing conditions and should have no adverse impact on traffic flows.
- *Adequate fencing, screening, and landscaping shall be provided to protect the enjoyment of surrounding properties, or provide for public safety, or to screen parking areas or other visually incompatible uses. The existing landscape should be preserved in its natural state, to the extent as practicable, minimizing tree and soil removal, and any grade changes shall be in keeping with the general appearance of the neighboring developed area.* The Applicant notes that the new landscape design contemplates pedestrian experience as well as water quality standards. Staff and the Appearance Commission support their submitted plan as well as their requested waivers – as the proposed design provides a balance between the need for maximum parking along with areas of pervious surface and plantings. Given that this is a very large and prominent commercial site, preserving its natural state would be challenging, however, the landscape plan does include some natural landscape area as well as a selection of plantings that will not adversely impact nor introduce any invasive species into the adjacent forest preserve area. The Owner/Applicants will be required to comply with all codes and ordinances related to screening of trash and mechanical equipment as part of the building permit process.
- *The planned unit development shall be laid out and developed as a unit in accordance with an integrated overall design. This design shall provide for safe, efficient, convenient and harmonious groupings of structures, uses, and facilities, including common open space and storm water detention areas, and for appropriate relationship of space between buildings and site. Any common open space shall be integrated into the design in a manner which has a direct or visual relationship to the main building(s) and not be of an isolated or leftover character.* The Applicant notes that the building designs, while different in size, harmoniously integrate new materials with familiar experiences, including common areas for group gatherings. Staff believes the layout is generally an integrated design. As long as the Owner/Applicants can address some the pedestrian and bicycle access questions, staff believes the use and facilities will be safe, efficient and convenient for individuals as well as groups. The common open spaces have been integrated into the design and also help provide natural stormwater quality control.
- *The design of all buildings, structures, and facilities on the site of the planned unit development shall be subject to the approval of the appearance review commission, and shall be of quality as good, if not better, than the surrounding neighborhood. Higher or denser buildings shall be located in such a way as to dissipate any adverse impact on adjoining lower buildings within the development or on surrounding properties.* The Owner/Applicants note that the buildings are designed with pedestrian experience in mind, including upgraded facade finishes, landscape and amenities. While the Appearance

Commission has recommended approval of the design, they also questioned the longer term performance of the materials. As long as the Owner/Applicants can address these concerns, and avoid lesser quality materials, then staff believes the design to be as good, if not better, than some of the surrounding building designs.

- *All planned unit developments shall encourage designs that emphasize accessibility, open views and connections to the larger community as a whole, discouraging new development which may divide neighborhoods and restrict access to adjacent property. In order to achieve this objective, the design of lots, streets, sidewalks, and access ways within the planned unit development, the continuation of such existing or proposed features to adjoining areas shall be encouraged. When a proposed planned unit development adjoins land susceptible of being subdivided, resubdivided, or redeveloped, new streets, sidewalks, and access ways may be carried to the boundaries of the proposed planned unit development. The Owner/Applicants stated that the new shopping center will promote better pedestrian circulation, connecting adjacent properties through bike access, pathways sidewalk and drive aisles. As long as the Owner/Applicant can address some of the remaining questions related to accessible pedestrian and bike routes, staff believes the layout and design will meet this criteria. The site is designed to be open to the public, both visually and through vehicular and potential bike/pedestrian routes. The design of the residential building provides an openness back to the commercial uses, while keeping the parking in the back in the corner of the lot.*

#### Standards for Special Use

The following Standards for Special Use (Section 12-16-4-C.5) from the Unified Development Code) are provided to assist the Commission's consideration of this request. The Applicant provided some general responses, based on the specific special uses being requested, as to how they believe the special uses are justified, appropriate and/or will not be injurious to abutters. **The Owner/Applicants can provide additional responses at the public hearing.** In addition, staff provided additional comments on relevant standards.

- *Preservation of Health, Safety, Morals and Welfare – The establishment, maintenance and operation of the Special Use will not be detrimental to or endanger the public health, safety, morals or general welfare. Staff believes the overall design of the site and buildings allow for all of the requested special uses to be met this criteria as the overall site and development will not be detrimental to public health safety or welfare.*
- *Adjacent Properties – The Special Use should not be injurious to the use and enjoyment of other property in the immediate vicinity for the uses permitted in the zoning district. Similar to above, staff believes the overall development plan and building design, along with proposed infrastructure improvements, are such that the special uses requested as part of this overall development should not be injurious to the use or enjoyment of abutting or area properties. The uses proposed should provide a benefit to adjacent and area residents.*
- *Orderly Development – The establishment of the Special Use will not impede the orderly development and improvement of the surrounding properties for uses permitted in the District. Based on the site and building designs, and proposed infrastructure improvements, none of the proposed special uses should impede development of any of the surrounding properties. Staff believes that the opposite may occur – that the development of this site will spark development of adjacent properties to the benefit of the community.*

- *Adequate Facilities – Adequate utilities, access roads, drainage and other necessary facilities are in existence or are being provided. With the proposed infrastructure and stormwater management improvements, there will be more than adequate utilities, road access, drainage for all the special use permits being requested.*

- *Traffic Control – Adequate measures have been or will be taken to provide ingress and egress designed to minimize traffic congestion on the public streets. The proposed use of the subject site should not draw substantial amounts of traffic on local residential streets. Staff notes that additional data is needed for the traffic study, related to projections on increased traffic volumes. However, it is understood that if this development is successful it will add traffic. Even with the anticipated increased traffic, staff believes that will not significantly impact ingress or egress to/from the site. As long as the Owner/Applicants can respond to the Village Engineers concerns related to vehicular ingress/egress and circulation, the proposed special use permits should have no significant added impacts on traffic controls.*

*Conformance to Other Regulations – If granted the special use permit, the Owner/Applicants will be required to conform to all applicable regulations. Compliance with all applicable provisions of the building, fire, and related development codes will be reviewed as part of the building permit process.*

#### Recommendation

**THE RECOMMENDED MOTION AND SUGGESTED CONDITIONS WILL BE PROVIDED AS A SUPPLEMENTAL REPORT TO THE PLAN COMMISSION ON 4/12/2019.**

#### Attachments:

- Planned Unit Development Application, Subdivision Application, and all supporting documents (submitted by Applicant)
- Appearance Commission Staff report dated March 29, 2019
- Traffic Safety Commission Staff Report dated March 29, 2019
- Village Engineer Staff Report dated April 4, 2019

**Zoning Map:**

R3 Zoning District

Capital Projects

C1 Zoning District

Community & Economic Development Department

To: Chairperson Bionz and Members of the Plan Commission

From: Nancy Radzevich, AICP, Community and Economic Development Director

Date: April 12, 2019 – REV: April 15, 2019

Re: **SUPPLEMENTAL MEMO - Plan Commission Case PC 19-02 (Sawmill Station):** IM Kensington MG LLC (through WJK Consulting) and UrbanStreet Group LLC-AQC are requesting approval of a Planned Unit Development Special Use Permit for redevelopment of the existing shopping center located at the southeast corner of Dempster Street and Waukegan Road, common property address of 6711-6947 Dempster Street and 8745 Waukegan Road, in the C1 General Commercial District per Title 12, Chapter 6 with multiple buildings on one zoning lot, per Section 12-2-2.A.(4); approval of special use permits for: Mixed Use Development, Multiple Structures on Zoning Lot, Drive-Through Facilities, Height of Structures – in excess of the permitted height, Physical Fitness and Health Services greater than 1,000 square feet with accessory Massage Services-Full Body, Restaurant – Drive-In (Drive-Through), Open Sales Lot (limited/seasonal), Garden Supply Store/Greenhouse accessory to Grocery Store (sales area >10,000 sq. ft.), Theatre, Microbrewery/Microdistillery with Tavern, Bar and Cocktail Lounge with live music and/or vocal entertainment as an accessory use, and Multifamily Dwellings (up to 80 ft. in height, with up to 250 dwelling units); select waivers to Sections 12-2-5, 12-3-5, 12-4, 12-5-4, 12-5-5, 12-5-6, 12-6-3, and 12-7 related to bulk, setbacks, lot coverage, floor area ratio, height, density, screening, lighting, and subdivision design standards, density and floor area ratio, parking, loading, drive aisles, accessory buildings and uses, fences, and select criteria for specific commercial special uses and mixed use provisions; and approval of a Preliminary Plat of Subdivision, with associated waivers, in accordance with Section 12-8, of Ordinance 07-07 (Village of Morton Grove Unified Development Code).

**STAFF REPORT - SUPPLEMENTAL**

The following is a supplemental memorandum to the April 10, 2019 Staff Report. This report includes two attachments that were not included with the original report, as follows:

1. Traffic Safety Commission Report, dated April 5, 2019;
2. Supplement Elevation for the Junior Department and General Retail stores on Lots 8 and 9, respectively (black and white)

This report also include a recommended motion and suggested conditions of approval.

**Recommendation**

Should the Commission recommend approval of PC Case#19-02, staff suggests the following motion and conditions:

Plan Commission recommends approval of a Planned Unit Development Special Use Permit for redevelopment of Sawmill Station (former Prairie View Shopping Center), per Title 12, Chapter



6 with multiple principal buildings on one zoning lot, per Section 12-2-2-A(4), and waivers to loading berth requirements for Lots 4, 10, & 12, waiver of up to 15 parking stalls on the Commercial Lot, waiver of maximum height for the multi-family residence on Lots 5 (up to 80 ft.) and cinema on Lot 12 (up to 50ft.), waiver of the density requirements to allow up to 250 units on the 4.758 acre Residential Lot, waiver of the lot coverage requirement for the Residential Lot (up to 70%), and waiver of the location of the surface parking lot on the north side of the multi-family residence; and approval of special use permits for Mixed Use Development, Multiple Structures on Zoning Lot, Drive-Through Facilities, Height of Structures - In excess of the permitted height, Physical Fitness and Health Services greater than 1,000 square feet with accessory Massage Services-Full Body, Restaurant - Drive-In (Drive-Through), Open Sales Lot (limited/seasonal), Garden Supply Store/Greenhouse accessory to Grocery Store (sales area > 10,000 sq. ft.), Theatre, Microbrewery/Microdistillery with Tavern, Bar and Cocktail Lounge with live music and/or vocal entertainment as an accessory use, and Multifamily Dwellings (up to 80 ft. in height, with up to 250 dwelling units); select waivers to Sections 12-2-5, 12-3-5, 12-4, 12-5-4, 12-5-5, 12-5-6, 12-6-3, and 12-7 related to bulk, setbacks, floor area ratio, screening, lighting, drive aisles, accessory buildings and uses, fences, and select criteria for specific commercial special uses and mixed use provisions as long as such select waivers result development plans and architectural elevations consistent with the approved PUD documents and plan; and approval of a Preliminary Plat of Subdivision, in accordance with Section 12-8; and waivers to the landscaping requirements and signage, pursuant to reviewed and support by the Appearance Commission at on a 26 acre parcel of land located at the southeast corner of Dempster Street and Waukegan Road, common property address of 6711-6947 Dempster Street and 8745 Waukegan Road in Morton Grove, IL, subject to the following conditions:

1. The site and buildings shall be developed and operated consistent with the plans and supporting documents in the application, amended, as necessary, to comply with conditions from the Appearance Commission, Traffic Safety Commission, Plan Commission and/or Village staff, identified in this report and/or presented at the Public Hearing, including:
  - A. Preliminary Plat of Subdivision, prepared by Woolpert, dated 3/7/19, unless otherwise noted, consisting of the following three sheets:
    - i. Sheet 1 of 3, Preliminary Plat of Subdivision;
    - ii. Sheet 2 of 3, Preliminary Plat of Subdivision (over existing site conditions); and
    - iii. Sheet 3 of 3, Preliminary Plat of Subdivision (legal description and signature blocks).
  - B. Traffic and Parking Impact Study - Proposed Sawmill Station Development, prepared by Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA), dated 3/26/19.
  - C. Site Improvement Plans, prepared by Woolpert, dated 3/11/19 REV: 4/3/19, unless otherwise noted, consisting of the following 51 sheets:
    - i. Sheet C000, Cover Sheet;
    - ii. Sheet C001, General Notes;
    - iii. Sheet C002, MWRD (Metropolitan Water Reclamation District) Notes;

- iv. Sheet C100, Existing Conditions Plan;
- v. Sheet C101, Demolition Plan (1 of 8);
- vi. Sheet C102, Demolition Plan (2 of 8);
- vii. Sheet C103, Demolition Plan (3 of 8);
- viii. Sheet C104, Demolition Plan (4 of 8);
- ix. Sheet C105, Demolition Plan (5 of 8);
- x. Sheet C106, Demolition Plan (6 of 8);
- xi. Sheet C107, Demolition Plan (7 of 8);
- xii. Sheet C108, Demolition Plan (8 of 8);
- xiii. Sheet C200, Overall Site Plan;
- xiv. Sheet C201, Site Plan Detail (1 of 8);
- xv. Sheet C202, Site Plan Detail (2 of 8);
- xvi. Sheet C203, Site Plan Detail (3 of 8);
- xvii. Sheet C204, Site Plan Detail (4 of 8);
- xviii. Sheet C205, Site Plan Detail (5 of 8);
- xix. Sheet C206, Site Plan Detail (6 of 8);
- xx. Sheet C207, Site Plan Detail (7 of 8);
- xxi. Sheet C208, Site Plan Detail (8 of 8);
- xxii. Sheet C300, Overall Grading Plan;
- xxiii. Sheet C400, Overall Utility Plan;
- xxiv. Sheet C409, Structure Tables;
- xxv. Sheet C600, Details;
- xxvi. Sheet C601, Details;
- xxvii. Sheet C602, Details;
- xxviii. Sheet C603, Details;
- xxix. Sheet C604, Details;
- xxx. Sheet C700, Overall Photometric Plan;
- xxxi. Sheet C701, Photometric Plan (1 of 8);
- xxxii. Sheet C702, Photometric Plan (2 of 8);
- xxxiii. Sheet C703, Photometric Plan (3 of 8);
- xxxiv. Sheet C704, Photometric Plan (4 of 8);
- xxxv. Sheet C705, Photometric Plan (5 of 8);
- xxxvi. Sheet C706, Photometric Plan (6 of 8);
- xxxvii. Sheet C707, Photometric Plan (7 of 8);
- xxxviii. Sheet C708, Photometric Plan (8 of 8);
- xxxix. Sheet EXH-1, Drainage Exhibit;
- xl. Sheet EXH-1, Truck Turn Exhibit;
- xli. Sheet EXH-2, Truck Turn Exhibit;
- xlii. Sheet EX-R-0, Exhibit R;
- xliii. Sheet EX-R-1, Exhibit R;
- xliv. Sheet 0.0, Cover Sheet;
- xlv. Sheet 1.0, Doubletrap Design Criteria;
- xlvi. Sheet 2.0, Doubletrap System Layout;
- xlvii. Sheet 3.0, Doubletrap Installation Specifications;

- Sheet 3.1, Doubletrap Installation Specifications;  
Sheet 4.0, Doubletrap Backfill Specifications;  
Sheet 5.0, Recommended Pipe/Access Opening Specifications;  
Sheet 6.0, Doubletrap Module Types;  
PUD Submittal (Commercial Lot architectural plans), prepared by Torti Gallas + Partners, dated March 25, 2019 unless otherwise noted, consisting of the following 39 sheets:
- D. Project Vision Narrative;**  
i. Existing Site Overall;  
ii. Illustrative Site Plan;  
iii. Building A – Elevations (all elevations, color);  
iv. Building A – Elevations (all elevations, black and white);  
v. Building A – Rendering (1 of 2);  
vi. Building A – Elevations (north elevation, color);  
vii. Building A – Elevations (north elevation, black and white);  
viii. Building A – Elevations (north elevation (part 4) and west elevation, color);  
ix. Building A – Elevations (north elevation (part 4) and west elevation, black and white);  
x. Building A – Rendering (2 of 2);  
xi. Building A – Elevations (south elevation (part 1) and south elevation (part 2), color);  
xii. Building A – Elevations (south elevation (part 1) and south elevation (part 2), black and white);  
xiii. Building A – Elevations (north elevation (part 4) and north west elevation, color);  
xiv. Building A – Elevations (north elevation (part 4) and north west elevation, black and white);  
xv. Building A – Plans (1 of 2);  
xvi. Building A – Plans (2 of 2);  
xvii. Building B – Elevations (Flix Brewhouse) (exterior concept, color);  
xviii. Building B – Elevations (Flix Brewhouse) (exterior concept, black and white);  
xix. Building B – Plan (Flix Brewhouse);  
xx. Building B – Rendering (1 of 2);  
xxi. Building B – Rendering (2 of 2);  
xxii. Building D – Elevations (Cooper's Hawk) (north elevation and west elevation, color);  
xxiii. Building D – Elevations (Cooper's Hawk) (north elevation and west elevation, black and white);  
xxiv. Building D – Elevations (Cooper's Hawk) (east elevation and south elevation, color);  
xxv. Building D – Elevations (Cooper's Hawk) (east elevation and south elevation (black and white));

- Building D – Plan (Cooper's Hawk);  
Building E – Elevations (north elevation, east courtyard elevation, west courtyard elevation, color);  
Building E – Elevations (north elevation, east courtyard elevation, west courtyard elevation, black and white);  
Building E – Elevations (west elevation, east elevation, south elevation, color);  
Building E – Elevations (west elevation, east elevation, south elevation, black and white);  
Building E – Plan;  
Building E – Rendering;  
Diagrams – Pedestrian Circulation;  
Diagrams – Bicycle Circulation;  
Diagrams – Vehicular Circulation;  
Diagrams – Snow Storage;  
Site – Material Sample Board; and  
Building A – Tenant Signage, dated April 5, 2019 (provided as a supplemental attachment).
- E. PUD Submittal – Supplemental Elevations, prepared by Torti Gallas + Partners, dated March 25, 2019 unless otherwise noted, consisting of 10 sheets:**  
i. Building A – Elevations (all elevations, black and white);  
ii. Building A – Elevations (north elevation, black and white);  
iii. Building A – Elevations (north elevation (part 4), west elevation, black and white);  
iv. Building A – Elevations (south elevation (part 1), south elevation (part 2), black and white);  
v. Building A – Elevations (north elevation (part 4), north west elevation, black and white);  
vi. Building B – Elevations (Flix Brewhouse) (exterior concept, black and white);  
vii. Building D – Elevations (Cooper's Hawk) (north elevation, west elevation, black and white);  
viii. Building D – Elevations (Cooper's Hawk) (east elevation, south elevation, black and white);  
ix. Building E – Elevations (north elevation, east courtyard elevation, west courtyard elevation, black and white); and  
x. Building E – Elevations (west elevation, east elevation, south elevation, black and white).  
xi. Building A – Elevations, dated April 5, 2019 (north elevations, black and white – provided as a supplemental attachment)
- F. Sawmill Station PUD Submittal (Residential Lot architectural plans), prepared by Built Form, LLC, dated March 28, 2019 unless otherwise noted, consisting of the following 10 sheets:**  
i. Sheet A-100, Site Plan & Zoning Summary, dated April 9, 2019;

ii. Surface and structured parking detail, undated;

iii. Illustrative Site Plan;

iv. Illustrative Typical Plans;

v. Illustrative Materials Concept;

vi. Perspective Rendering (1 of 2);

vii. Perspective Rendering (2 of 2);

viii. Site Plan (with Zoning Summary);

ix. Residential Elevations; and

x. Garage Elevations.

G. Sawmill Station Landscape Construction Package, prepared by The Lakota Group, dated March 28, 2019, unless otherwise noted, consisting of the following 11 sheets:

i. Sheet L1.1, Planting Plan (1 of 8);

ii. Sheet L1.2, Planting Plan (2 of 8);

iii. Sheet L1.3, Planting Plan (3 of 8);

iv. Sheet L1.4, Planting Plan (4 of 8);

v. Sheet L1.5, Planting Plan (5 of 8);

vi. Sheet L1.6, Planting Plan (6 of 8);

vii. Sheet L1.7, Planting Plan (7 of 8);

viii. Sheet L1.8, Planting Plan (8 of 8);

ix. Sheet L2.1, Plant Lists/Schedules;

x. Sheet L2.2, Seed Lists and Village Requirements; and

xi. Sheet L2.3, General and Planting Notes.

2. Prior to Village Board approval of the Planned Unit Development, Special Use Permit and Preliminary Plat of Subdivision, the Owner/Applicants and/or Developers must:

A. Present the proposed façade elevations for the junior department and the general retail stores, Lots 8 and 9, respectively, to the Appearance Commission for review; and

B. The Owner/Applicants shall comply with all applicable provisions of Title 12, Chapter 8 and address all comments, questions, and/or concerns identified in the Village Engineer's staff report dated April 4, 2019 and the Plan Commission staff report dated April 10, 2019, and provide an updated the Preliminary Plat Subdivision prior to the Village Board taking action on the Preliminary Plat of Subdivision.

3. All site development plans must be revised and shall be consistent with the site layout and building setbacks shown on Sheet C200, Overall Site Plan, dated 4/3/19, prepared by Woolpert, and Sheet A100, Site Plan, dated 4/9/19, prepared by Built Form LLC., as amended based on final recommendations by staff, Appearance Commission and Traffic Safety Commission through (Appearance Commission staff report dated March 29, 2019, Traffic Safety Commission Report dated April 5, 2019, Traffic Safety Commission staff report dated March 29, 2019, and Plan Commission staff report dated April 10, 2019), the Plan Commission and/or Village Board of Trustees.

4. Prior to the issuance of any site improvement or building permits, including but not limited to foundation only permits, the Owner/Applicants and/or Developer shall have filed the following:

A. An updated Traffic and Parking Impact Study, addressing all the comments and questions included the Traffic Safety Commission staff report, dated March 29, 2019, the Village Engineer's staff report, dated April 4, 2019, Traffic Safety Commission Report, dated April 5, 2019, and Plan Commission staff report, dated April 10, 2019, and any additional comments or questions raised by the Plan Commission public hearing on April 15, 2019, for review and approval by the Village Engineer;

B. Final engineering plans in accordance with Village requirements and standards, for review and approval by the Village Engineer. Such final engineering plans shall comply with all recommendations, comments, questions, and requested information in the Traffic Safety Commission staff report, dated March 29, 2019, the Village Engineer's staff report, dated April 4, 2019, Traffic Safety Commission Report, dated April 5, 2019, and Plan Commission staff report, dated April 10, 2019, and any additional comments or questions raised by the Plan Commission public hearing on April 15, 2019. Such final engineering plans shall comply with all current local, regional and state codes and regulations;

C. Stormwater Manager Report;

D. Copy of the approved Metropolitan Water Reclamation District (MWRD) permit;

E. Copy of any necessary permits or other documents from the Cook County Forest Preserve District related to proposed integration of storm water management system;

F. Copy of any approved permits or other documents supporting the pedestrian and bicycle access routes to/from Sawmill Station and the Forest Preserve District property;

G. Copy of the Illinois Environmental Protection Agency (IEPA) permit for water and sanitary systems;

H. Copy of the stormwater notice of intent for the National Pollution Discharge Elimination System through IEPA;

I. Copy of any approved permits or other documents supporting all proposed improvements to and within the Illinois Department of Transportation (IDOT) public right of way, including but not limited to the realignment of the full vehicular access with Birch Street, the proposed improvements for the pedestrian access across Waukegan Road, and any necessary improvement to the two signalized intersections;

J. A Final Site Lighting/Photometric Plan, for review and approval.

K. A detailed Construction Management and Phasing (CMP) Plan, for review and approval by the Village Administrator, based on recommendations from the Director of Public Works, Village Engineer, Director of Community and Economic Development, Building Official, Fire Chief, and Police Chief. Such Construction Management and Phasing Plan shall include, but not be limited to:



- I. Proposed phasing plan for the project area covered by this approved PUD, specifically including Lots 3-13: Such phasing plan(s) should include projected timelines for each phase of construction, location of construction fencing during each phase, etc.
- II. Designated Truck Routes: Such CMP Plan include all designated traffic routes. The CMP Plan shall include the proposed methods by which the Developer will keep all routes used for construction traffic free and clear of mud, dirt, debris, obstructions, and hazards. The Developer shall repair all damage caused by the construction traffic.
- III. Construction Parking and Material Storage: The CMP Plan shall show the location where all construction vehicles, including passenger vehicles, and construction equipment and construction materials will be parked or stored within the Property, for each phase of the project. Any proposed off-site parking or storage area(s) located within the Village of Morton Grove shall be identified and subject to approval by the Village Administrator or his designee.
- IV. Open Commercial Facilities Plan: The CMP Plan shall show how any existing businesses, the associated parking areas/facilities, and their employees and customers will be protected from any potential impacts from the proposed construction activities.
- V. Erosion Control Measures: Such CMP Plan shall include provisions for erosion control measures, including proposed silt fences, etc., to ensure that no construction debris enters the storm drains, public right-of-ways, or any general interior access routes during each phase of construction. The Applicant shall submit updated CMP Plan, as needed, to accommodate any changes in project phasing, development, and/or locations of truck routes, material storage, and/or worker parking, during each subsequent phase of construction.
- VII. Snow Storage: If applicable, such CMP Plan shall include designated snow storage areas through each phase of construction
- VIII. Emergency Access: Such CMP Plan shall be developed in such a way to ensure that emergency vehicles have access to all areas of the site, particularly construction areas, through each phase.
- IX. Such CMP Plan shall include an emergency contact list for all key personnel during each phase of construction
- L. Final landscape plans, consistent with the plans listed in Condition 1. In accordance with the Appearance Commission recommendations, such final landscape plans may include modifications to and/or elimination of landscape islands and proposed trees, along the south property line, as needed to facilitate required access for delivery trucks and emergency vehicles. The Owner/Applicants shall make every effort to install additional landscape islands and trees elsewhere on the site, to offset any reduced landscaping along the south property line.

- M. Detailed screening plans for dumpster and mechanical equipment, for review and approval by the Director of Community and Economic Development;
- N. Final architectural plans, consistent with those listed in Condition 1. Such final architectural plans shall address all comments, concerns and recommendations in the Appearance Commission staff report, dated March 29, 2019.
- O. Final material samples and specifications for each building, prior to issuance of the individual building permits, to ensure such material are consistent with the design, appearance, quality and durability of the material present to the appearance commission at their April 5, 2019 meeting.
- P. Declarations And Covenants for review and approval and such Declarations and Covenants shall be developed in accordance with Section 12-8-2.B.3. Such Declarations and Covenants shall cover both the commercial and residential uses, common areas, etc. and shall provide some framework for shared responsibilities for common infrastructure and/or property maintenance and/or cross-access easement, as applicable, should any of the lots be sold and/or operated by separate management companies.
- Q. A detailed Construction Management Plan, including but not limited to: proposed development phasing plan, location of propose construction and silt fencing, location of proposed contractor/subcontractor parking during each phase of construction, location of material storage during each phase of construction, proposed construction vehicle accessway(s); proposed truck routes to/from the site, etc.

5. No construction, improvement, or development of any kind shall be permitted on any portion of the Property unless and until the Final Plans are approved by the Village Administrator or his designee in accordance with this Ordinance. Notwithstanding the provisions within this condition, the Owner/Applicants and/or Developer may apply for permits, throughout various phases of development, and prior to full staff approval of all items listed above, provided the Village has received sufficient data, documents and plans to support the work covered by each such partial permit(s).

6. The Owner/Applicants shall submit all plans, details, and supporting documents to the Appearance Commission for review and approval, for proposed sign package, prior to installation of any such signage on the site;

7. The Owner/Applicants shall comply with all applicable provisions of Title 12, Chapter 8 regarding the content and submission of the final plat of subdivision and such final plat of subdivision shall be consistent with the approved preliminary plat.

8. The Owner/Applicants shall obtain all necessary signatures and file the final plat of subdivision and all required easements with the Recorder of Deeds of Cook County Illinois, and shall file three paper copies, one Mylar, and one electronic copy of the

recorded plat and easements with the Building Commissioner for the Village of Morton Grove within 90 days of such recording

9. The Owner/Applicants and Developer shall advise the Village Administrator or his designee of any proposed change in ownership or operation of the Property or any part thereof, including the Residential Facility/Lot and/or individual Commercial Facilities/Lots. Such changes may subject the Applicant, Developer or subsequent owners, lessees, occupants, and users of the Property to additional conditions and may serve as the basis for further amendment to the PUD and the Waivers. The PUD and Waivers are granted so long as the Applicant, Developer and subsequent owner, occupant and users of this property utilize the area for the purposes as herein designated.
10. The Owner/Applicants and the Developer, and any lessees, occupants, and users of the Property, their successors and assigns, shall allow employees and authorized agents of the Village access to the Property at all reasonable times for the purpose of inspecting the Property to verify all terms and conditions of this Ordinance have been met.
11. **(And, any additional conditions recommended by the Plan Commission, after hearing all the testimony and based on all discussions by the Commissioners of the proposed project and testimony, at the close of the public hearing.)**

**Exhibit C**  
**Minutes of the April 3, 2019 Appearance Commission Meeting**

MINUTES OF THE APRIL 3, 2019  
MEETING OF THE MORTON GROVE APPEARANCE COMMISSION  
RICHARD T. FLICKINGER MUNICIPAL CENTER  
6101 CAPULINA AVENUE, MORTON GROVE, IL 60053

Pursuant to proper notice in accordance with the Open Meetings Act, the regular meeting of the Appearance Commission was called to order at 6:00 pm by Chairperson Pietron, who led the assemblage in the Pledge of Allegiance. Secretary Sopkin called the roll. In attendance were:

Members of the Commission Present:

J. Pietron (Chairperson)  
P. Minx  
M. Ingram  
D. Hedrick  
D. Manno  
R. Block

Members of the Commission absent:  
None

Village Staff and Other Dignitaries Present:

N. Radzevich, Economic Development Director/Staff Liaison  
J. Thill, Village Trustee/Commission Liaison  
R. Minx, Village Trustee  
E. Ramos, Village Trustee  
W. Grear, Village Trustee  
C. Travis, Village Trustee  
T. Hoffman Liston, Corporate Council  
R. Czervinski, Village Administrator  
J. Lawrence, Management Analyst  
W. Zimmer, Building Department Inspector  
C. Kinmer, Planning/Zoning Board Commissioner  
M. Manno, Park District Commissioner

Chip Pietron now announced the first order of business which was the approval of the minutes of the January 7, 2019 meeting.

Cmsr Minx moved to approve the January 7, 2019 minutes as presented. The motion was seconded by Cmsr Block. Secretary Sopkin called the roll. The vote was as follows:

Ingram	Aye	Block	Aye
Hedrick	Aye	Manno	Aye
Minx	Aye		

Chip Pietron moved on to the next agenda item, Appearance Case AC 19-02, IM Kensington MG LLC and UrbanStreet Group, 6711-6947 Dempster Street and 8745 Waukegan Road, Requesting an Appearance Certificate for Proposed Redevelopment of Sawmill Station (formerly Prairie View Shopping Center) at the Southeast Corner of Dempster and Waukegan per Sec 1-16-2-C, and Requesting for Waivers to Select Landscaping Requirements per Section 12-11.

Present were Bernard Siwik, Wik Consulting Inc, Jay Eck, Kensington Development Partners, Amy Mockapetris, Tori Gallas + Partners, Lauren Williams, Cooer's Hawk Winery & Restaurants, Gary Collins, Fitness International, Jonathan Grzywa, Woolpert, and Scott Freres, Lakota Group, among others of their respective teams.

Ms. Radzevich, Staff Liaison, started the presentation by acknowledging the property owners IM Kensington MG LLC and UrbanStreet Group LLC, and identifying some of the members of the design teams that were in the room. Ms. Radzevich continued with an overview stating that they filed applications for approval of a Planned Unit Development (PUD) and Special Use permits for mixed use at the proposed redevelopment of Sawmill Station, formerly Prairie View Shopping Center. The presentation at this meeting would focus mostly on the buildings and landscaping, as the signage would be presented at a later date. The proposed Sawmill Station would have residential development on the eastern side of the property, which they hoped would become a lifestyle center. The proposal also included a multi-tenant strip, a winery and restaurant, a grocery store, a fitness center, a cinema and brewery, and other general retailers.

In the proposal, they were requesting several waivers, which included general landscaping and parking lot landscaping, as well as an Appearance Certificate. The waivers are detailed in the memo from Ms. Radzevich. As for the Appearance Certificate, it was mentioned that the facade designs for the residential and commercial properties are being coordinated as some of the tenants have their own independent architects working closely with the group to carry over consistent components of the project. The packet included designs for signage, but the sign package was incomplete and was not to be considered at this meeting. They agreed to wait to produce a full and complete package at a later meeting.

Ms. Radzevich introduced the master developer from IM Kensington MG LLC, Jay Eck. Mr. Eck gave a brief overview of the progression of the project, starting from the acquisition of the property in October 2018, stating that it took six months to accomplish. They were looking for retailers who would thrive in a retail/internet world, which would be sustainable in a long term project. Mr. Eck introduced some of the team members from UrbanStreet, Tori Gallas, Lakota Group, Cooper's Hawk, and LA Fitness, who would be working together on this project.

Amy Mockapetris, Senior Associate, Tori Gallas & Partners, continued with the presentation. Ms. Mockapetris said that they were working on the overall appearance and coordinating the project with the goal of making it a place to live, work and play. It would be pedestrian oriented with a walkable center and multiple activities. There would be outdoor seating and areas with wider sidewalks and tree lined walkways. The feel of the project would be a mix of traditional with modern elements and materials, and would be made to last. It would be easy to maintain and clean, but would be designed to last at least 20 years. Ms. Mockapetris presented sample palettes and generic material samples. They want to work as much as possible with local distributors for their materials.

Building A would be a big power center, with big anchor tenants – LA Fitness, Kohls, Dollar Tree, Ross, and also a grocery store to be secured later. They would be using tilt-up concrete construction and brick form liners, which would be painted. There would also be metal panels and wood type panels. Ms. Mockapetris described some of the elements for each of the retailers, saying that there would be similar elements, but would create strong identities for each of the retailers. The project would be vibrant and fresh, with fun pops of color in the outdoor dining areas. The rear of this building would be concrete, which would be extremely durable an easy to clean and patch.

Chip Pietron asked how this compared to brick, and was told that bricks go through freeze/thaw with water permeability, and the bricks would flake. Concrete would be easier to patch and paint.

Appearance Commission

April 3, 2019

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Cmsr Ingram asked about typical panel spacing. Some of the tenants have their own specifications, and they would be working with their own architects in conjunction with the master plan for the site. For example, Kohls does not look like typical tilt-up panels. They would break it up and score it more. There would be more details about these specifications later. There will also be a change of color along the rear according to the tenants.

Building B would also be tilt-up concrete, and would be the site of Flix Brewhouse, a cinema, brewery, and restaurant. This site was described in some detail, including larger scored panels, two main entrances, porcelain tile cladding in different patterns, and a large outdoor dining component. There would be wood treatment and double storied glass, outdoor dining and indoor restaurant with valet parking.

Building D would be Cooper's Hawk Winery, and Lauren Williams presented the plans for this site. It would be 11,000 sq ft, with steel construction, 260 interior seats and a private dining area and bar. There would be a tasting room and a retail center. It would also have a patio with 30 seats. It would be done in a dark brick pattern with a velvet finish. It would have rustic, clean lines with metal accents. They would have free-standing planters, glazed windows, and solid containment gates in the rear, and this would be four-sided architecture.

Building E would be a smaller, multi-tenant building, including a Starbucks, Chipotle, and two other retailers. This would also be four-sided architecture, as the materials would wrap around all sides of the building. They talked about some of the materials used for this building. This site would have a wide courtyard in the middle, with some outdoor dining spots. The courtyard would also be landscaped.

Chip Pietron asked if the roof elements would be hidden, and was told they would be screened by the parapets or other aluminum materials.

Ms. Mockapetris went over the circulation diagrams in the packet, including wider pedestrian sidewalk areas, gathering spaces, bicycle circulation and parking, vehicular circulation and parking, service zones and trash service areas. They have also accounted for snow storage in the winter months. They talked about the materials used in this site, and addressed some of the concerns from the staff report, including the architectural metal panels, performance and durability of the tilt-up concrete, the effaces on LA Fitness, the west facade of the grocery store being too plain, and the rear of the Building A being too simple. Some of these details were still being worked out.

Chip Pietron was concerned with the last issue, and Ms. Mockapetris said that they could add colors or material scoring. It would be broken up so that it would not be visually lost. There would be differences between the buildings. Chip Pietron asked about the light refraction on the long expanse of the building, and Ms. Mockapetris said that they would not use bright white, as it would also show staining easily. They would use neutral gray or beige tones, and this would also clean easily with soap and water.

Cmsr Ingram asked about the fiber cement, about the color warranty and appearance after five or ten years. Ms. Mockapetris said she was not experienced with the longer time period, but that they intended to blend colors to get a more natural effect. This would allow them to repair or replace damages without causing noticeable differences.

The presentation now switched over to the landscape group, Lakota Group. Mr. Scott Freres, President, talked about the general landscaping, and presented the landscape plans. They would use Appearance Commission

April 3, 2019

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materials in addition to trees, and would be mindful of the species with quality plantings for this project. There would be a perimeter buffer, green species, ground layer vegetation, people friendly spaces. The site features pots, benches, and lighting. There would be a night ambience as well as a daytime space. There would be pocket parks between buildings, and a stormwater facility. The plantings would be maintainable and durable. The residential area is still a work in progress, and they were working to create safe spaces, buffer areas, and a parking deck. There would also be a circulation service spine that would work with emergency personnel. They want to keep the landscape viable without sacrificing visibility.

Chip Pietron asked about the lighting and the trees, and Mr. Freres said that LED lights have a lesser impact on the trees.

They were also working on correcting the bike path from Dempster Street into the forest preserves.

Next, the Architect for the residential buildings, Arden Freeman, continued the discussion. The residential building would be a 250 unit building with a three-story parking deck screened by the building. They originally had the parking underneath the residences, but decided to alter this to the three-story parking deck. The residential building would be a "C" shaped building with the amenities in the center. This would be a one story building that would have a pocket park and a swimming pool. The residences would have a nice view of the forest preserves, and would be a continuation of the Sawmill theme. They would have the wood accents, masonry, fiber cement panels, and prairie style garden feel. They would use double-hung windows, and would break up the patterns with multiple colors. Material samples were presented next, along with renderings, including the balconies and the view from the water treatment side of the building.

Chip Pietron said that this looked good, very residential, and that the variety was good and the color was tied together.

Cmsr Ingram asked about the process, as the elevations were not complete. At this time, they were looking for suggestions, recommendations, and were subject to several conditions. If they should deviate from the presented and approved plans, they would need to present these significant, substantial, or dramatic changes to the Appearance Commission. Minor amendments might be required. As they were looking to locally source some of their materials, the color matches might need approval from the Commission. Any undefined or significant changes or alterations would require them to get approvals from the Commission.

Cmsr Block asked if they considered solar panels on the large flat roofs. Mr. Eck said that as some of the retailers were involved in the planning and designing of their own spaces, this was not likely to be addressed or utilized.

Cmsr Ingram moved to approve **Appearance Case AC 19-02, IM Kensington MG LLC and UrbanStreet Group**, as presented with the stipulation that any significant changes or alterations to the original proposal and subject to the constraints outlined in the memo would require the applicant to come back before the Appearance Commission for approval. The motion was seconded by Cmsr Hedrick.

Secretary Sopkin called the roll. The vote was as follows:

Ingram	Aye	Block	Aye
Hedrick	Aye	Manno	Aye
Minx	Aye		

Appearance Commission

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April 3, 2019

Chip Pietron said that this was truly an historic moment in Morton Grove, and he thanked all those involved.

Chip Pietron moved on to the next agenda item, Other Business/Public Comment. There being none, he entertained a motion to adjourn the meeting.

\*\*\*\*\*

**ADJOURNMENT:**

There being no further business, Commissioner Hedrick moved to adjourn the meeting. The motion was seconded by Commissioner Manno and approved unanimously pursuant to a voice vote at 7:35 pm.

Stacy Sopkin

Minutes by: Secretary Sopkin

Minutes were approved on		by a voice vote of the	
April 29, 2019		Commissioners, with the votes as follows:	
Ingram	Aye	Minx	Aye
Hedrick	Aye	Block	Aye
		Manno	Aye

EXHIBIT C

Preliminary Plat of Subdivision

Appearance Commission

[5]

April 3, 2019

Exhibit C





4. The Applicant and Developer agree to and do hereby hold harmless and indemnify the Village, the Village's corporate authorities, and all Village elected and appointed officials, officers, employees, agents, representatives, and attorneys, from any and all claims that may, at any time, be asserted against any of such parties in connection with (a) the Village's review and

approval of any plans and issuance of any permits, (b) the procedures followed in connection with the adoption of the Ordinance, (c) the development, construction, maintenance, and use of the Property, and (d) the performance by the Applicant and Developer of their obligations under this Unconditional Consent and Agreement.

5. The Applicant and Developer shall, and do hereby agree to, pay all expenses incurred by the Village in defending itself with regard to any and all of the claims mentioned in this Unconditional Consent and Agreement. These expenses shall include all out-of-pocket expenses, such as reasonable attorneys' and experts' fees, and shall also include the reasonable value of any services rendered by any employees of the Village.

ATTEST:

Kensington MG LLC, a Delaware limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

UrbanStreet Group LLC-ACQ, an \_\_\_\_\_ limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Exhibit D  
Page 2 of 2

May 6, 2019



Village of Morton Grove  
Attn: Mayor Daniel DiMaria  
6101 Capulina Avenue  
Morton Grove, IL 60053

RE: Sawmill Station - Request for Waiver of a Second Village Board Reading

Mayor DiMaria:

Kensington Development Partners, as developer of Sawmill Station at the Southeast Corner of Dempster and Waukegan in Morton Grove, would like to formally request that we consolidate the two-meeting structure that the Village currently has in place for final PUD approval into one meeting so that we can receive final PUD approval on May 13<sup>th</sup>.

We are requesting this waiver to consolidate the two Village Board meetings into one Village Board meeting for final approvals in order to hit our target dates for pad delivery and openings for each of our anchors, including Kohl's and the proposed grocery store. It is important that we get the PUD approved on May 13<sup>th</sup>, 2019 so that we can spend the millions of dollars necessary on construction costs and to continue ordering materials necessary to maintain the critical dates within each of the leases.

If you have any questions or would like to discuss further, please let me know.

Thank you,  
KENSINGTON DEVELOPMENT PARTNERS

Chad W. Jones  
Principal

KENSINGTON DEVELOPMENT PARTNERS  
(847) 224-4403



**Exhibit C**

**Sawmill Station**

**Retail Project Budget**

## EXHIBIT C-1

**Kensington Development Partners**  
**Morton Grove**  
**Retail Cost Assumptions**

Updated - June 19, 2019

	<u>Costs</u>
<u>Land</u>	<u>\$ 11,300,000</u>
 <u>Hard Costs</u>	
Demolition	\$ 875,000
Site Demolition	\$ 135,000
Detention	\$ 2,512,281
Environmental Remediation\ asbestos	\$ 1,102,000
Site work	\$ 8,938,982
Open space/park improvements	\$ -
Offsite Road Improvements	\$ 150,000
Payment and Performance Bond	\$ 200,000
Signage	\$ 300,000
Utilities	\$ 150,000
Traffic Signal on Dempster	\$ 300,000
Retail Building Shell	\$ 18,149,676
Retail Tenant Finish	\$ 14,662,500
Credit from Seller - environmental	\$ (1,950,000)
Multifamily FF&E	\$ -
Multifamily Building Shell	\$ -
Total Hard Costs	<u>\$ 45,525,439</u>
 <u>Soft Costs</u>	
Governmental Fees	\$ 300,000
Architectural and Engineer	\$ 1,744,500
Dollar Tree Termination Payment	\$ 510,000
Legal and Closing	\$ 1,997,500
Leasing Commissions - Retail	\$ 1,457,700
Marketing Lease up Expense - Residential	\$ -
Reserve for Operating Deficits - Residential	\$ -
Property Taxes During Construction	\$ 1,619,000
Insurance	\$ 400,000
Interest	\$ 3,650,715
Loan Fees	\$ 495,146
Development Fees	\$ 5,000,000
Overall Contingency for Deal	\$ 7,500,000
Total Soft Costs	<u>\$ 24,674,561</u>
 <b>Total Retail Project Costs</b>	<b>\$ 81,500,000</b>

## Sawmill Station Residential Budget

### Soft Costs

Architectural	\$ 950,000
Engineering and Surveying	260,000
Insurance	300,000
Inspections	50,000
Legal Fees	125,000
Permits, Tap Fees and Impact Fees	200,000
FF&E	400,000
Pre-opening Costs	150,000
Real Estate Taxes	300,000
Deficit Reserve	250,000
Misc. Soft Costs	500,000
<b>Total Soft Costs</b>	<b>\$ 3,485,000</b>

### Site Work

General Sitework	\$ 750,000
Surveying	35,000
Temp Fencing	25,000
Site Utilities	550,000
Site Concrete	150,000
Asphalt Paving Surface & Patching	190,000
Fencing	30,000
Landscaping & Retaining Walls	290,000
Irrigation	100,000
Site Lighting	190,000
Building Excav, Backfill, Topsoil Spread	555,000
<b>Total Site Work</b>	<b>\$ 2,865,000</b>

### Building Costs

Building Concrete	42,500,000
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### Financing Costs

Construction Interest	\$ 3,000,000
Loan Costs	1,000,000
Title Charges	50,000
Debt Sourcing	400,000
<b>Total Financing Costs</b>	<b>\$ 4,450,000</b>

### Pool

Pool and Pool Deck	\$ 400,000
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### General Conditions/Fees/Insurance/Contingency

General Conditions	2,000,000
General Liability Insurance	550,000
GC Fee and Overhead	1,250,000
Developer Fees	5,000,000
Contingency	7,500,000
<b>Subtotal</b>	<b>\$ 16,300,000</b>

**TOTAL RESIDENTIAL DEVELOPMENT COST**

**\$ 70,000,000**

## EXHIBIT C-2

Kensington Development Partners  
Morton Grove  
Retail Project True Up Budget

	2019	2020	Total Project Costs
<b>Land</b>	\$ 11,300,000		\$ 11,300,000
<b>Hard Costs</b>			
Demolition	\$ 875,000	\$ -	\$ 875,000
Site Demolition	\$ 135,000	\$ -	\$ 135,000
Detention	\$ 2,512,281	\$ -	\$ 2,512,281
Environmental Remediation\ asbestos	\$ 1,102,000	\$ -	\$ 1,102,000
Site work	\$ 7,500,000	\$ 1,438,982	\$ 8,938,982
Open space/park improvements	\$ -	\$ -	\$ -
Offsite Road Improvements	\$ -	\$ 150,000	\$ 150,000
Payment and Performance Bond	\$ 200,000	\$ -	\$ 200,000
Signage	\$ -	\$ 300,000	\$ 300,000
Utilities	\$ 100,000	\$ 50,000	\$ 150,000
Traffic Signal on Dempster	\$ -	\$ 300,000	\$ 300,000
Retail Building Shell	\$ 4,508,250	\$ 13,641,426	\$ 18,149,676
Retail Tenant Finish	\$ 2,932,500	\$ 11,730,000	\$ 14,662,500
Credit from Seller - environmental	\$ (1,950,000)	\$ -	\$ (1,950,000)
Multifamily FF&E	\$ -	\$ -	\$ -
Multifamily Building Shell	\$ -	\$ -	\$ -
<b>Total Hard Costs</b>	<b>\$ 17,915,031</b>	<b>\$ 27,610,408</b>	<b>\$ 45,525,439</b>
<b>Soft Costs</b>			
Governmental Fees	\$ 225,000	\$ 75,000	\$ 300,000
Architectural and Engineer	\$ 1,308,375	\$ 436,125	\$ 1,744,500
Dollar Tree Termination Payment	\$ 510,000	\$ -	\$ 510,000
Legal and Closing	\$ 1,298,375	\$ 699,125	\$ 1,997,500
Leasing Commissions - Retail	\$ 510,195	\$ 947,505	\$ 1,457,700
Marketing Lease up Expense - Residential	\$ -	\$ -	\$ -
Reserve for Operating Deficits - Residential	\$ -	\$ -	\$ -
Property Taxes During Construction	\$ 919,000	\$ 700,000	\$ 1,619,000
Insurance	\$ 200,000	\$ 200,000	\$ 400,000
Interest	\$ 1,213,573	\$ 2,437,142	\$ 3,650,715
Loan Fees	\$ 495,146	\$ -	\$ 495,146
Development Fees	0% \$ -	\$ -	\$ -
Overall Contingency for Deal	0% \$ -	\$ -	\$ -
<b>Total Soft Costs</b>	<b>\$ 6,679,664</b>	<b>\$ 5,494,897</b>	<b>\$ 12,174,561</b>
<b>Total Project Costs</b>	<b>\$ 35,894,695</b>	<b>\$ 33,105,305</b>	<b>\$ 69,000,000</b>
<b>Cushion before lookback calculation</b>			<b>\$ (2,000,000)</b>
<b>Retail True Up Amount</b>			<b>\$ 67,000,000</b>

**Lookback Analysis Calculation:**

Any savings below the budgeted costs of \$67,000,000 will be shared with the Village on a 50/50 basis.  
By way of example, if the overall budget (less development fees) comes in at \$66,000,000, then the Developer Note would be reduced by \$500,000.

Exhibit D  
Developer Note

STATE OF ILLINOIS  
COUNTY OF COOK  
VILLAGE OF MORTON GROVE

JUNIOR LIEN TAX INCREMENT REVENUE NOTE  
(SAWMILL STATION REDEVELOPMENT PROJECT), SERIES 2019

SOLE NOTE:  
REGISTERED  
No.ONE

MAXIMUM AMOUNT:  
REGISTERED  
Maximum Principal Amount

KNOW ALL PERSONS BY THESE PRESENTS that the VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS (the "*Village*"), a municipality, home rule unit and body corporate and politic duly organized under the laws of the State of Illinois, for value received hereby acknowledges itself to owe and promises to pay (subject to mandatory and optional redemption as hereinafter provided) to the Registered Owner hereof, or registered assigns, the Outstanding Principal Amount of this Note, as hereinafter described, and interest on such Outstanding Principal Amount at a rate percent per annum which is equal to six and one half percent (6.50%) (computed on the basis of a 360-day year of twelve 30-day months) in annual installments of principal and interest on January 1 of each year (each January 1 being an "*Interest Payment Date*") until paid, commencing on the first January 1 following the date of Retail Substantial Completion on which funds are available and on deposit in the hereinafter defined Junior Lien Note and Interest Subaccount, with a final installment of principal and interest coming due at Final Maturity. "*Final Maturity*" means (A) the date on which the Village has made provision for or payment in full of all principal of and interest on this Note, (B) as to any payment on this Note from the hereinafter defined Net Limited Incremental Property Taxes, the earlier to occur of (i) the date which is twenty (20) years after the Dated Date or (ii) December 31, 2042, or (C) as to any payment on this Note from the hereinafter defined Net Limited Incremental Sales Taxes, the date which is the last date allowable under the TIF Act (as defined below). The

*"Outstanding Principal Amount"* means that amount, not to exceed the Maximum Principal Amount, shown as Advances for Value, less payments of principal thereon. *"Advances for Value"* means the principal advanced from time to time in even multiples of \$1,000 under this Note to pay Certified TIF Costs (as defined in the 2019 Junior Lien Note Ordinance defined below) not paid with Initial Revenue Bonds Net Proceeds (as defined in the 2019 Junior Lien Note Ordinance defined below) as noted on this Note by the Village in the form of "Advances for Value" hereon, which advances shall not exceed in the aggregate the Maximum Principal Amount. The *"Maximum Principal Amount"* means (a) up to \$21,800,000 of the aggregate amount of Certified TIF Costs minus the total amount of the Initial Revenue Bonds Net Proceeds, less (b) the Movie Theater/Restaurant Holdback (as defined in the defined below) less (c) the Recapture Amount (as defined in the 2019 Junior Lien Note Ordinance defined below). *"Movie Theater/Restaurant Holdback"* means (i) until the issuance by the Village of a certificate of substantial completion of the work required to enable the Movie Theater/Restaurant (as defined below) to commence all improvements necessary to complete the build out of its store (the *"Movie Theater/Restaurant Substantial Completion"*), \$1,000,000 and (ii) on and after the Movie Theater/Restaurant Substantial Completion, \$0; provided, however, that if the Movie Theater/Restaurant Substantial Completion does not occur prior to March 31, 2023 (as such date may be extended by Uncontrollable Circumstances as defined in the Redevelopment Agreement), the Movie Theater/Restaurant Holdback shall permanently remain at \$1,000,000. *"Movie Theater/Restaurant"* means Flix Brew House, Studio Movie Grill or such other similar movie theater with a restaurant approved in writing by the Village. *"Retail Substantial Completion"* has the meaning given such term in the Redevelopment Agreement defined below. This Note shall be

dated the date of authentication but shall not bear interest on the Outstanding Principal Amount until the date of Retail Substantial Completion.

Interest when due ("*Current Interest*") shall be paid from the later of the date of Retail Substantial Completion or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of the Note is paid or duly provided for, as provided from the hereinafter defined Junior Lien Note and Interest Subaccount of the hereinafter defined Special Tax Allocation Fund, and if funds on deposit therein and to the credit thereof are insufficient for such purpose, such failure to pay shall not in and of itself constitute an event of default, but such interest shall thereupon be recorded by the Trustee as Deferred Accrued Interest ("*Deferred Accrued Interest*"). Deferred Accrued Interest which is owing and unpaid shall bear interest at the same interest rate as the Note. The order of payment of principal and interest on this Note shall be first, Deferred Accrued Interest, second, Current Interest, and next, mandatory redemption of the Outstanding Principal Amount, as adjusted and shown as advanced in the form of Advances for Value hereon. Failure to pay when due any installment of Current Interest or any amount of Outstanding Principal Amount due to insufficiency of the hereinafter defined Pledged Taxes, whether at a regular Interest Payment Date, at Stated Maturity, Final Maturity or otherwise, shall in no event be deemed to be an event of default hereon. The Registered Owner of this Note, by acceptance hereof, hereby expressly agrees and acknowledges that there may be Deferred Accrued Interest hereon, that is, that Current Interest may not have been paid, without any special notation having been made upon this Note.

The principal of this Note shall be payable by check or draft in lawful money of the United States of America upon presentation at the principal office maintained for the purpose by Amalgamated Bank of Chicago, as trustee, Trustee and paying agent (the "*Trustee*"), under that



certain Indenture of Trust dated as of [\_\_\_\_], 2019 (the “*Indenture*”), by and between the Village and the Trustee. Interest on this Note shall be paid to the Registered Owner hereof as shown on the Register at the close of business on the Record Date. Interest hereon shall be paid by check or draft of the Trustee, payable upon presentation thereof in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on the Register or at such other address furnished to the Trustee in writing or as directed by such Registered Owner, all as provided in the hereinafter defined Ordinance.

This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the “*TIF Act*”), and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended and as supplemented, and, where necessary, superseded, by the home rule powers of the Village under Section 6 of Article VII of the 1970 Constitution of Illinois (collectively, the “*Act*”), and the principal of and interest, and premium, if any, hereon are payable solely and only from all or any portion of (i) a portion (said portion being the “*Net Limited Incremental Property Taxes*”) of the ad valorem taxes, if any, arising from taxes levied by any and all taxing districts or municipal corporations having the power to tax real property in the Property (as defined in the 2019 Junior Lien Note Ordinance), which Property is part of the Sawmill Station Redevelopment Project Area of the Village (the “*Redevelopment Project Area*”), which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Property (as defined in the 2019 Junior Lien Note Ordinance) over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of The County of Cook, Illinois, and on deposit in the Junior Lien Note and Interest Subaccount of the 2019 Redevelopment Projects Account of

the Sawmill Station Redevelopment Project Area Special Tax Allocation Fund (the “*Special Tax Allocation Fund*”) continued under the Indenture, (ii) a portion of certain incremental sales taxes, if any, derived from the Property (as defined in the 2019 Junior Lien Note Ordinance), or any successor taxes thereto (said portion being the “*Net Limited Incremental Sales Taxes*” and, together with the Net Limited Incremental Property Taxes and as calculated as provided in the 2019 Junior Lien Note Ordinance, the “*Pledged Taxes*”) and (iii) the amounts on deposit in and pledged to the various funds and accounts of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund, all in the priority of lien as provided in the 2019 Junior Lien Note Ordinance and the Indenture and as otherwise provided in the 2019 Junior Lien Note Ordinance and the Indenture. Additional Junior Lien Notes and senior lien bonds may be issued upon the terms and as provided in the hereinafter defined 2019 Junior Lien Note Ordinance and the Indenture and the ordinances authorizing the senior lien bonds. This Note is being issued for the purposes of paying or reimbursing a portion of certain costs of a redevelopment project on a site located within the Redevelopment Project Area, all as more fully described in proceedings adopted by the President and Board of Trustees of the Village (the “*Corporate Authorities*”) pursuant to the Act and in an ordinance authorizing the issuance of this Note adopted by the Corporate Authorities on the \_\_\_\_ day of \_\_\_\_\_, 2019, and authorizing the issuance hereof (the “*2019 Junior Lien Note Ordinance*”), the Indenture and in that certain Redevelopment Agreement dated as of July \_\_, 2019, by and between the Village and IM Kensington MG, LLC, a Delaware limited liability company, and relating to the Property (as most recently amended, the “*Redevelopment Agreement*”), to all the provisions of which the holder by the acceptance of this Note assents. Under the Act, the 2019 Junior Lien Note Ordinance, the Indenture and the Redevelopment Agreement, the Incremental Property Taxes shall be deposited in the Special Tax Allocation Fund.

The Net Limited Incremental Property Taxes, if any, and the Net Limited Incremental Sales Taxes, if any, on deposit in the Junior Lien Note and Interest Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund (the “*Junior Lien Note and Interest Subaccount*”) shall be used first and are pledged for paying the principal of and interest on this Note and then in making any further required payments to any funds and accounts as provided by the terms of the 2019 Junior Lien Note Ordinance and the Indenture. Terms used but not defined herein shall have the same meaning as provided in the 2019 Junior Lien Note Ordinance, the Indenture and the Redevelopment Agreement.

This Note is a term note and is subject to mandatory redemption by operation of the Junior Lien Note and Interest Subaccount at a price of par plus accrued interest without premium, on any date, whenever an annual Accounting shall demonstrate that there is on deposit in the Junior Lien Note and Interest Subaccount an amount in excess of the amount required to pay all Deferred Accrued Interest and to pay Current Interest due and payable during the Note Year commencing on the January 1 next succeeding such Accounting. The Trustee shall make provision for the mandatory redemption of this Note to the fullest extent practicable from such excess.

The Village covenants that it will cause the Trustee to redeem this Note pursuant to the mandatory redemption required for this Note. Proper provision for mandatory redemption having been made, the Village covenants that the Outstanding Principal Amount hereof to be redeemed shall be payable as at Stated Maturity.

This Note is also subject to redemption prior to maturity, at the option of the Village, in whole or in part, from any available funds, on any date, at the redemption price of par plus accrued interest to the date fixed for redemption, and as further provided in the Ordinance.

This Note may be transferred in whole but not in part. Upon surrender hereof at the principal office maintained for the purpose by the Trustee, accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Trustee shall register this Note in the name of the new Registered Owner on the registration grid provided herein, and shall also enter the name and address of the new registered owner in the Note Register.

The person in whose name this Note is registered on the Note Register shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of or interest hereon shall be made only to or upon the order of the Registered Owner hereof or the owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid.

This Note, together with the interest thereon, is a limited obligation of the Village, payable solely from the Pledged Taxes and the amounts on deposit in and pledged to the Junior Lien Note and Interest Subaccount as provided in the 2019 Junior Lien Note Ordinance, the Indenture and the Redevelopment Agreement. For the prompt payment of this Note, both principal and interest, as aforesaid, at maturity, the Pledged Taxes are hereby irrevocably pledged. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. No HOLDER OF THIS NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL HEREOF OR INTEREST HEREON. FAILURE TO PAY WHEN DUE ANY INSTALLMENT OF CURRENT INTEREST OR ANY AMOUNT OF DEFERRED ACCRUED INTEREST OR OUTSTANDING PRINCIPAL AMOUNT DUE TO INSUFFICIENCY OF THE PLEDGED TAXES, WHETHER

AT STATED MATURITY, FINAL MATURITY OR OTHERWISE, SHALL IN NO EVENT BE DEEMED TO BE AN EVENT OF DEFAULT ON THIS NOTE.

The Village hereby expressly finds and determines that as to the Net Limited Incremental Property Taxes, the Final Maturity of this Note does not exceed the earliest of (i) the date which is twenty (20) years from the Dated Date; or (ii) the date which is December 31 of the year following the twenty-third (23rd) year from the date of designation by the Corporate Authorities of the Redevelopment Project Area, to-wit: December 31, 2042.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the Pledged Taxes and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance and the Redevelopment Agreement.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

The tables and forms following the signatures on this Note and entitled Advances for Value and Registered Owner Notation are an integral part of this Note as if in each case fully set forth at this place and are incorporated herein by this reference.

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be hereunto affixed, all as of the date of delivery hereof, to wit, the \_\_\_\_ day of \_\_\_\_\_, 2019.

VILLAGE OF MORTON GROVE, COOK  
COUNTY, ILLINOIS

By \_\_\_\_\_  
President, Village of Morton Grove,  
Cook County, Illinois

[SEAL]

Attest:

\_\_\_\_\_  
Village Clerk, Village of Morton Grove,  
Cook County, Illinois

Date of Authentication: \_\_\_\_\_, 2019

CERTIFICATE  
OF  
AUTHENTICATION

Trustee, Note Registrar and Paying Agent:  
Amalgamated Bank of Chicago

This Note is the Note described in the within mentioned Ordinance and is the Tax Increment Revenue Note (Sawmill Station Redevelopment Project), Series 2019, of the Village of Morton Grove, Cook County, Illinois.

AMALGAMATED BANK OF CHICAGO,  
as trustee

By \_\_\_\_\_

STATE OF ILLINOIS  
COUNTY OF COOK  
VILLAGE OF MORTON GROVE

**JUNIOR LIEN TAX INCREMENT REVENUE NOTE, SERIES 2019  
(SAWMILL STATION REDEVELOPMENT PROJECT)**

SOLE NOTE:  
REGISTERED  
No.ONE

MAXIMUM AMOUNT:  
REGISTERED  
Maximum Principal Amount

## ADVANCES FOR VALUE

Advances for Value made under this Note are set forth below.

[illegible]

STATE OF ILLINOIS  
COUNTY OF COOK  
VILLAGE OF MORTON GROVE

JUNIOR LIEN TAX INCREMENT REVENUE NOTE, SERIES 2019  
(SAWMILL STATION REDEVELOPMENT PROJECT)

SOLE NOTE:  
REGISTERED  
No.ONE

MAXIMUM AMOUNT:  
REGISTERED  
Maximum Principal Amount

## OUTSTANDING PRINCIPAL AMOUNT

This Note is valid to the amount set forth below, the aggregate of said amounts being its Outstanding Principal Amount. If no amounts are recorded below, the Outstanding Principal Amount shall be the amount shown by the Village as the Amount Advanced on the previous appendix.

[illegible]



JUNIOR LIEN TAX INCREMENT REVENUE NOTE, SERIES 2019  
(SAWMILL STATION REDEVELOPMENT PROJECT)

MAXIMUM AMOUNT:  
REGISTERED  
Maximum Principal Amount

This Note shall be registered on the Note Register of the Village kept for the purpose by Amalgamated Bank of Chicago, as Trustee. The principal and interest on this Note shall be payable only to or upon the order of the Registered Owner or such owner's legal representative. No registration hereof shall be valid unless signed by the Trustee.

[illegible]

**Exhibit E**

**Final Plat**

Exhibit E  
Page 1



**KENSINGTON SUBDIVISION**  
BEING A PART OF SECTION 19, TOWNSHIP 41 NORTH, RANGE  
OF THE 3RD PRINCIPAL MERIDIAN, COOK COUNTY, ILL.

**PARCEL INDEX NUMBERS:**  
10-19-103-001-0000  
10-19-200-007-0000  
10-19-200-010-0000  
10-19-200-009-0000

THIS PLAY HAS BEEN SUBMITTED FOR  
RECORDING BY AND RETURN TO:

**WOMEN ENTREPRENEURS** 67 AND 70A

THIS IS TO CERTIFY THAT KENSINGTON MC LLC IS THE OWNER OF THE LAND DESCRIBED ON THE ANNEXED PLAN, AND AS SUCH OWNER HAS CAUSED THE SAME TO BE PLATTED AS SHOWN THEREON, FOR THE USES AND PURPOSES THEREIN SET FORTH AND DOES HEREBY ACKNOWLEDGE AND ADVERTISE SAME UNDER THE STYLE AND TITLE THEREON INDICATED.

ALSO THIS IS TO CERTIFY THAT THE PROPERTY BEING SUBDIVIDED AFORESAID, AND TO THE BEST OF THE OWNER'S KNOWLEDGE AND BELIEF, SAID SUBDIVISION LIES ENTIRELY WITHIN THE LIMITS OF SCHOOL DISTRICTS: 67 AND 219

DATE AT \_\_\_\_\_ (CITY, STATE) DAY OF \_\_\_\_\_ A.D. 20\_\_

52

1000000

## STATE OF ILLINOIS }

COUNTY OF COOK }  
}

11. THERE SHALL BE, AT MOST, ONE (1) VEHICULAR (SERVICE) ACCESS DRIVE AND ONE (1)

- [illegible]

THIS PLAN HAS BEEN APPROVED BY THE ILLINOIS DEPARTMENT OF TRANSPORTATION WITH RESPECT TO BROADWAY ACCESS PURSUANT OF PARAGRAPH 2 OF "AN ACT TO REVISE THE LAW IN RELATION TO PLATS," AS AMENDED.

ANTHONY J. OUGLEY, P.E.  
REGIONAL ENGINEER

## STATE OF ILLINOIS

THIS PLAN HAS BEEN CHECKED FOR CONFORMANCE TO THE VILLAGE OF HORTON GROVE STANDARDS AND REQUIREMENTS AND WORKING DRAWINGS HAVE BEEN PREPARED AND SENT TO THE HORTON GROVE STANDARDS PLANS AND HAS BEEN PREPARED IN CONFORMANCE WITH THE VILLAGE OF HORTON GROVE STANDARDS AND REQUIREMENTS. THE VILLAGE OF HORTON GROVE STANDARDS AND REQUIREMENTS HAVE BEEN PAID.

STATE OF ILLINOIS )  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COUNTY OF COOK )  
                              ) ss  
                              )

UNDER THE AUTHORITY PROVIDED BY GS ILLCS 5-0-1-1 ET SEQ ENACTED BY THE STATE LEGISLATURE OF THE STATE OF ILLINOIS AND ORDINANCE ADOPTED BY THE VILLAGE COUNCIL OF THE VILLAGE OF NORTON GROVE, ILLINOIS, THIS PLAT WAS GIVEN APPROVAL BY THE VILLAGE

STATE OF ALABAMA  
COUNTY OF DAVALA

THIS IS TO CERTIFY THAT THERE ARE NO DELINQUENT SPECIAL ASSESSMENTS OR UNPAID CURRENT SPECIAL ASSESSMENTS ON OTHER LENS ON THE ABOVE DESCRIBED PROPERTY.

[illegible][illegible]STATE OF ALABAMA )  
-----)

DO NOT FIND ANY DELINQUENT GENERAL TAXES UNPAID, CURRENT GENERAL TAXES DELINQUENT, SPECIAL ASSESSMENTS OR UNPAID CURRENT SPECIAL ASSESSMENTS AGAINST THE TRACT OF LAND IN THE ABOVE PLAT

State of Illinois	3
-------------------	---

THIS INSTRUMENT WAS FILED FOR RECORD IN THE OFFICE OF THE COOK COUNTY RECORDER OF DEEDS, ILLINOIS, ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ P.M., AND WAS RECORDED AS DOCUMENT NO. \_\_\_\_\_.

711 San Mateo Ave  
Woodbury, NJ 07095

100 COMPANY DR., SUITE 120  
044 BOSTON, N. 02121  
PHONE: 617-452-1500

2011 2nd International Conference on Management and Information Technology

100 Commerce Dr., Suite 120  
Oak Brook, IL 60121  
Phone: 630.403.5090

THE PURPOSE OF THIS PLAY IS TO CONSOLIDATE PARAGRAPHS 1 - 3 INTO 4

GEORGE SAID TRACT INTO THIRTEEN (13) LOTS

WITHOUT PRIOR WRITTEN CONSENT OF THE VILLAGE OF MORRIS

OR PERMIT ANY ACTION WITH RESPECT TO SUCH OWNER'S LOT, THE EFFECT OF WHICH SHALL BE TO PREVENT THE DRAINAGE OF WATER PURSUANT TO THE DRAINAGE PLAN APPROVED BY THE VILLAGE OF MORTON GROVE

YOUTH IN THE

EDWARD J. MANN

## SHEET NO.

2 of 2



STATE OF ILLINOIS  
PROFESSIONAL LAND SURVEYOR #33-002085  
LICENSE EXPIRES NOVEMBER 30, 2020  
WOLPERT, INC.  
ILLINOIS PROFESSIONAL DESIGN FIRM REGISTRATION NUMBER 84-001393

1/2" DIAMETER BY 24" LONG IRON REINFORCING BARS, POINTS OF CURVATURE AND POSITS OF TANGENCY IN COMPLIANCE WITH ILLINOIS STATUTES AND APPLICABLE ORDINANCES EXCEPT AS NOTED.

[illegible]

THIS INSPECTION SERVICE COMPLIES TO THE CURRENT LATEST NATIONAL STANDARDS FOR A BOUNDARY SURVEY. THE FIELD WORK WAS COMPLETED ON JUNE 29, 2009.

DOWN UNDER MY HAND AND SEAL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_ A.D.

THE JOURNAL OF

## **Exhibit F Project Timeline**

## 6/24/2019



**Exhibit G**  
**TRANSFeree ASSUMPTION AGREEMENT**

This TRANSFeree ASSUMPTION AGREEMENT ("Agreement"), dated as of July [ ], 2019 (the "Effective Date"), is entered into between and among IM Kensington MG, LLC, a Delaware limited liability company (the "Assignor"), [ ] (the "Assignee") and the Village of Morton Grove, an Illinois home rule municipal corporation (the "Village") (collectively the "Parties").

WHEREAS, on July\_\_, 2019, the Assignor and the Village entered into an Economic Incentive and Tax Increment Allocation Financing Development Agreement (the "Development Agreement"); and

WHEREAS, pursuant to the Development Agreement, residential building(s) are to be constructed on the Residential Parcel, as is legally described in Exhibit A of the Development Agreement, by the Assignor consisting of approximately 240 rental dwelling units, parking and related improvements; and

WHEREAS, the Assignor and the Assignee have entered into a contract for the purchase of the Residential Parcel, a redacted copy of which is attached hereto as Schedule I, and such contract, as required by the Development Agreement, contains a provision requiring the Assignee to undertake all of the obligations of the Assignor set forth in the Development Agreement relating to the construction and maintenance of the Residential Facilities, including but not limited to the applicable portions of Sections 4.A, 4.B, 5.A-D, 6.A-E, 7.A-G, 9.B-C, 10.A-E, 11.J, 14.A-G, 15-16, and 19-21 of the Development Agreement; and

WHEREAS, Assignor has agreed to assign to Assignee all of its obligations under the Development Agreement pertaining to the Residential Facilities; and

WHEREAS, Assignee has agreed to assume all of Assignor's obligations under the Development Agreement pertaining to the Residential Facilities;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, the mutual covenants and agreements hereinafter set forth and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties have agreed as follows:

1. Definitions. The capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Development Agreement.

2. Assignment. Assignor hereby assigns to Assignee all of Assignor's obligations set forth in the Development Agreement relating to the construction and maintenance of the Residential Facilities, including but not limited to the applicable portions of Sections 4.A-C, 5.A-D, 6.A-H, 7.A-G, 9.B-C, 10.A-E, 11.J, 14.A-G, 15-16, and 19-21 of the Development Agreement (collectively, the "Obligations").

3. Assumption. Assignee hereby accepts the foregoing assignment and assumes all of the obligations of Assignor set forth in the Development Agreement relating to the construction and maintenance of the Residential Facilities, including but not limited to the applicable portions of Sections 4.A, 4.B, 5.A-D, 6.A-E, 7.A-G, 9.B-C, 10.A-E, 11.J, 14.A-G, 15-16, and 19-21 of the Development Agreement. Assignee acknowledges that this Agreement does not entitle the Assignee, its successors or assigns to any of the economic incentives

contemplated in the Development Agreement. The Village hereby confirms, acknowledges and agrees that Assignor is released and relieved from any responsibility to perform the Obligations.

4. Successors. All future transfers and assignments of the rights and obligations transferred and assigned hereby are subject to the transfer and assignment provisions of the Development Agreement. This Agreement shall inure to the benefit of, and be binding upon, the permitted successors and assigns of the parties hereto.

5. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together constitute one and the same instrument.

6. Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given if (and then three (3) business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid or by nationally recognized overnight express courier service, and addressed to the intended recipient as set forth below:

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

Village of Morton Grove  
6101 Capulina Ave  
Morton Grove, IL 60053  
Attention: Village Administrator

With a copy to:

Village of Morton Grove  
6101 Capulina Ave  
Morton Grove, IL 60053  
Attention: Corporation Counsel

and

Del Galdo Law Group, LLC  
1441 S. Harlem Avenue  
Berwyn, IL 60402  
Attention: James M. Vasselli

Notices and communications to the Assignor shall be addressed to, and delivered at, the following addresses:

IM KENSINGTON MG, LLC  
77 W. Wacker Dr., Ste. 4025  
Chicago, IL 60601



With a copy to:

IM KENSINGTON MG, LLC  
c/o KENSINGTON DEVELOPMENT PARTNERS  
700 Commerce Dr – Suite 130  
Oak Brook, IL 60523

and

Jeffrey Jahns  
Seyfarth Shaw LLP  
233 South Wacker Drive  
Suite 8000  
Chicago, IL 60606-6448

Notices and communications to the Assignee and to “Residential Builder” under the Development Agreement shall be addressed to, and delivered at, the following addresses:

[ \_\_\_\_\_ ]

With a copy to:

[ \_\_\_\_\_ ]

Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other parties notice in the manner set forth herein.

7. General Indemnity of Village. Assignor and Assignee covenant and agree to indemnify, defend and save harmless the Village, its mayor, officers, attorneys, employees and their respective executors, heirs, administrators, successors and permitted assigns (collectively the “Village Indemnified Parties”) from and against all claims, damages and losses the Village Indemnified Parties may suffer or incur directly or indirectly as a result of, or in connection with this Agreement, provided that this provision shall not obligate Assignor to perform any of the Obligations.

8. Time of Essence. Time shall be of the essence in this Agreement.

9. Development Agreement – Incorporation. As of the Effective Date, the Village has consented to the assignment herein the Obligations. In the event of a conflict between the terms of this Agreement and the Development Agreement, the terms of the Development Agreement shall prevail.

10. Amendments. This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

11. Governing Law. This Agreement shall be governed by, and enforced in accordance with, the internal laws, but not the conflicts of laws rules, of the State of Illinois.

12. Severability. It is hereby expressed to be the intent of the parties hereto that should any provision, covenant, agreement, or portion of this Agreement or its application to any person, entity, 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, entity, 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.

13. Development Agreement. Sections 7.G, 10.D, 19 and 20 of the Development Agreement are incorporated herein by reference. In addition to, and not in lieu of, the foregoing, the issuance of certificates of occupancy for the Residential Facilities shall be conditioned on the Development Agreement and this Agreement being in full-force and effect as to the Assignee and no uncured Event of Default having occurred by the Assignee. [As applicable: The Village and Assignee agree that Schedule A hereto contains agreed modifications of the Obligations.]

14. Village Certification. As an inducement to Assignor and Assignee, the Village hereby certifies to and agrees with Assignor and Assignee that as of the date hereof:

(a) to the best of the knowledge of the Village without independent investigation all of the Obligations that were to be performed prior to the date hereof have been performed except as set forth on Schedule II hereto; and

(b) the Development Agreement is in full force and effect and has not been terminated; and

(c) the Village has not issued any notice of default to Assignor under the Development Agreement that has not been withdrawn or cured except as set forth on Schedule II hereto; and

(d) the Village has not received from Assignor any notice of default under the Development Agreement that has not been withdrawn or cured except as set forth on Schedule II hereto; and

(e) a true and correct copy of the Development Agreement, including any amendments thereto and any waivers or interpretations thereof pertaining to the Obligations is attached hereto as Schedule III, except for modifications set forth in Schedule A hereto.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, Village, Assignor and Assignee, by their duly authorized officials, hereby execute and deliver this Agreement, effective as of the date set forth above.

**IM Kensington MG, LLC**,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit G  
Page 4

Date: \_\_\_\_\_

**[ASSIGNEE]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**VILLAGE OF MORTON GROVE**, an  
Illinois home rule municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit H**  
**Form and Performance and Payment Bonds**

Bond No. 30069416

# Document A312™ – 2010

Conforms with The American Institute of Architects AIA Document 312

## Performance Bond

### CONTRACTOR:

(Name, legal status and address)

International Contractors, Inc.  
977 S. Route 83  
Elmhurst, IL 60126

### OWNER:

(Name, legal status and address)

IM Kensington MG LLC  
700 Commerce Drive, Suite 130  
Oak Brook, IL 60523

### CONSTRUCTION CONTRACT

Date: December 7, 2018

Amount: \$ 1,143,281.00

One Million One Hundred Forty Three Thousand Two Hundred Eighty One Dollars  
and 00/100

### Description:

(Name and location)

Sawmill Station - Redevelopment of former Prairie View Shopping Center

### SURETY:

(Name, legal status and principal place of business)

Western Surety Company  
151 N. Franklin Street  
Chicago, IL 60606  
Mailing Address for Notices

151 N. Franklin St.

Chicago, IL 60606

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

### BOND

Date: May 16, 2019

(Not earlier than Construction Contract Date)

Amount: \$ 1,143,281.00

One Million One Hundred Forty Three Thousand Two Hundred Eighty One Dollars  
and 00/100

Modifications to this Bond:

☒ None

☐ See Section 16

### CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

International Contractors, Inc.

Signature:

Name Randall A. Bronge  
and Title: Vice President

### SURETY

Company:

(Corporate Seal)

Western Surety Company

Signature:

Name Michelle Anne McMahon  
and Title: Attorney-in-Fact



(Any additional signatures appear on the last page of this Performance Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

### AGENT or BROKER:

Willis of Illinois, Inc.

Willis Tower, 233 South Wacker Drive, Suite 2000  
Chicago, IL 60606  
312-288-7700

S-1852/AS 8/10

### OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

Bernard SiwikWIK Consulting, Inc.  
350 W. Hubbard St. Suite 62  
Chicago, IL 60654

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
- .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
- .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

#### § 14 Definitions

§ 14.1 **Balance of the Contract Price.** The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 **Construction Contract.** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 **Contractor Default.** Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 **Owner Default.** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 **Contract Documents.** All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:

*(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)*

**CONTRACTOR AS PRINCIPAL**

Company: \_\_\_\_\_  
(Corporate Seal)

**SURETY**

Company: \_\_\_\_\_  
(Corporate Seal)

Signature: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Address \_\_\_\_\_

Signature: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Address \_\_\_\_\_



Bond No. 30069416

# Document A312™ – 2010

Conforms with The American Institute of Architects AIA Document 312

## Payment Bond

### CONTRACTOR:

(Name, legal status and address)

International Contractors, Inc.  
977 S. Route 83  
Elmhurst, IL 60126

### OWNER:

(Name, legal status and address)

IM Kensington MG LLC  
700 Commerce Drive, Suite 130  
Oak Brook, IL 60523

### CONSTRUCTION CONTRACT

Date: December 7, 2018

Amount: \$ 1,143,281.00

One Million One Hundred Forty Three Thousand Two Hundred Eighty One Dollars and 00/100

### Description:

(Name and location)

Sawmill Station - Redevelopment of former Prairie View Shopping Center

### SURETY:

(Name, legal status and principal place of business)

Western Surety Company  
151 N. Franklin Street  
Chicago, IL 60606  
Mailing Address for Notices

151 N. Franklin St.  
Chicago, IL 60606

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

### BOND

Date: May 16, 2019

(Not earlier than Construction Contract Date)

Amount: \$ 1,143,281.00

One Million One Hundred Forty Three Thousand Two Hundred Eighty One Dollars and 00/100

Modifications to this Bond:

☒ None

☐ See Section 18

### CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

International Contractors, Inc.

Signature:

Name: Randall A. Bronge  
and Title: Vice President

### SURETY

Company:

(Corporate Seal)

Western Surety Company

Signature:

Name: Michelle Anne McMahon  
and Title: Attorney-in-Fact



(Any additional signatures appear on the last page of this Payment Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

### AGENT or BROKER:

Willis of Illinois, Inc.

Willis Tower, 233 South Wacker Drive, Suite 2000  
Chicago, IL 60606  
312-288-7700

### OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

Bernard SiwikWIK Consulting, Inc.  
350 W. Hubbard St. Suite 62  
Chicago, IL 60654

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

- .1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
- .2 have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.

§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

#### § 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

**§ 16.4 Owner Default.** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

**§ 16.5 Contract Documents.** All the documents that comprise the agreement between the Owner and Contractor.

**§ 17** If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

**§ 18** Modifications to this bond are as follows:

*(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)*

**CONTRACTOR AS PRINCIPAL**

Company: \_\_\_\_\_  
(Corporate Seal)

**SURETY**

Company: \_\_\_\_\_  
(Corporate Seal)

Signature: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Address \_\_\_\_\_

Signature: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Address \_\_\_\_\_

# Western Surety Company

## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

**Michelle Anne McMahon , Individually**

of Chicago, IL its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

**- In Unlimited Amounts -**

Surety Bond No.: 30069416

Principal: International Contractors, Inc.

Obligee: IM Kensington MG LLC

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 27th day of February, 2018.



WESTERN SURETY COMPANY

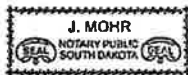
Paul T. Bruflat, Vice President

State of South Dakota }  
County of Minnehaha } ss

On this 27th day of February, 2018, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

June 23, 2021



J. Mohr, Notary Public

### CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 16th day of May, 2019.



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Form F4280-7-2012

Go to [www.cnasurety.com](http://www.cnasurety.com) > Owner / Oblige Services > Validate Bond Coverage, if you want to verify bond authenticity.

**Authorizing By-Law**

**ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY**

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

## EXHIBIT I

### CERTIFICATE OF REDEVELOPMENT PROJECTS COSTS FOR THE [PUBLIC/PRIVATE] IMPROVEMENTS OF IM KENSINGTON MG, LLC

Village Administrator  
Village of Morton Grove  
6101 Capulina Avenue,  
Morton Grove, IL 60053

**Re: Economic Incentive and Tax Increment Allocation Financing Development Agreement by, between, and among the Village of Morton Grove, IL and IM Kensington MG, LLC, dated \_\_\_\_\_ (as amended, the "Agreement")**

Terms not otherwise defined herein shall have the meanings ascribed to such terms in the *Agreement*. In connection with said Agreement, the undersigned hereby states and certifies that:

1. **Schedule 1** is incorporated herein by reference. Each listed item for which reimbursement is sought on **Schedule 1** hereto is a Redevelopment Project Cost and was incurred in connection with the Development. Identified on the attached Schedule 1 are the name, business address and business phone number of all contractors, subcontractors and/or suppliers who were paid directly by Developer and for which the amount identified herein shall reimburse Developer; also included as part of **Schedule 1** are all applicable sworn statements, paid invoices and lien waivers in relation to said contractors, subcontractors and/or suppliers as well as, bills, contracts and invoices relative to the items for which reimbursement is sought, and proof of payment of any said invoices. The information and documentation constituting Schedule 1 is accurate, verified and complete.
2. The Redevelopment Project Costs on **Schedule 1**: (i) were necessary for completion of the Development and (ii) have been paid by the Developer and are eligible for reimbursement and were incurred under the TIF Act, the Redevelopment Plan and the Agreement.
3. The Redevelopment Project Costs listed on **Schedule 1** have not previously been paid or reimbursed from money derived from Incremental Property Taxes or any money derived from any project fund established pursuant to the Agreement, and no part thereof has been included in any other Certificate of Redevelopment Project Costs previously filed with the Village.
4. Developer has kept and maintained financial records related to the Redevelopment Project Costs listed on **Schedule 1** in compliance with Section 6.G. of the Agreement.
5. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive

payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

6. If any cost item to be reimbursed under this Certificate is deemed not to constitute a "redevelopment project cost" within the meaning of the TIF Act and the Agreement, Developer shall have the right to identify and substitute other eligible Redevelopment Project Costs for payment hereunder, subject to limitations under the Agreement.

8. The Agreement is in full force and effect; and, Developer no Event of Default exists under the Agreement.

9. All of Developer's representations and warranties set forth in the Agreement remain true and correct as of the date hereof.

10. The development and construction of the Development is in compliance with the Project Timeline, subject to any duly enacted amendment or Force Majeure.

11. The Redevelopment Project Costs set forth herein for the Development is not (i) in excess of an amount equal to \$25,000,000 or \$21,800,000 if the Second Revenue Bonds are not issued and (ii) in conformity with the Developer's Cash Equity payment obligation.

12. This TIF Certification Request is not (i) the fifth (5<sup>th</sup>) or more TIF Certification Request made by the Developer under this Agreement in any calendar year; (ii) less than \$250,000 (unless the final TIF Certification Request made pursuant to the Agreement); (iii) made more than six (6) months after the last Certified TIF Costs have been paid by Developer; or (iv) made after the fourth (4<sup>th</sup>) anniversary of the Initial Bond Issuance Date, unless an expenditure is expressly referenced in the Agreement as a Redevelopment Project Cost, or a later submission is approved by the Corporate Authorities, taking into consideration market and other economic conditions during the first four (4) years after the Initial Bond Issuance Date, which approval shall not be unreasonably withheld.

Developer agrees that if prior to the time of acceptance by Village any matter certified to herein by it will not be true and correct in all material respects at such time as if then made, it will immediately so notify the Village. Except to the extent, if any, that prior to the time of the Village's approval of Redevelopment Project Costs for the Development, the Village shall receive written notice to the contrary from Developer, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of approval of Redevelopment Project Costs as if then made.

[SIGNATURE PAGE TO FOLLOW]



IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

IM KENSINGTON MG, LLC, a Delaware limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

Signed and sworn before me by \_\_\_\_\_

this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

**APPROVED:**

**VILLAGE OF MORTON GROVE, ILLINOIS**, an Illinois municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule 1**  
**Redevelopment Project Costs (RPC) Schedule**  
**for the [Public / Private] Improvement**

Date: \_\_\_\_\_

Page \_\_\_\_ of \_\_\_\_

**Total Project Costs Incurred for the [Public / Private] Improvement: \$** \_\_\_\_\_  
 \_\_\_\_\_.

	Vendor Name/Address	Phone	Description	Project Budget Item (Exhibit C)	Invoice Date	Payment Date	Total Amount Paid	Requested Certification Amount
# _____								
_____								
_____								
_____								
_____								
_____								
_____								
_____								
_____								
_____								

**Total RPC Request for the [Public / Private] Improvement: \$** \_\_\_\_\_

**\*\*Attached hereto are the contracts, invoices, proof of payment and lien waivers corresponding to each of the above cited vendors for which Developer seeks such costs to be certified as a Redevelopment Project Cost.**

\_\_\_\_\_  
 Developer Signature

## Exhibit J

### Existing Certified TIF Costs

#### SawmillStation - Morton Grove

Existing Certified TIF Costs

<u>Payee</u>	<u>Description</u>	<u>Invoice #</u>	<u>Inv Date</u>	<u>Amount</u>	<u>Paid</u>	<u>Ck #</u>
Affordable Technology Solutions	Utility Project Management - Sawmill Station	686	29-May-19	\$ 2,500.00	13-Jun-19	293
Camburas & Theodore Ltd	Existing Conditions Survey & Drawings	18-0525	12-Oct-18	\$ 3,314.55	16-Nov-18	133
Camburas & Theodore Ltd	Construction Documents, Renderings & Site Plans	18-0550	1-Nov-18	\$ 17,060.00	16-Nov-18	133
CT Camburas & Theodore Ltd	Permitting/Bidding - Demo Permit Dominicks	19-0003	2-Jan-19	\$ 500.00	18-Jan-19	163
CT Camburas & Theodore Ltd	7 Site Plans including outlot designs and overall site plan center layout	19-0037	24-Jan-19	\$ 3,500.00	6-Mar-19	202
Daspin & Aument LLP	Prairie View Plaza Acquisition	73771	16-Jul-18	\$ 8,351.22	1-Oct-18	108
Daspin & Aument LLP	Prairie View Plaza Acquisition	74639	20-Aug-18	\$ 5,686.98	1-Oct-18	108
Daspin & Aument LLP	Prairie View Plaza Acquisition	75190	17-Sep-18	\$ 24,103.33	1-Oct-18	108
Daspin & Aument LLP	Prairie View Plaza Acquisition	75896	16-Oct-18	\$ 5,529.45	16-Nov-18	130
Daspin & Aument LLP	Prairie View Plaza Acquisition	76593	15-Nov-18	\$ 1,174.50	7-Dec-18	138
Daspin & Aument LLP	Morton Grove - Review of A133 Construction Contract	77045	14-Dec-18	\$ 412.50	19-Dec-18	146
Daspin & Aument LLP	Review and analysis of Lease Termination Notices	77047	14-Dec-18	\$ 112.50	19-Dec-18	146
Daspin & Aument LLP	Prairie View Plaza Acquisition	77778	22-Jan-19	\$ 262.50	6-Mar-19	199
Daspin & Aument LLP	Morton Grove - Dollar Tree Lease Acquisition Costs	77783	22-Jan-19	\$ 552.00	6-Mar-19	199
Daspin & Aument LLP	Prairie View Leasing - notice re: Dominick's demolition	77785	22-Jan-19	\$ 759.00	6-Mar-19	199
Daspin & Aument LLP	Morton Grove - Ross Lease Acq Costs	78216	17-Feb-19	\$ 562.50	13-Mar-19	210
ECS	Morton Grove - Asbestos Survey Report	726752	03-May-19	\$ 2,500.00	5-Jun-19	286
ECS	Mastic Sampling	736469	11-Jun-19	\$ 500.00		
Edgemark	Commission Due for Brokerage Service - Purchase of Shopping Center	2019-0001AB	15-May-19	\$ 130,000.00	29-May-19	276
Illinois Environmental	NOI Permit Application Fee	n/a	11-Mar-19	\$ 750.00	11-Mar-19	1226
KLOA	Morton Grove - ongoing preparation of the traffic & parking study	25284	28-Jan-19	\$ 3,637.46	6-Mar-19	201
KLOA	Morton Grove Traffic & Parking Study	25434	22-Mar-19	\$ 7,330.36	17-Apr-19	238
KLOA	Traffic Study & Meetings	25527	24-Apr-19	\$ 3,350.44	15-May-19	259
KLOA	Preparation of the 2nd revision to the traffic & parking study	25546	30-Apr-19	\$ 4,464.94	15-May-19	259
Mid-America	Leasing Signage	81950	15-Apr-19	\$ 461.00	15-May-19	268
Mid-America	Vinyl Overlay - New Logo					
Mid-America	Leasing Sign	82395	04-Jun-19	\$ 327.00		
Nicor Gas	6837 Dempster St Disconnect Charge	n/a	23-May-19	\$ 771.77	5-Jun-19	283
Nicor Gas	6747 Dempster St Disconnect Charge	n/a	23-May-19	\$ 942.94	5-Jun-19	283

Exhibit J

Page 1

Nicor Gas	6841 Dempster St Disconnect Charge	n/a	23-May-19	\$	771.77	5-Jun-19	283
Nicor Gas	6801 Dempster St Disconnect Charge	n/a	23-May-19	\$	771.77	5-Jun-19	283
Nicor Gas	6811 Dempster St Disconnect Charge	n/a	23-May-19	\$	771.77		
Nicor Gas	6715 Dempster St Disconnect Charge	n/a	23-May-19	\$	771.77		
Nicor Gas	6749 Dempster St Disconnect Charge	n/a	23-May-19	\$	771.77		
Nicor Gas	6811 Dempster St - cut/abandonment of 2 inch steel service pipe removal	n/a	04-Jun-19	\$	1,448.13		
Nicor Gas	6929 Dempster St - Disconnect Charge	n/a	23-May-19	\$	771.77		
Parvin Clauss	Deposit - Signage Deposit	n/a	19-Sep-18	\$	1,949.00	19-Sep-18	1025
Parvin Clauss	Completion & Fabrication of Signage	80333	3-Oct-18	\$	1,920.00	12-Oct-18	116
Prairie View Plaza Limited Partnership	Purchase of Land	Contract	4-Sep-18	\$	11,300,000.00	4-Sep-18	Closing
	Morton Grove - Lease Reviews, Termination Notices , TIF Letter, Compliance Agreement Review	3202021	27-Feb-19	\$	46,620.78	20-Mar-19	218
Seyfarth Shaw LLP	Kohl's Lease & REA	3202024	27-Feb-19	\$	3,300.50	20-Mar-19	218
Seyfarth Shaw LLP	Legal Services - Tax Increment Financing	3202023	27-Feb-19	\$	6,159.00	20-Mar-19	218
Seyfarth Shaw LLP	Flix Lease, Cooper's Hawk Lease, LA Fitness Lease	3223149	28-Mar-19	\$	75,428.00	24-Apr-19	248
	Kohl's REA Draft, Kold's SDA, Kohl's Site Development Agreement	3223151	28-Mar-19	\$	48,482.00	17-Apr-19	237
Seyfarth Shaw LLP	Finalize TIF Term Sheet	3223150	28-Mar-19	\$	10,785.00	17-Apr-19	237
Seyfarth Shaw LLP	Kohl's Lease & REA	3244044	30-Apr-19	\$	36,201.00	23-May-19	271
Seyfarth Shaw LLP	Tax Increment Financing	3244043	30-Apr-19	\$	79,684.18	29-May-19	277
Seyfarth Shaw LLP	Morton Grove Leases	3244042	30-Apr-19	\$	67,537.00	29-May-19	277
Seyfarth Shaw LLP	Sawmill Station - Leases, Exhibits	3263782	31-May-19	\$	90,716.91	13-Jun-19	289
Seyfarth Shaw LLP	Review of REA	3265028	31-May-19	\$	427.50	13-Jun-19	289
Seyfarth Shaw LLP	Kohl's Lease & REA	3263792	31-May-19	\$	25,787.00	13-Jun-19	289
Seyfarth Shaw LLP	Tax Increment Financing	3263789	31-May-19	\$	53,426.00	13-Jun-19	289
The Lakota Group	Professional Services - Preliminary Planning & Travel	19008-01	11-Mar-19	\$	22,220.00	20-Mar-19	224
The Lakota Group	Professional Services - Project Desinging - Landscape	19008-02	08-Apr-19	\$	4,884.76	15-May-19	267
	Professional Fees - Refined Plan exhibits, Tenant Design coordination, Village Meetings	19008-03	08-May-19	\$	6,085.61	5-Jun-19	285
The Lakota Group	Morton Grove Mixed Use						
TOA Architecture	Master Plan - ICSC	n/a	19-Nov-18	\$	7,700.00	18-Jan-19	168
	Architecture - Professional Services from 11/1-11/30	0-065360	30-Nov-18	\$	18,765.00	18-Jan-19	166
Torti Gallas & Partners	Architecture - Professional Services from 12/1-12/31	0-065463	31-Dec-18	\$	18,765.00	18-Jan-19	166
Torti Gallas & Partners	Land Planning & Architecture	0-065604	31-Jan-19	\$	6,767.50	6-Mar-19	206
Torti Gallas & Partners	Land Planning & Architecture	0-065637	6-Feb-19	\$	10,000.00	6-Mar-19	206
Torti Gallas & Partners	Retail Tenant Design						
Torti Gallas & Partners	Coordination	0-065681	28-Feb-19	\$	3,740.00	20-Mar-19	223
Torti Gallas & Partners	Morton Grove - Professional Services Personnel	0-065680	28-Feb-19	\$	70,704.07	20-Mar-19	223

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	Morton Grove - Architecture, Site Planning & Retail Design						
Torti Gallas & Partners	Coordination	0-065788	31-Mar-19	\$	18,727.00	17-Apr-19	241
Torti Gallas & Partners	Architect - Personnel for Morton Grove Development	0-065603	31-Jan-19	\$	5,500.00	17-Apr-19	241
Torti Gallas & Partners	Architect - Professional Services from Jan 1 - Jan 31	0-065578	31-Jan-19	\$	4,170.00	17-Apr-19	241
Torti Gallas & Partners	Architecture - Retail Design & Tenant Coordination	0-065787	31-Mar-19	\$	34,357.57	15-May-19	263
Torti Gallas & Partners	Architecture - Professional Personnel Sawmill Station	0-065793	31-Mar-19	\$	8,064.41	15-May-19	263
Torti Gallas & Partners	Architecture - Professional Personnel Sawmill Station	0-065915	30-Apr-19	\$	17,654.85	23-May-19	272
Torti Gallas & Partners	Architecture - Professional Personnel Sawmill Station	0-065916	30-Apr-19	\$	13,250.00	23-May-19	272
Torti Gallas & Partners	Sawmill Station - Professional Personnel Architect Hourly	0-066034	31-May-19	\$	13,222.30	13-Jun-19	290
Torti Gallas & Partners (Walker Brands)	Brand Identity for Mixed Use Redevelopment - 50% Deposit	TTG-4575-1	31-Jan-19	\$	10,000.00	13-Mar-19	216
Tracy Cross & Associates Inc	Residential Market Analysis	13237	19-Sep-18	\$	2,729.10	28-Sep-18	106
V3 Companies	Environmental Review & Consultation	618517	16-Jul-18	\$	1,072.50	28-Sep-18	105
V3 Companies	Environmental Review & Consultation	718426	15-Aug-18	\$	2,535.00	28-Sep-18	105
V3 Companies	Environmental Review & Consultation	18253	14-Sep-18	\$	1,901.25	28-Sep-18	105
V3 Companies	Environmental Review & Consultation	918517	17-Oct-18	\$	511.25	16-Nov-18	132
V3 Companies	Remedial Investigation, Planning & Specification	1018418	15-Nov-18	\$	577.50	7-Dec-18	139
V3 Companies	Remedial Investigation, Planning & Specification	1118404	13-Dec-18	\$	10,316.66	18-Jan-19	159
V3 Companies	Remedial Investigation, Planning & Specification	1218436	17-Jan-19	\$	19,383.55	6-Mar-19	200
V3 Companies	Remedial Investigation, Planning & Specification	119211	15-Feb-19	\$	22,851.58	13-Mar-19	211
V3 Companies	Remedial Investigation, Planning & Specs, Project Meetings	219132	13-Mar-19	\$	13,790.00	3-Apr-19	230
V3 Companies	Prairie View Plaza - Remedial Investigation, Planning, & Spec Project Meetings & Consultation, Remediation Oversight & Confirmation	319290	17-Apr-19	\$	1,954.38	15-May-19	258
V3 Companies	Remediation Investigation & Oversight	419229	13-May-19	\$	4,006.26	5-Jun-19	281
V3 Companies	Morton Grove - Subdivision Application Fee	519131	05-Jun-19	\$	7,997.40		
Village of Morton Grove	Morton Grove - Escrow Deposit Subdivision Application	n/a	7-Mar-19	\$	850.00	7-Mar-19	1222
Village of Morton Grove	Morton Grove - Escrow Deposit PUD Application	n/a	7-Mar-19	\$	1,000.00	7-Mar-19	1223
Village of Morton Grove	Morton Grove - PUD Application Fee	n/a	11-Mar-19	\$	1,000.00	11-Mar-19	1225
Village of Morton Grove	Consulting - Project Management MG	n/a	11-Mar-19	\$	500.00	11-Mar-19	1224
WIK Consulting	Consulting - Project Management MG	1118	4-Feb-19	\$	9,375.00	6-Mar-19	208
WIK Consulting	Consulting - Project Management MG	1121	02-Apr-19	\$	15,000.00	15-May-19	265
WIK Consulting	Consulting - Project Management MG	1123	01-May-19	\$	11,900.00	23-May-19	273
WIK Consulting	Consulting - Project Management MG	1127	06-Jun-19	\$	11,900.00	13-Jun-19	292
Winters Landscape Services	Site Renovations Preliminary & Municipal Support - Professional Services from 6/17 - 11/17	88217	27-Sep-18	\$	8,630.00	7-Dec-18	142
Woolpert		2018009682	28-Nov-18	\$	7,150.00	18-Jan-19	167

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Woolpert	Preliminary - Professional Services from 11/18-12/8	2018010593	26-Dec-18	\$	2,560.00	18-Jan-19	167
Woolpert	Professional Services - Preliminary Planning & Travel	2019000731	28-Jan-19	\$	3,889.75	6-Mar-19	207
Woolpert	Professional Services - Preliminary Planning & Travel	2019001712	21-Feb-19	\$	25,324.59	13-Mar-19	215
Woolpert	Morton Grove - Final Design, Site Lighting	2019002819	21-Mar-19	\$	29,350.00	3-Apr-19	233
Woolpert	Municipal, Final Design, Site Lighting, Engineering Revisions	2019004408	29-Apr-19	\$	36,268.37	15-May-19	259
Woolpert	Engineering/Leasing Exhibits Professional Services	2019005872	29-May-19	\$	18,741.94	13-Jun-19	291
WS Consulting	Powercenter Re-Draw	May & June 2018	19-Jul-18	\$	170.00	19-Jul-18	1015
WS Consulting	Create File Base Per Meeting	May & June 2018	19-Jul-18	\$	127.50	19-Jul-18	1015
WS Consulting	Re-Creat File Base Per Meeting	May & June 2018	19-Jul-18	\$	340.00	19-Jul-18	1015
WS Consulting	Site Plan Changes	May & June 2018	19-Jul-18	\$	212.50	19-Jul-18	1015
WS Consulting	Site Plan Changes	May & June 2018	19-Jul-18	\$	297.50	19-Jul-18	1015
WS Consulting	Site Plan Changes	May & June 2018	19-Jul-18	\$	212.50	19-Jul-18	1015
WS Consulting	Site Plan Changes & Exhibit	July & August 2018	18-Sep-18	\$	2,252.50	28-Sep-18	107

**\$ 12,655,176.21**

## **Exhibit K**

### **Approved Categories of Redevelopment Project Costs**

**Sawmill Station, Morton Grove, IL**

#### **Approved Categories of Redevelopment Project Costs**

##### **Hard Costs**

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Land Cost  
Demolition  
Site Demolition  
Detention  
Environmental Remediation\asbestos  
Site work  
Water Quality Area  
Offsite Road Improvements  
Payment and Performance Bond  
Utilities  
Traffic Signal on Dempster

##### **Soft Costs**

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Governmental Fees  
Architectural and Engineer  
Dollar Tree Termination and Relocation Payment  
Legal and Closing  
Insurance  
Construction Loan Interest (subject to the limits set forth in the TIF Act.)  
Construction Loan Fees

**Exhibit L**

**ESTOPPEL CERTIFICATE**

(Note: the following should be altered with brackets removal to the extent necessary to make the Certificate accurate.)

Re: Redevelopment Agreement dated \_\_\_\_\_, 2019 between IM Kensington MG, LLC and the Village of Morton Grove, IL (as amended, the Agreement)

To whom it may concern:

All capitalized terms in this document shall have the meaning given in the Agreement. The undersigned is a party to the Agreement and has the power and authority to be such and on behalf of its successors and assigns (if any), does certify and affirm in connection with the Agreement, the following:

1. The Agreement, a full and complete copy of which is attached hereto as Attachment 1, is in full force and effect, and, except as specifically set forth above or below, the Agreement has not been modified or amended.

2. Except as specifically set forth below, the undersigned has made no claim, nor asserts or is at this time entitled to any claim for reimbursement, indemnify or defense under the Agreement.

3. To the best knowledge and belief of the undersigned, the other party to the Agreement is not in default under any of the terms or provisions of the Agreement.

4. The Effective Date under the Agreement is \_\_\_\_\_. The date of Retail Substantial Completion under the Agreement is \_\_\_\_\_ [or has not yet occurred]. The date of Residential Substantial Completion was \_\_\_\_\_ [or has not yet occurred]. The date of Grocery Store Substantial Completion was \_\_\_\_\_ [or has not yet occurred].

5. Certified TIF Costs under the Agreement total \$\_\_\_\_\_.

6. The current address for notices to the undersigned under the Agreement is as specified in the Agreement and has not changed.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_

Village

Exhibit L

Page 1



## **Exhibit M**

### **Form of Construction Escrow**

#### **[Owners TIF Escrow Trust and Disbursing Agreement (No Title Insurance)]**

Escrow Trust No.: [\_\_\_\_\_] (the Construction Escrow)  
Chicago Title and Trust Company, Escrow Trustee

#### **ARTICLE 1: General Information**

- A. Owner:
- Name: IM Kensington MG LLC  
Address: 700 Commerce Drive  
Suite 130  
Oak Brook, Illinois 60523  
Attention: Chad Jones  
Email: chad@kensingtondev.com  
Telephone No.: (630) 402-6061  
Fax No.:
- Attorney for Owner:
- Seyfarth Shaw LLP  
233 South Wacker Drive  
Suite 8000  
Chicago, Illinois 60606  
Attention: Jeffrey Jahns  
Email: jjahns@seyfarth.com  
312-460-5819  
312-460-7819
- B. Village: VILLAGE OF MORTON GROVE  
Address: 6101 Capulina Avenue  
Morton Grove, IL
- C. Escrow Trustee:
- Name: Chicago Title and Trust Company, a corporation of Illinois (hereinafter known as CT&T Co.)  
Address: 10 S. LaSalle St., Suite 3100  
Chicago, IL 60603
- Contact Person: Brienne Berscheid  
Telephone Number: 312-223-2414
- D. Project Name: Sawmill Station
- Project Location: Sawmill Station Shopping Center, Morton Grove, Illinois (SEC Dempster Street and Waukegan Road)
- E. Cash Deposits:
- Amount of Deposits, if any, to be made by Village  
Village: \$TBD
- F. Billing Instructions:

Title and Construction Escrow Charges are to be billed to: Owner, if not satisfied out of investment earnings.

Owner, CT&T Co. and Associated Bank, National Association, a national banking association, in its capacity as Administrative Agent for itself and certain other lenders (Construction Lender) are parties to Escrow Trust No. \_\_\_\_\_ pertaining to disbursement of certain loan proceeds for the payment of certain Project construction costs and other related development costs (the Construction Loan Escrow).

## **Article 2: Recitals**

- A. Owner is about to commence or has commenced construction of or rehabilitation of improvements on certain premises (the Project), described on Exhibit A , attached hereto and made a part hereof; and

Owner and Village are parties to that certain Economic Incentive and Tax Increment Allocation Financing Development Agreement of approximately even date herewith (the Agreement); and

Pursuant to Section 11.N. of the Agreement, the parties have jointly requested CT&T Co. to act as Escrow Trustee and to provide a disbursing service for the payment of certain Project construction costs and other related development costs. The Construction Escrow established pursuant to this Escrow Agreement is the "Construction Escrow" described in the Agreement.

- B. The Owner, Village and Escrow Trustee agree as follows:

- (1) Village will deposit or cause to be deposited by wire transfer the net proceeds of the sale of certain Revenue Bonds (as defined in the Agreement), which net proceeds shall be in an amount to be determined for the initial bond issuance and, as and when it occurs, and an amount to be determined for the second bond issuance for a total deposit (in one or two tranches) of the sum of the foregoing amounts to be determined (collectively, Village Funds).
- (2) Owner may deposit or cause to be deposited from time to time certain sums of money (the funds) in the form of a wire transfer, or certified or cashier's checks with Escrow Trustee; said deposits will not be made more frequently than once per calendar month.
- (3) Escrow Trustee will disburse the funds to pay for Project construction costs and related development cost pursuant to the provisions of this Escrow Agreement as hereinafter set forth.
- (4) Escrow Trustee will disburse funds payment pursuant to the terms of this Escrow Agreement, the Construction Loan Escrow, and the Agreement. However, it is the intention of the parties named herein and signatory hereto that no person not a party signatory to this escrow shall have the right to look to the Escrow Trustee for any disbursement hereunder under a third party beneficiary theory or otherwise, and that the Escrow Trustee owes no duty to any such third party to make any disbursement.

- (5) Escrow Trustee will disburse funds to the Construction Loan Escrow to pay the foregoing costs.

### **Article 3: Procedures**

- A. The Village shall inform Escrow Trustee from time to time if the Certified TIF Costs (as defined in the Agreement) are less than the Village Funds theretofore deposited with Escrowee specifying in each notice the total amount of Certified TIF Costs at such time. Except as so informed by the Village, Escrow Trustee shall proceed on the basis that Certified TIF Costs equal or exceed the Village Funds theretofore deposited with Escrowee. In no event shall Escrow Trustee disburse Village Funds when to do so would result in the disbursed Village Funds exceeding 50% of the sum of all (i) disbursements of construction loan proceeds made from the Construction Loan Escrow, and (ii) disbursements of Owner deposited funds pursuant to this Construction Escrow, and (iii), as certified to Escrow Trustee by Village and/or Owner, payments on account of costs of the Project made by Owner prior to the date hereof, and (iv) as certified to Escrow Trustee by Village and Owner, payments on account of the Project not included in clauses (i)-(iii) preceding.
- B. The Village shall review and approve all disbursement requests in accordance with this Escrow Agreement that are for Certified TIF Costs. Owner will provide the Village with copies of disbursement requests made by Owner pursuant to the Construction Loan Escrow, but the Village shall have no approval rights over disbursements from the Construction Loan Escrow.
- C. Escrow Trustee shall not disburse any Village Funds unless it has determined that not less than a to-be-determined amount of equity of Owner [equity] has been disbursed pursuant to this escrow or the Construction Loan Escrow.
- D. Disbursements by Escrow Trustee to the Construction Loan Escrow using Village Funds may be made only on the express condition that they be used for payment of identified Certified TIF Costs.
- E. All disbursements pursuant to this Escrow Trust shall be for costs in connection with the Project and shall be made in accordance with this Escrow Agreement.

#### **Article 4: Requirements**

Prior to each disbursement of funds by Escrow Trustee hereunder, it is a requirement of this Escrow Agreement that the Owner shall furnish or cause to be furnished to the Escrow Trustee or to the escrow trustee of the Construction Loan Escrow the following:

- A. A Sworn Owner's Statement disclosing the various contracts entered into by the Owner relating to the construction of the Project and setting forth the names of the contractors, their addresses, the kind of service, work or materials to be furnished, the amounts of such contracts, the amounts paid to date, if any, the amounts of current payments, if any, and the balance due, if any.
- B. A Sworn Statement to Owner by the General Contractor setting forth the name and addresses of such persons furnishing labor, service or materials (i.e., subtrades and material suppliers), the kind of labor, service or materials to be furnished, the amounts of the contracts, amounts paid to date, if any, amounts of current payments, if any, and balance to become due, if any.
- C. A written approval by Owner of the requested disbursement.
- D. With respect to payment of construction costs:  
Statements, waivers, affidavits, supporting waivers, and releases of lien from such persons and in such form as may be required by CT&T Co. for the purpose of substantiating payment of the current construction draw.  
Note: CT&T Co. will use the same care and diligence in the collection and examination of Sworn Statements, waivers, affidavits, supporting waivers and releases of liens, for the above purpose, as it would use were CT&T Co. required by this Escrow Agreement to furnish mechanics' lien title insurance coverage to a construction lender, and no greater.  
Note: If the funds are to be disbursed to the General Contractor rather than the subcontractors, the collection and examination of the required statements, waivers, etc. by the Escrow Trustee shall be not construed by the Owner as an assurance by CT&T Co. that the subcontractors have, in fact, been paid by the General Contractor.
- E. Sufficient funds to cover the current disbursement request.

#### **Article 5: General Conditions**

- A. Owner and Village understand and agree that Escrow Trustee's duties are to disburse deposits pursuant to the provisions of this Escrow Agreement and Escrow Trustee's liability arising from the performance of those duties regarding the release of mechanics' lien rights, shall extend only to those persons to whom Escrow Trustee is making payments, and only for those amounts being paid. Escrow Trustee has no liability for any lien rights associated with work previously completed, or completed by persons not receiving direct payments from Escrow Trustee.
- B. Owner understands that Escrow Trustee makes no representation that a title insurance policy insuring over mechanics' lien claim will necessarily issue without additional title insurance underwriting requirements being met.

- C. Escrow Trustee assumes no responsibility concerning the sufficiency of funds deposited herein to complete the contemplated construction satisfactorily.
- D. If the Escrow Trustee discovers a misstatement in an affidavit furnished by the General Contractor, it may stop disbursements until the misstatement has been corrected. Escrow Trustee may, at its option, verify information submitted by the General Contractor or may require the Owner to furnish verification by subcontractors or material suppliers.
- E. The functions and duties assumed by Escrow Trustee include only those described in this Escrow Agreement and Escrow Trustee is not obligated to act except in accordance with the terms and conditions of this Escrow Agreement. Escrow Trustee does not insure that the Project will be completed, nor does it insure that the Project, when completed, will be in accordance with plans and specifications, nor that sufficient funds will be available for completion, nor does it make the certifications of the Inspector/Architect its own, nor does it assume any liability for the procurement of such certification as one of the conditions precedent to each disbursement.
- F. Escrow Trustee has no liability for loss caused by any error in the certification furnished it hereunder as to work in place.
- G. Escrow Trustee shall not be responsible for any loss of documents which such documents are not in its custody. Documents deposited in the United States Mail shall not be construed as being in custody of Escrow Trustee.
- H. Deposits made pursuant to these instructions may be invested on behalf of Owner; provided, however, that any direction to Escrow Trustee for such investment shall be expressed in writing and be accompanied by the taxpayer's identification number and such investment forms as may be required. Escrow Trustee will, upon request, furnish information concerning procedures and fee schedules for investment. Investment earnings shall be applied to Escrow Trustee's fees and any surplus shall be held in the Escrow until all Village Funds have been disbursed in accordance with this Escrow Agreement.
- I. Except as to deposits of funds for which Escrow Trustee has received express written direction concerning investment or other handling, the parties hereto agree that the Escrow Trustee shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and, further, that Escrow Trustee may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of funds under Section 2-8 of the Illinois Corporate Fiduciary Act (205 ILCS 620/2-8), and may use any part or all such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any. Provided, however, nothing herein shall diminish Escrow Trustee's obligation to apply the full amount of the deposits in accordance with the terms of this Escrow Agreement.
- J. In the event the Escrow Trustee is requested to invest deposits hereunder, CT&T Co. is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of this escrow trust.
- K. N.B.: Escrow Charges are payable thirty (30) days after billing and shall be payable, first, out of investment earnings but Owner shall be responsible for any balance. Village agrees that Escrow Charges are Certified TIF Costs, and, accordingly, at Owner's direction without further Village approval, shall be paid out of Village Funds in accordance with the terms of this Construction Escrow. In the event escrow charges are

not paid as agreed, CT&T Co. may terminate this Escrow Agreement upon thirty (30) day written notice to Owner and Village.

- L. Except as provided in 5.N below, this Escrow Agreement shall not inure to the benefit of any parties other than the parties hereto, under a third party beneficiary theory or otherwise; and any liability to such parties is expressly disclaimed.
- M. This Escrow Agreement shall terminate in accordance with the Agreement.
- N. Construction Lender below has signed this Escrow Agreement solely for the purpose of signifying its consent thereto and not for the purpose of incurring any liabilities or obligations hereunder. No provision of this Escrow Agreement shall be deemed to modify the terms and conditions of the Construction Loan Escrow. Construction Lender and its successors and assigns are each a beneficiary of this Escrow Agreement.

In Witness Whereof, the undersigned have executed this Escrow Agreement this \_\_\_\_ day of \_\_\_\_\_, 2019.

Owner: **IM KENSINGTON MG LLC,**  
a Delaware limited liability company  
By: I.M. Property Investment (USA) LLC,  
a Delaware limited liability company,  
its manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VILLAGE: VILLAGE OF MORTON GROVE,**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CONSTRUCTION LENDER:**

ASSOCIATED BANK, NATIONAL ASSOCIATION,  
a national banking association, in its capacity as Administrative Agent  
for itself and certain other lenders

By: \_\_\_\_\_  
Name: Daniel P. Barrins  
Title: Vice President

Escrow Trustee: Chicago Title and Trust Company

By: \_\_\_\_\_  
(Authorized Signatory)

*Subject to compliance by the Village and others with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” herein for a more complete discussion.*

**\$18,635,000**  
**Village of Morton Grove**  
**Cook County, Illinois**  
**Senior Lien Tax Incremental Revenue Bonds**  
**(Sawmill Station Redevelopment Project)**

**Dated: Date of Issuance**

**Due: January 1 (as described below)**

Interest on the Bonds will be payable semi-annually on each January 1 and July 1, commencing January 1, 2020. The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository of the Bonds. Purchases will be made in book-entry form through DTC participants only in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof and no physical delivery of the Bonds will be made to purchasers. See “THE BONDS — Book-Entry-Only System”. Amalgamated Bank of Chicago will serve as trustee, bond registrar and paying agent for the Bonds (the “Trustee”).

The Bonds are secured by (i) a portion of the incremental property taxes, if any, derived from the Sawmill Station Redevelopment Project Area heretofore designated by the Village (the “TIF District”), said portion being those incremental property taxes derived from eligible parcels located on a site located within the TIF District and defined hereinafter as the “Property” excluding payments, if any, to be made pursuant to 65 ILCS 5/11-74.4-3(q) (7.5) (the “Limited Incremental Property Taxes”), (ii) fifty percent of certain incremental sales taxes, if any, derived from the Property above certain Baseline Sales Taxes (as defined in the Indenture) (the “Limited Incremental Sales Taxes” and, together with the Limited Incremental Property Taxes, the “Pledged Taxes” or the “Limited Incremental Taxes”), and (iii) certain amounts on deposit in and to the credit of the special tax allocation fund (the “Special Tax Allocation Fund”) created by the Village for the TIF District, all in the priority of lien and as otherwise provided in the Indenture of Trust dated as of October 1, 2019 (the “Indenture”) by and between the Village and the Trustee. SEE “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

The Bonds are subject to redemption prior to maturity as described herein under “THE BONDS.” THE BONDS ARE SUBJECT TO A HIGH DEGREE OF RISK. SEE “RISKS TO BONDHOLDERS” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THE BONDS ARE NOT A GENERAL OBLIGATION OF THE VILLAGE AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THE BONDS SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREON.

<u>Maturity</u>	<u>Principal Amount</u>	<u>CUSIP</u>	<u>Interest Rate</u>	<u>Price</u>
January 1, 2029	\$4,880,000	619295 AA6	4.250%	100.000%
January 1, 2039	\$13,755,000	619295 AB4	5.000%	101.329%*

\*Priced to call date of January 1, 2026

*The Bonds are being offered when, as and if issued subject to prior sale, withdrawal or modification of the offer without notice, subject to the approval of legality by Sheppard, Mullin, Richter & Hampton LLP, Chicago, Illinois, Bond Counsel. Certain legal matters are being passed upon by Del Galdo Law Group, LLC, Berwyn, Illinois, special counsel to the Village, and by Seyfarth Shaw LLP, Chicago, Illinois, counsel to the Developer. Certain legal matters in connection with the Bonds will be passed upon by Bryan Cave Leighton Paisner LLP, Chicago, Illinois, counsel to the Underwriter. The Bonds are expected to be available for delivery in definitive form through the facilities of DTC in New York, New York on or about October 3, 2019.*



The Date of this Limited Offering Memorandum is September 26, 2019.



## LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum is being furnished by the Village of Morton Grove, Cook County, Illinois (the "Village") to a limited number (35 or less) of sophisticated investors or registered investment companies under the Investment Company Act of 1940 solely for the purpose of each investor's consideration of the purchase of the Bonds described herein, and is not to be used for any other purpose or made available to anyone not directly concerned with the decision regarding such purchase. Interested investors are being provided the opportunity to ask such questions and examine such documents and records as they may desire, and are advised to contact D.A. Davidson & Co. (the "Underwriter") to secure further information concerning the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representations in connection with the limited offering of the Bonds, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information described herein since the date hereof (or since the date of any other information dated other than the date of this Limited Offering Memorandum). The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Limited Offering Memorandum should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Limited Offering Memorandum. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of the parties thereto, the facts and opinions contained therein and the subject matter thereof.

Any statements made in this Limited Offering Memorandum, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized. This Limited Offering Memorandum contains certain forward-looking statements and information that are based on the Village's beliefs as well as assumptions made by and information currently available to the Village. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the states, if any, in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their respective agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Limited Offering Memorandum. Any representation to the contrary may be a criminal offense.

THE BONDS HAVE RISK CHARACTERISTICS WHICH REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE BONDS SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF THE BONDS. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS LIMITED OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE UNDERWRITER, ITS AFFILIATES, OFFICERS AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATES WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO FINANCIAL, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

**VILLAGE OF MORTON GROVE  
COOK COUNTY, ILLINOIS**

6101 Capulina Avenue  
Morton Grove, IL 60053

**VILLAGE PRESIDENT**

Dan DiMaria  
(First Elected Village President, 2013)

**VILLAGE TRUSTEES**

<b><u>Trustee</u></b>	<b><u>First Elected or Appointed to Office</u></b>	<b><u>Trustee</u></b>	<b><u>First Elected or Appointed to Office</u></b>
Bill Grear	2009	Connie Travis	Village Clerk 2013-2017 Village Trustee 2017-present
Rita Minx	Trustee 2005-2009 Trustee 2015- Present	John Thill	2007
Ed Ramos	Village Clerk 2013-2015 Village Trustee 2015-present	Janine Witko	2013

**VILLAGE CLERK**

Eileen Scanlon Harford

**VILLAGE TREASURER / FINANCE DIRECTOR**

Hanna Sullivan

**VILLAGE ADMINISTRATOR**

Ralph E. Czerwinski

**COUNSEL TO VILLAGE**

Teresa Hoffman Liston

**SPECIAL COUNSEL TO VILLAGE**

Del Galdo Law Group, LLC

**Independent Auditors**

Lauterbach & Amen LLP

**Bond Counsel**

Sheppard, Mullin, Richter & Hampton, LLP  
Chicago, Illinois

**Preparer of Estimate of Limited Incremental Taxes**

Johnson Research Group  
Chicago, Illinois



METRA TRAIN STATION

## FOREST PRESERVE

DEMPSTER STREET

WAUKEGAN ROAD



FUTURE DEVELOPMENT



TRAFFIC SIGNAL



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**\$18,635,000**  
**Village of Morton Grove**  
**Cook County, Illinois**  
**Senior Lien Tax Increment Revenue Bonds**  
**(Sawmill Station Redevelopment Project)**

**INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page and the Appendices hereto and made a part hereof, is to set forth information in connection with the offering by the Village of Morton Grove, Cook County, Illinois (the “Village”), of its \$18,635,000 Senior Lien Tax Increment Revenue Bonds (Sawmill Station Redevelopment Project) (“Bonds”).

The Bonds are secured by (i) a portion of the incremental property taxes, if any, derived from the Sawmill Station Redevelopment Project Area heretofore designated by the Village (the “TIF District”), said portion being those incremental property taxes derived from eligible parcels located on a site located within the TIF District and defined hereinafter as the “Property” (the “Limited Incremental Property Taxes”), (ii) fifty percent of certain incremental sales taxes, if any, derived from the Property (the “Limited Incremental Sales Taxes” and, together with the Limited Incremental Property Taxes, the “Pledged Taxes” or the “Limited Incremental Taxes”) and (iii) certain amounts on deposit in and to the credit of the special tax allocation fund (the “Special Tax Allocation Fund”) created by the Village for the TIF District, all in the priority of lien and as otherwise provided in the Indenture of Trust dated as of October 1, 2019 (the “Indenture”) by and between the Village and Amalgamated Bank of Chicago as trustee, bond registrar and paying agent (the “Trustee”). The Bonds are not a general obligation of the Village. See “THE TIF DISTRICT AND THE PROPERTY” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Capitalized terms used herein without definition shall have the meanings accorded such terms in the hereinafter defined Bond Ordinance and Indenture (together, the “Bond Documents”), which are attached hereto as “APPENDIX B — BOND ORDINANCE” and “APPENDIX C — INDENTURE.”

The Village is a home rule unit of government under the 1970 Constitution of the State of Illinois. The Village occupies approximately 5.2 square miles located in Cook County, Illinois, and is located approximately 13 miles north/northwest of downtown Chicago. See “THE VILLAGE.”

The proceeds of the Bonds will be used to: (i) pay or reimburse costs of certain property assembly and related site preparation and certain public facilities and improvements constituting redevelopment project costs incurred within the TIF District (the “Improvements”); (ii) fund a debt service reserve fund; (iii) pay interest on the Bonds through July 1, 2022; and (iv) pay certain costs of issuance of the Bonds. See “PLAN OF FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Improvements will be acquired, constructed and installed on behalf of the Village by IM Kensington MG, LLC, an Illinois limited liability company (the “Developer”), pursuant to an Economic Incentive and Tax Increment Allocation Financing Development Agreement (the “Redevelopment Agreement”) between the Village and the Developer. The Developer has agreed in the Redevelopment Agreement to undertake the improvement of a portion of the TIF District defined in the Redevelopment Agreement as the “Property”, located at the southeast corner of Dempster Street and Waukegan Avenue in the Village (as further limited below, the “Property”). Under the Redevelopment Agreement, the Developer will initially undertake the construction of an approximately 233,000 square foot retail shopping center (the “Development”) in the TIF District, expected to be anchored by a grocery store and a Kohl’s department store. The Developer is also anticipated to develop directly or transfer to another developer to develop its interests in certain parcels of real estate for the construction of approximately 250 units of residential multifamily housing upon the Property (the “Residential Development”) although the Residential Development is expected to progress on a separate schedule from the Development. Pursuant to the



Redevelopment Agreement, the Village will issue up to \$3,200,000 of net proceeds in Additional Bonds (as defined in the Indenture) which would be on a parity with the Bonds, subject to certain conditions set forth in the Redevelopment Agreement and subject to the conditions for issuance of Additional Bonds as set forth in the Bond Ordinance and the Indenture. Until the issuance of such Additional Bonds, the “Property” only includes the parcels on which the Development is being developed.\* In the event the Residential Development occurs in accordance with the terms of the Redevelopment Agreement, including the issuance of the Additional Bonds, the “Property” will be expanded so as to include additionally the parcels on which the Residential Development occurs. Additionally, as further described below, in connection with the development of the Residential Development, the Village will be required to make certain “School Payments” to the local school district pursuant to Section 65 ILCS 5/11-74.4-3(q)(7.5) of the TIF Act which will be paid from revenues generated by the TIF District. Pursuant to the TIF Act, such School Payments are limited to 40% of the incremental revenues generated by the residential units within the Residential Development. See “THE BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” “THE DEVELOPER,” “THE DEVELOPMENT,” and “THE REDEVELOPMENT AGREEMENT.”

All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Documents. **Copies of the Bond Documents, as well as all contracts and reports referenced in this Limited Offering Memorandum, are available for inspection at the office of D.A. Davidson & Co. (the “Underwriter”) or the Village Clerk, Morton Grove, Illinois up until the issuance of the Bonds.** All statements, information and statistics herein are believed to be correct but are not guaranteed by the Underwriter or the Village, and all expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. The information contained herein is provided as of the date hereof and is subject to change.

Included as Appendices to this Limited Offering Memorandum are the Opinion of Bond Counsel, the Bond Ordinance, the Indenture, the Redevelopment Agreement and the Estimate of Limited Incremental Taxes (the “Financial Feasibility Study”) of Johnson Research Group, Inc. (the “Consultant”).

## THE BONDS

### Authorization

The Bonds are issued pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the “TIF Act”), including by the Local Government Debt Reform Act, as amended, and the Omnibus Bonds Acts, as amended, and as further supplemented and, where necessary, superseded by, Section 6 of Article VII of the 1970 Constitution of the State of Illinois (collectively, the “Act”), the Indenture and a bond ordinance adopted by the President and Board of Trustees of the Village (the “Board”) on July 8, 2019 and approved by the Village President (as supplemented by a Bond Order (as defined in the Indenture), and as amended by Ordinance Number 19-11 adopted on the 26<sup>th</sup> day of August, 2019) (such ordinances as supplemented by the Bond Order, the “Bond Ordinance”).

### Description

The Bonds will be issued and sold in a principal amount sufficient to provide \$14,000,000 of net proceeds available to the Developer. The Bonds shall each be designated the “Senior Lien Tax Increment Revenue Bond (Sawmill Station Redevelopment Project)” (or such other title or Series designation as the

\* Please note that it is not the development that triggers the inclusion of the residential units in the “Property”, it is the issuance of the second series of bonds.

Designated Officers (as defined in the Indenture) shall deem advisable as set forth in the Bond Order); shall be dated such date not earlier than August 1, 2019, or later than December 1, 2019, as shall be provided in the Bond Order (the “Dated Date”); and shall also bear the date of authentication thereof. The Bonds shall be “Senior Lien Bonds” as provided in the Indenture, shall be in fully registered form, shall be in minimum denominations of \$100,000 and in integral multiples of \$5,000 in excess of \$100,000, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall, subject to rights of prior redemption as hereinafter provided, mature on the dates and in the amounts and bearing interest at the rates percent per annum set forth on the cover hereof.

The Bonds will bear interest from the later of the Dated Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) payable semiannually on each January 1 and July 1, commencing on January 1, 2020, at the rates set forth on the cover page hereof. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will mature as set forth on the cover page hereof, subject to rights of prior redemption as hereinafter described.

The Bonds will be initially registered through a book-entry only system operated by The Depository Trust Company, New York, New York, (“DTC”), which will act as securities depository for the Bonds. The Bonds will be initially registered in the name of Cede & Co., as registered owner and nominee of DTC. Purchasers of the Bonds will not receive physical delivery of the bond certificates representing their beneficial ownership interests. Details of payments of the Bonds and the book-entry-only system are described below under “BOOK-ENTRY SYSTEM.”

As provided in the Bond Documents and subject to certain limitations and payment of certain taxes or other governmental charges set forth in the Bond Documents, the Bonds are transferable or exchangeable by the registered owner at the principal office maintained for the purpose by the Trustee after notice of the redemption of all or a portion thereof has been mailed. The Trustee shall not be required to transfer or exchange any Bond during a period of 15 days next preceding the mailing of a notice of redemption which could designate for redemption all or a portion of such Bond.

Principal of and redemption premium, if any, on the Bonds will be payable only upon presentation and surrender when due at the principal office maintained for the purpose of the Trustee. Interest on each Bond will be payable on each interest payment date to the person in whose name the Bond is registered in the Bond Register (as defined in the Indenture), at the close of business on the 15<sup>th</sup> day of the month preceding any regularly scheduled interest payment date. Interest will be paid by check or draft mailed to such registered owner at such registered owner’s address as it appears in the Bond Register.

### **Mandatory Sinking Fund Redemption**

The Bonds maturing on January 1, 2029 are subject to mandatory sinking fund redemption and payment at maturity at a price of par plus accrued interest, without premium, to the extent set forth in the Indenture, on January 1 of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$495,000
2024	610,000
2025	640,000
2026	675,000
2027	780,000
2028	820,000
2029	860,000

The Bonds maturing on January 1, 2039 are subject to mandatory sinking fund redemption and payment at maturity at a price of par plus accrued interest, without premium, to the extent set forth in the Indenture, on January 1 of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$980,000
2031	1,035,000
2032	1,095,000
2033	1,235,000
2034	1,300,000
2035	1,375,000
2036	1,530,000
2037	1,615,000
2038	1,705,000
2039	1,885,000

If the Village redeems the Bonds subject to mandatory sinking fund redemption pursuant to optional redemption or extraordinary mandatory redemption as described below or purchases Bonds of any maturity and cancels the same, in any case, from funds in the Senior Lien Bond and Interest Subaccount, then an amount equal to the principal amount of the Bonds so redeemed or purchased shall be deducted from the mandatory sinking fund redemption requirements provided for Bonds of such maturity, pro rata against the remaining maturities. If the Village redeems Bonds pursuant to optional redemption or purchases Bonds of any maturity and cancels the same from moneys other than in the Senior Lien Bond and Interest Subaccount, then an amount equal to the principal amount of Bonds so redeemed or purchased shall be deducted from the amount of such Bonds as due at maturity or subject to mandatory redemption requirement in any year, pro rata against remaining maturities.

### **Extraordinary Mandatory Redemption**

Until the Developer provides an executed lease with Ross Stores, Inc. (“Ross”) or another retailer acceptable to the Village, an amount equal to \$575,000 (the “Ross Holdback”) shall be retained in the Project Fund under the Trust Indenture. Upon presentation of the Ross lease or another retailer acceptable to the Village, the Ross Holdback may be released by the Trustee in accordance with the Indenture and the Redemption Agreement. If a signed lease is not presented to the Village by October 1, 2021 the Ross Holdback will be used to redeem a portion of the Bonds.

### **Optional Redemption**

The Bonds are also subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after January 1, 2026, at par plus accrued interest to the date fixed for redemption.

### **Additional Bonds**

The Village reserves the right to issue Additional Bonds from time to time for the purposes authorized in the Plan, and any such Additional Bonds shall share ratably and equally in the Pledged Taxes with the outstanding Senior Lien Bonds as may be provided; provided, however, that no Additional Bonds shall be issued except upon compliance with all of the following conditions:

A. All deposits and credits required to be made into the Senior Lien Principal and Interest Subaccount and the Senior Lien Reserve and Redemption Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund shall have been made up to and including the date of adoption of any such ordinance authorizing the issuance of Additional Bonds.

B. The Village shall have provided to the Trustee a report of a nationally recognized independent consultant, knowledgeable as to urban redevelopment, tax increment financing and municipal finance, which includes the information and conclusions as follows:

(i) A description of the purposes for which such Additional Bonds are to be issued; and

(ii) A statement that, in such independent consultant's opinion, based upon his or her review of executed redevelopment agreements and such other documents as he or she reasonably deems pertinent, Pledged Taxes to be generated will be equal to at least 150% of actual annual debt service calculated for all succeeding years on all Senior Lien Bonds then outstanding and the Additional Bonds proposed to be issued.

C. Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal and as to interest on the same dates of the year on which principal and interest come due on the Senior Lien Bonds.

### **Refunding Bonds**

Additional Bonds may be issued to refund, whether at or in advance of maturity, Outstanding Bonds (as defined in the Indenture).

### **Junior Lien Note**

On the 26<sup>th</sup> day of August, 2019, the Village President and Board of Trustees of the Village (the "Corporate Authorities") adopted Ordinance No. 19-11 authorizing the issuance of junior lien notes (the "Junior Lien Note Ordinance"), payable from the Pledged Taxes subordinate to the outstanding Senior Lien Bonds. The Village does expect to issue a junior lien note pursuant to the Junior Lien Note Ordinance simultaneously with the issuance of the Bonds in an aggregate principal amount not to exceed \$7,800,000 (the "Junior Lien Note"). Of the \$7,800,000 principal amount of the Junior Lien Note, \$1,000,000 will not accrue interest until substantial completion of the Flix Brewhouse or such other movie theatre/restaurant (the "Movie Theater Property"). In the event the Movie Theater Property is not substantially completed by March 31, 2023 (as such date may be extended by Uncontrollable Circumstances (as defined in the Redevelopment Agreement)), the principal amount of the Junior Lien Note will be permanently reduced by \$1,000,000. The Junior Lien Note shall be payable from the Junior Lien Note and Interest Subaccount created in the Indenture. Once the Junior Lien Note is issued, no additional junior lien notes may be issued without the prior written consent of the holders of the outstanding Junior Lien Note, but if issued, such notes shall also be treated as "Junior Lien Notes".

### **Additional Notes**

No Additional Notes (as defined in the Indenture) shall be issued unless the Village shall have obtained the prior written consent of the registered owners of any Junior Lien Notes then outstanding. The Village expressly reserves unto itself without restriction of any type or kind whatsoever the right to issue obligations secured by all or any portion of the Municipal Portion (as defined in the Indenture). In addition, the Village shall have the right to issue any bonds or obligations that are subordinate to the Senior Lien Bonds and Junior Lien Notes. The Village also reserves the right, without the need to obtain any consent of the holders of the Junior Lien Notes, to (a) refinance any Senior Lien Bonds on any date after such Senior Lien Bonds become callable and (b) defease any Senior Lien Bonds and issue new

Senior Lien Bonds secured by the same pledged taxes so long as such defeasance (i) does not adversely affect the tax-exempt status of the Bonds, (ii) the new Senior Lien Bonds are tax-exempt, and (iii) such defeasance allows for a restructuring or reduction of the debt service for the Senior Lien Bonds.

## **BOOK ENTRY-ONLY SYSTEM**

THE INFORMATION PROVIDED IMMEDIATELY BELOW CONCERNING DTC AND THE BOOK-ENTRY-ONLY SYSTEM, AS IT CURRENTLY EXISTS, IS BASED SOLELY ON INFORMATION PROVIDED BY DTC AND IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER OR THE VILLAGE.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be

requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to issuers as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from issuer or its Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered as described in the Indenture.

NEITHER THE VILLAGE, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT

OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM ON THE BONDS; (3) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

## **PLAN OF FINANCING**

### **Bond Proceeds**

The proceeds of the Bonds will be used to: (i) pay or reimburse costs of certain property assembly and related site preparation and certain public facilities and improvements constituting redevelopment costs incurred within the TIF District (as described under “THE TIF DISTRICT AND THE PROPERTY”); (ii) fund a Senior Lien Debt Service Reserve Account; (iii) pay interest on the Bonds through July 1, 2022; and (iv) pay certain costs of issuance of the Bonds.

### **Junior Lien Note**

A portion of the costs of acquiring, constructing and installing the Improvements will be paid through the issuance by the Village under the Indenture to the Developer of its Junior Lien Tax Increment Revenue Note (Sawmill Station Redevelopment Project) in the principal amount of not to exceed \$7,800,000 (the “Junior Lien Note”). The Junior Lien Note will be issued simultaneously with the issuance of the Bonds but interest accrual thereon will only commence upon Retail Substantial Completion (as defined in the Redevelopment Agreement). See “THE REDEVELOPMENT AGREEMENT.” The Junior Lien Note will be a “Junior Lien Note” within the meaning of the Indenture and will be secured by a pledge of all or any portion of the Limited Incremental Property Taxes and all of the moneys on deposit in the Junior Lien Note and Interest Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund, which pledge is subordinate to the lien of the Senior Lien Bonds and any Additional Bonds on the Limited Incremental Property Taxes and the Limited Incremental Sales Taxes. As the Developer incurs certain costs of the Improvements, so long as such costs are not paid with proceeds of the Bonds or Additional Bonds, the Junior Lien Note will be endorsed in a like amount up to the maximum aggregate principal amount of the Junior Lien Note. If the Movie Theater Property is not developed by March 31, 2023 (as may be extended) or if the costs of the Development are less than \$51,000,000, then the principal amount of the Junior Lien Note will be less than \$7,800,000.

### **Developer Loan and Developer Equity**

The Developer has entered into a loan facility (the “Developer Loan”) with Associated Bank, National Association (“Associated Bank”), as administrative agent for itself and the other lenders that are or will be parties to the Construction Loan Agreement (the “Lenders”), in the aggregate amount not to exceed \$45,000,000 to finance costs of the acquisition and construction of the Development. The closing of the Developer Loan is a condition to the issuance of the Bonds. See “THE DEVELOPMENT - Project Financing.”

The Developer is funding approximately \$11,200,000 of construction costs of the Development from its own funds.

## ESTIMATED SOURCES AND USES OF FUNDS

	<u>Bond Proceeds</u>	<u>Developer Note</u>	<u>Associated Loan</u>	<u>Developer Equity</u>	<u>Total</u>
<b>Sources:</b>					
Par Amount	\$18,635,000				\$18,635,000
Original Issue Premium	\$182,804				182,804
Developer Note		\$7,800,000			7,800,000
Associated Loan			\$45,000,000		45,000,000
Developer Equity				\$5,900,000	5,900,000
Developer Equity - Residential Land Sale				5,300,000	5,300,000
<b>Total Sources</b>	<u>\$18,817,804</u>	<u>\$7,800,000</u>	<u>\$45,000,000</u>	<u>\$11,200,000</u>	<u>\$82,817,804</u>
<b>Uses:</b>					
Land			\$5,400,000	\$5,900,000	\$11,300,000
Demolition			-	1,010,000	1,010,000
Hard Costs		\$2,800,000	23,425,439	4,290,000	30,515,439
Soft Costs		5,000,000	12,174,561		17,174,561
Contingency			4,000,000		4,000,000
Project Fund					
Improvements	\$14,000,000				14,000,000
Senior Lien Bond & Interest Subaccount	2,456,689				2,456,689
Debt Service Reserve					
Fund	1,863,500				1,863,500
Program Expenses					
Subaccount <sup>1</sup>	497,615				497,615
<b>Total Uses</b>	<u>\$18,817,804</u>	<u>\$7,800,000</u>	<u>\$45,000,000</u>	<u>\$11,200,000</u>	<u>\$82,817,804</u>

1. Represents costs of issuance including the Underwriter's discount, bond counsel fees, and other costs associated with the issuance of the Bonds.



## **ESTIMATED DEBT SERVICE COVERAGE**

The information set forth in the table on the following page under the columns entitled “Limited Incremental Property Taxes,” “Limited Incremental Sales Taxes,” and “Limited Incremental Taxes” is based on projections in the Financial Feasibility Study.

The following table shows projected debt service coverage based on the projected amounts of Limited Incremental Taxes and estimated earnings under the Indenture set forth in the Financial Feasibility Study, a copy of which is attached as Appendix D hereto (and which assumes that all of the Development is completed and occupied).

The projected amounts of Limited Incremental Taxes provided in the Limited Tax Incremental Analysis is based on information, facts, circumstances, assumptions, limitations and potential risks as set forth in Appendix D. Appendix D should be read carefully and considered in its entirety.

THE FINANCIAL FEASIBILITY STUDY (APPENDIX D) DOES NOT REACH CONCLUSIONS AS TO THE ADEQUACY OF LIMITED INCREMENTAL TAXES TO PAY, ON A TIMELY BASIS, THE PRINCIPAL OF AND INTEREST ON THE BONDS. RATHER, THE FINANCIAL FEASIBILITY STUDY SERVES AS A BASIS FOR ESTIMATING THE AMOUNT OF LIMITED INCREMENTAL TAXES WHICH, PURSUANT TO THE INDENTURE, COULD BE AVAILABLE TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

\* See “ESTIMATED SOURCES AND USES OF FUNDS”

# Estimated Debt Service Coverage

Available Revenues					Debt Service					
Revenue Year Ending	Bond Year Ending	Limited Incremental Property Taxes <sup>1</sup>	Limited Incremental Sales Taxes <sup>1</sup>	Total Projected Revenues			Capitalized Interest	Debt Service Reserve <sup>2</sup>	Net Debt Service	Net Debt Service Coverage
12/31	7/1	Taxes <sup>1</sup>	Sales Taxes <sup>1</sup>	Revenues	Principal	Interest	Interest	Reserve <sup>2</sup>	Service	Coverage
2019	2020	-	-	\$0	-	\$ 666,389	(\$666,389)	-	-	N/A
2020	2021	-	-	-	-	895,150	(895,150)	-	-	N/A
2021	2022	-	\$ 247,614	\$ 247,614	-	895,150	(895,150)	-	-	N/A
2022	2023	\$ 1,987,000	443,389	2,430,389	\$ 495,000	884,631			\$1,379,631	1.76
2023	2024	2,105,000	480,935	2,585,935	610,000	861,150			1,471,150	1.76
2024	2025	2,105,000	489,292	2,594,292	640,000	834,588			1,474,588	1.76
2025	2026	2,105,000	497,780	2,602,780	675,000	806,644			1,481,644	1.76
2026	2027	2,228,000	506,398	2,734,398	780,000	775,725			1,555,725	1.76
2027	2028	2,228,000	515,149	2,743,149	820,000	741,725			1,561,725	1.76
2028	2029	2,228,000	524,032	2,752,032	860,000	706,025			1,566,025	1.76
2029	2030	2,356,000	533,052	2,889,052	980,000	663,250			1,643,250	1.76
2030	2031	2,356,000	542,208	2,898,208	1,035,000	612,875			1,647,875	1.76
2031	2032	2,356,000	551,502	2,907,502	1,095,000	559,625			1,654,625	1.76
2032	2033	2,491,000	560,935	3,051,935	1,235,000	501,375			1,736,375	1.76
2033	2034	2,491,000	570,509	3,061,509	1,300,000	438,000			1,738,000	1.76
2034	2035	2,491,000	580,225	3,071,225	1,375,000	371,125			1,746,125	1.76
2035	2036	2,631,000	590,085	3,221,085	1,530,000	298,500			1,828,500	1.76
2036	2037	2,631,000	600,089	3,231,089	1,615,000	219,875			1,834,875	1.76
2037	2038	2,631,000	610,240	3,241,240	1,705,000	136,875			1,841,875	1.76
2038	2039	2,778,000	620,538	3,398,538	1,885,000	47,125		(\$1,863,500)	68,625	49.52
					\$18,635,000	\$11,915,802				

1. Per Table 5 in the JRG Feasibility Study attached as Exhibit A, excluding any required payments to taxing districts required pursuant to 65 ILCS 5/11-74.4-3(q) (7.5 and 7.7).

2. Debt Service Reserve Fund is used in the final debt service payment

## **SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

### **In General**

The principal of, premium, if any, and interest on the Bonds are payable solely and only from (i) the Limited Incremental Property Taxes deposited into the Senior Lien Bond and Interest Subaccount or the Senior Lien Debt Service Reserve Subaccount as defined below (see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Flow of Limited Incremental Property Taxes”), (ii) the Limited Incremental Sales Taxes deposited into the Senior Lien Bond and Interest Subaccount or the Senior Lien Debt Service Reserve Subaccount as defined below (see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Pledged Limited Incremental Sales Taxes”), and (iii) the amounts on deposit in and pledged to certain of the various funds and accounts as provided in the Indenture. The Pledged Taxes have been irrevocably pledged for the prompt payment of the Bonds, both principal and interest, as aforesaid, at maturity.

The Bonds are secured, in the priority of lien and as otherwise herein provided, by a pledge of the Limited Incremental Property Taxes and the Incremental Sales Taxes on deposit in certain subaccounts of the 2019 Redevelopment Project Account and in the Limited Incremental Sales Tax Fund. The Limited Incremental Property Taxes on deposit in the 2019 Redemption Project Account and the Limited Incremental Sales Taxes in the Limited Incremental Sales Tax Fund shall be distributed on December 1 of each year through various subaccounts established under the Bond Ordinance and the Indenture as set forth herein, including the Senior Lien Bond and Interest Subaccount and the Senior Lien Debt Service Reserve Subaccount. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Flow of Limited Incremental Property Taxes” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Pledged Limited Incremental Sales Taxes.”

### **Pledged Limited Incremental Property Taxes**

The Incremental Property Taxes on the Property are to be paid by Cook County to the Village. Whenever the Village receives any of the Limited Incremental Property Taxes on the Property, the Village shall, within 60 days of each due date of property taxes, transmit the Limited Incremental Property Taxes to the Trustee for deposit into the 2019 Redevelopment Project Account of the Special Tax Allocation Fund (the “2019 Redevelopment Project Account”).

### **Pledged Limited Incremental Sales Taxes**

Pursuant to the Indenture, a separate and segregated account of the Village, “Limited Incremental Sales Tax Fund” will be established. Whenever the Village receives any of the Limited Incremental Sales Taxes it shall promptly transmit the Limited Incremental Sales Taxes to the Trustee for deposit into the Limited Incremental Sales Tax Fund. On, and as otherwise may be provided in any Bond Ordinance or a related Bond Order, December 1 of each year and after making the deposit of Limited Incremental Property Taxes described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Flow of Limited Incremental Property Taxes”, the Trustee shall transfer funds on deposit in and to the credit of the Limited Incremental Sales Tax Fund to the credit of and on deposit in, *first*, the Senior Lien Bond and Interest Subaccount to the extent necessary to pay the Current Debt Service Requirement for Senior Lien Bonds (as defined in the Indenture) after taking into account the amounts already on deposit in such Subaccount, *second*, the Senior Lien Debt Service Reserve Account to the extent necessary to make the amounts to the credit of and on deposit in such account equal to the Senior Lien Debt Service Requirement, *third*, the Junior Lien Note and Interest Subaccount to the extent necessary to pay the Current Debt Service Requirement for the Junior Lien Notes (and if the Bond Ordinance or related Bond

Order authorizing a Junior Lien Note provides that such Junior Lien Note shall be mandatorily redeemed to the extent there are available Pledged Taxes, then such mandatory redemption payments shall be included in the Current Debt Service Requirement) after taking into account the amounts already on deposit in such Subaccount, or *fourth*, the Junior Lien Debt Service Reserve and Redemption Account in an amount necessary to make the amounts to the credit of and on deposit in such account equal to the Junior Lien Debt Service Reserve Requirement, in each case, it being the express intent of the Village that the Limited Incremental Sales Taxes shall be used as necessary and are hereby expressly pledged, to the extent, in the amounts to pay debt service on the Bonds.

THE BONDS ARE LIMITED OBLIGATIONS OF THE VILLAGE PAYABLE SOLELY AND ONLY FROM THE PLEDGED TAXES ON DEPOSIT IN THE ACCOUNTS AND IN THE PRIORITIES AND AS SET OUT IN THE INDENTURE AND THE BOND ORDINANCE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THE BONDS SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREON.

### **Flow of Limited Incremental Property Taxes**

#### *2019 Redevelopment Project Account*

The Indenture details the flow of funds for the Limited Incremental Property Taxes through the following subaccounts of the 2019 Redevelopment Project Account. See “APPENDIX C – INDENTURE.” The flow of funds can be summarized as follows:

- (i) School Subaccount;
- (ii) Program Expenses Subaccount;
- (iii) Senior Lien Bond and Interest Subaccount;
- (iv) Senior Lien Debt Service Reserve Subaccount;
- (v) Extraordinary Mandatory Redemption Subaccount;
- (vi) Junior Lien Note and Interest Subaccount; and
- (vii) Junior Lien Debt Service Reserve and Redemption Subaccount; and
- (viii) General Subaccount.

#### School Subaccount and Program Expenses Subaccount

The Trustee shall (i) first transfer Limited Incremental Property Taxes to the School Subaccount until the balance on deposit in and to the credit of the School Subaccount shall equal the School Payment (as defined in the Indenture) for such year as certified in writing by the Village to the Trustee by November 1 of such year and (ii) after the transfer in clause (i), second transfer Limited Incremental Property Taxes to the Program Expenses Subaccount until the balance on deposit in and to the credit of the Program Expenses Subaccount shall equal the Program Expense Requirement (defined in the Bond Ordinance as not to exceed \$25,000 in any Bond Year (as defined in the Indenture)). Moneys on deposit in the School Account shall be paid to or at the written direction of the Village to make payments as provided in 65 ILCS 5/11-74.4-3(q)(7.5) of the TIF Act and moneys on deposit in the Program Expenses Subaccount shall be used to pay or reimburse Program Expenses (as defined in the Indenture) and shall be disbursed upon the written direction of the Village.

#### Senior Lien Bond and Interest Subaccount

The Trustee shall next credit to and shall immediately transfer for deposit into the Senior Lien Bond and Interest Subaccount the amount of Limited Incremental Property Taxes necessary to pay the

Current Debt Service Requirement for Senior Lien Bonds. If on any December 1 there are Limited Incremental Property Taxes in the Senior Lien Bond and Interest Subaccount in excess of the amount necessary to pay such Current Debt Service Requirement, such funds shall first be transferred by the Trustee to the Senior Lien Debt Service Reserve Subaccount as described below.

Except as provided in the Indenture or in any Supplemental Indenture, Bond Ordinance or Bond Order provided, moneys to the credit of the Senior Lien Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Bonds as the same become due upon maturity or mandatory redemption or on any interest payment date.

#### Senior Lien Debt Service Reserve Subaccount

The Trustee shall next credit the balance of the Limited Incremental Property Taxes to a separate and special account to maintain a debt service reserve for the outstanding Senior Lien Bonds, to be known as the Senior Lien Debt Service Reserve Subaccount. The Trustee shall credit Limited Incremental Property Taxes to the Senior Lien Debt Service Reserve Subaccount until the amount to the credit of the Senior Lien Debt Service Reserve Subaccount aggregates the Senior Lien Debt Service Reserve Requirement (as defined in the Indenture). Thereafter no such payments shall be made by the Trustee into the Senior Lien Debt Service Reserve Subaccount except that when any money is paid out of said Subaccount payments shall be resumed and continued until such account has been restored to an aggregate amount equal to the Senior Lien Debt Service Reserve Requirement. At the time of the issuance of any Additional Bonds, the Senior Lien Debt Service Reserve Subaccount shall be immediately funded to the fullest extent as may be both (1) permitted by the TIF Act and (2) if the Additional Bonds so issued are Tax Exempt (as defined in the Indenture), as may be limited by the Code.

Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be used, at the written direction of the Village, to redeem all or a portion of a series of Senior Lien Bonds secured by such funds; provided, however, that such funds may only be used for optional redemption of Senior Lien Bonds if the Senior Lien Bonds then outstanding are being redeemed in full. In addition, if there is not sufficient funds in the Senior Lien Bond and Interest Subaccount after making any transfers from the Limited Incremental Sales Tax Fund, the Trustee shall transfer to the Senior Lien Bond and Interest Subaccount amounts from the Senior Lien Debt Service Reserve Subaccount as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Senior Lien Bonds. Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be pledged to pay principal of any specified Senior Lien Bonds under a related Bond Ordinance or Bond Order.

Whenever the Trustee has credited to and deposited into the Senior Lien Debt Service Reserve Subaccount an amount of Limited Incremental Property Taxes sufficient to maintain a balance to the credit of said Subaccount equal to the Senior Lien Debt Service Reserve Requirement, and subject to the provisions of and in any order of priority as provided in any Junior Lien Note Ordinance or any supplement to the Indenture (the "Supplemental Indenture"), the Trustee shall then remit remaining funds to the credit of the Special Tax Allocation Fund into any of the Extraordinary Mandatory Redemption Subaccount, the Junior Lien Note and Interest Subaccount or the Junior Lien Debt Service Reserve and Redemption Subaccount, as follows.

#### Extraordinary Mandatory Redemption Subaccount

Whenever any Bond Ordinance authorizing a Series of Senior Lien Bonds or related Bond Order so provides, the Trustee shall next credit to and shall immediately transfer for deposit into the Extraordinary Mandatory Redemption Subaccount any portion of the balance of the Limited Incremental

Property Taxes required under such Bond Ordinance or Bond Order to be held by the Trustee and used solely to provide for the extraordinary mandatory redemption of a Series of Senior Lien Bonds. Incidental to each Accounting (as defined in the Indenture) the Trustee shall determine the amount, if any, necessary to provide for such extraordinary mandatory redemption and, without further official action by or direction from the Corporate Authorities shall so provide for such extraordinary mandatory redemption of Bonds. If, on any December 1 any Accounting, the Trustee shall determine that no such credit to or deposit into the Extraordinary Mandatory Redemption Subaccount shall be required, any Limited Incremental Property Taxes shall next be transferred by the Trustee to the Junior Lien Note and Interest Subaccount as described below.

#### Junior Lien Note and Interest Subaccount

Whenever there is any Junior Lien Note outstanding, the Trustee shall next credit to and shall immediately transfer for deposit into the Junior Lien Note and Interest Subaccount any portion of the balance of the Limited Incremental Property Taxes pledged under a Bond Ordinance authorizing a Series of Junior Lien Note or a related Bond Order to a Series of Junior Lien Note. Incidental to each accounting on each December 1 and as may be further provided in a Bond Ordinance authorizing a Series of Junior Lien Note or a related Bond Order, the Trustee shall determine the amount necessary to pay the Current Debt Service Requirement (which shall include any mandatory principal payments required to the extent there are available Pledged Taxes), if any, for Junior Lien Note and to determine the amount, if any, on deposit in and to the credit of the Junior Lien Note and Interest Subaccount. If upon any such accounting and such application of funds, there are Limited Incremental Property Taxes on deposit in the Junior Lien Note and Interest Subaccount in excess of the amount necessary or pledged to pay such Current Debt Service Requirement, such Limited Incremental Property Taxes shall first be transferred by the Trustee to the Junior Lien Debt Service Reserve and Redemption Subaccount as described below.

Except as provided in the Indenture or in any Supplemental Indenture, Bond Ordinance or Bond Order provided, moneys to the credit of the Junior Lien Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Junior Lien Note as the same become due upon maturity or mandatory redemption.

#### Junior Lien Debt Service Reserve and Redemption Subaccount

Whenever there is any Junior Lien Note outstanding, the Trustee shall credit to and shall immediately transfer for deposit into the Junior Lien Debt Service Reserve and Redemption Subaccount any portion of the balance of the Limited Incremental Property Taxes in the Special Tax Allocation Fund pledged under a Bond Ordinance to a Series of Junior Lien Note. The Trustee shall credit Limited Incremental Property Taxes to the Junior Lien Debt Service Reserve and Redemption Subaccount until the amount to the credit of the Junior Lien Debt Service Reserve and Redemption Subaccount aggregates the Junior Lien Debt Service Reserve Requirement, if any. Thereafter no such payments shall be made by the Trustee into the Junior Lien Debt Service Reserve and Redemption Subaccount, except that when any money is paid out of said Subaccount payments shall be resumed and continued until such account has been restored to an aggregate amount equal to the Junior Lien Debt Service Reserve Requirement. Monies on deposit in the Junior Lien Debt Service Reserve and Redemption Subaccount may be used at the written direction of the Village to redeem Junior Lien Notes. In addition, if there is not sufficient funds in the Junior Lien Note and Interest Subaccount after making any transfers from the Limited Incremental Sales Tax Fund, the Trustee shall transfer to the Junior Lien Note and Interest Subaccount amounts as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Junior Lien Note. Amounts on deposit in the Junior Lien Debt Service Reserve and Redemption Subaccount may be pledged to pay principal of any specified Junior Lien Note under a related bond ordinance.

Wherever the Trustee has credited to and deposited into the Junior Lien Note and Interest Subaccount and the Junior Lien Debt Service Reserve and Redemption Subaccount all amounts required to be deposited therein, unless the amount is less than \$1,000 and the Junior Lien Bonds are not being redeemed in full, in which case the remaining Pledged Taxes should be deposited and credited to the 2019 Redevelopment Project Account of the Special Tax Allocation Fund in order to be used for deposits on the next Accounting, the Trustee shall remit remaining funds to the credit of the Special Tax Allocation Fund to the Treasurer for credit to the General Subaccount.

While the Junior Lien Debt Service Reserve and Redemption Subaccount is provided for under the Bond Ordinance and Indenture, the Junior Lien Note Ordinance expressly provides that no Junior Lien Debt Service Reserve and Redemption Subaccount shall be funded for the Junior Lien Note. In addition, the Junior Lien Note Ordinance relating to the Junior Lien Note being issued simultaneously with the issuance of the Bonds will contain mandatory redemption provisions which will provide that the balance of the Limited Incremental Property Taxes (and the Limited Incremental Sales Taxes) after deposits to the School Payment Subaccount, Program Expenses Subaccount, Senior Lien Bond and Interest Subaccount, Senior Lien Debt Service Reserve Subaccount and Extraordinary Mandatory Redemption Subaccount will be used to pay current interest on the Junior Lien Note, then deferred interest on the Junior Note and then will be used to redeem principal of the Junior Lien Note in increments of \$1,000. If there are any Pledged Taxes remaining after such payments on the Junior Lien Note are made, such amounts will be less than \$1,000, so such remaining amounts will be deposited into the 2019 Redevelopment Project Account to be used to make deposits to the Subaccounts on the next December 1. So, the Village does not expect any Limited Incremental Property Taxes or Incremental Sales Taxes to be deposited into the Junior Lien Debt Service Reserve Redemption Subaccount or General Subaccount until the Junior Lien Note issued at the time the Bonds are issued has been paid in full.

#### General Subaccount

All moneys remaining after crediting the required amounts to the respective accounts hereinabove provided for, shall be transmitted by the Trustee to the Treasurer for credit to the General Subaccount. Moneys on deposit in the General Subaccount shall be transferred by the Treasurer first, if necessary, to the Trustee to remedy any deficiencies in any prior accounts in the 2019 Redevelopment Project Account; second, to the hereinafter created Rebate Fund as needed to maintain the Tax Exempt status of any Bonds issued on a Tax Exempt basis; and thereafter, together with any moneys on deposit in and to the credit of the Municipal Account, at the further discretion of the Corporate Authorities, as follows, in any order of priority mentioned:

- (i) for the purpose of paying any Redevelopment Project costs, including any expenses of the Trustee and any expenses of the Village relating specifically to the administration of, or provision of governmental services to, the Redevelopment Project Area and the Redevelopment Project;
- (ii) for the purpose of redeeming any Bonds;
- (iii) for the purpose of purchasing any Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase;
- (iv) for the purpose of refunding, advance refunding or prepaying any Bonds;
- (v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities;

(vi) for the purpose of paying principal of or premium or interest on any obligations of the Village issued to pay Redevelopment Project costs, whether or not secured by a pledge of monies on deposit in the Special Tax Allocation Fund;

(vii) for the purpose of reimbursing the Village for any transfers made from any lawfully available funds of the Village, including, specifically, the Limited Incremental Sales Taxes and/or Limited Incremental Sales Taxes, to the 2019 Redevelopment Project Account;

(viii) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with Section 11-74.4-7 of the TIF Act *provided, however*, that the Village expressly covenants and warrants that while any Senior Lien Bonds remain outstanding, no such distribution shall occur; or

(ix) for any other purpose related to the Redevelopment Project Area or the Redevelopment Project pursuant to the TIF Act.

Bonds may be issued secured solely by Limited Incremental Property Taxes held in and to the credit of the General Subaccount, and such Bonds shall be in all respects subordinate in right of payment and lien and junior to Senior Lien Bonds and Junior Lien Note. The Village hereby expressly reserves unto itself the unconditional power to issue any obligations, whether notes, bonds, contracts or otherwise, relating to the Redevelopment Project Area and the Redevelopment Project and payable from the Municipal Account, it being expressly agreed and understood that no moneys on deposit in and to the credit of the Program Expenses Subaccount, School Payment Subaccount, the Municipal Account and the Rebate Fund, regardless of source, comprise any portion of the Trust Estate pledged hereunder.

Except as otherwise provided in any Bond Ordinance or related Bond Order, as of any Accounting, (i) funds to the credit of the Senior Lien Debt Service Reserve Subaccount in excess of the Senior Lien Debt Service Reserve Requirement shall be transferred by the Trustee to the Senior Lien Bond and Interest Subaccount, (ii) funds to the credit of the Junior Lien Debt Service Reserve and Redemption Subaccount in excess of the Junior Lien Debt Service Reserve Requirement shall be transferred by the Trustee to the Junior Lien Note and Interest Subaccount, and (iii) funds to the credit of the General Subaccount shall be transferred by the Treasurer to the Trustee to remedy any deficiency in a prior account on any date and as requested by the Trustee.

When all Bonds and related Redevelopment Project costs to be paid by the Bonds have been paid or provided for, all moneys remaining in the 2019 Redevelopment Project Account of the Special Tax Allocation Fund shall be transferred to the Village and may be used by the Village for any lawful purpose under the TIF Act.

## **Project Fund**

Pursuant to the Indenture and Bond Ordinance, the Village will cause the proceeds of the Bonds to be deposited into the 2019 Retail TIF Project Fund (the "Project Fund") with the Trustee as provided in the Bond Ordinance and Bond Order. The Trustee will hold those proceeds in trust for the benefit of the Bondholders and will apply the proceeds in accordance with a relevant Bond Ordinance, Bond Order and the Indenture Section.

Moneys in the Project Fund will be disbursed to pay redevelopment project costs described in the appropriate Bond Ordinance or related Bond Order or to reimburse the Village or a Developer for redevelopment project costs paid by it. The Ross Holdback portion of the Project Fund shall be held and



not disbursed by the Trustee until certain obligations of the Developer with regard to procuring a lease from Ross (or a substitute tenant) shall have occurred or shall be used to redeem the Bonds. See “THE BONDS – Extraordinary Mandatory Redemption.”

The Village covenants and agrees that moneys in the Project Fund will be used solely for the purposes described in and solely for the payment of the portion of the redevelopment project costs described in the appropriate Bond Ordinance and in accordance with the provisions of the tax agreement entered into in connection with the issuance of the Bonds.

Upon the completion of redevelopment project costs described in the Bond Ordinance, any balance of moneys in the Project Fund created with proceeds of the Bonds or Project Fund created with proceeds of Junior Lien Note shall be used and deposited as provided in the Bond Ordinance authorizing such Bonds or the related Bond Order or, if not provided therein then be withdrawn from the Project Fund by the Trustee and deposited into the Senior Lien Bond and Interest Subaccount or the Junior Lien Note and Interest Subaccount, as appropriate, and be used to pay the principal portion of the redemption price of any Bonds or the Junior Lien Note, as appropriate, on the earliest possible redemption date on which no redemption premium must be paid or if earlier, the principal portion due on a maturity date of such Bonds or Junior Lien Note, as appropriate.

### **THE TIF DISTRICT AND THE PROPERTY**

The TIF District consists of approximately 26 acres and is generally located at the southeast corner of Dempster Street and Waukegan Avenue in the Village. The Village designated the TIF District pursuant to the TIF Act by Ordinance No. 19-07, adopted July 8, 2019. In conjunction with the designation of the TIF District, the Village approved a redevelopment plan prepared by Kane, McKenna, and Associates, Inc. (the “Plan”) pursuant to Ordinance No. 19-06, adopted July 8, 2019 and adopted tax increment allocation financing for the TIF District pursuant to Ordinance No. 19-09, adopted July 8, 2019.

As part of the Plan, the Village found that the TIF District as a whole has not been subject to growth and development through private investment, and that only through the implementation of the Plan and expenditure of the redevelopment project costs allowed under the TIF Act would the TIF District be developed on a comprehensive and coordinated basis, reducing the blighting factors which have precluded substantial development of the TIF District by the private sector. As set forth in the Plan, the TIF District was found to qualify as a “blighted improved” area pursuant to certain criteria as set forth in the TIF Act. A minimum of five (5) TIF eligibility factors are required under the TIF Act to qualify the area as “blighted improved” and seven (7) of such factors were found to be present. The following TIF eligibility factors were found to be present and reasonably distributed throughout the TIF District:

- 1) Obsolescence
- 2) Deterioration
- 3) Inadequate Utilities
- 4) Lack of Community Planning
- 5) Excessive Vacancies
- 6) Lag/Decline in Equalized Assessed Valuation
- 7) Code Violations

The TIF District includes approximately seventy-three (73) tax parcels and sixteen (16) buildings which include various retail, commercial, institutional and residential uses including two entire parcels and a

portion of a third are a part of the Development and one entire parcel and a portion of a second are a part of the Residential Development (collectively, the “Project Properties”) as follows:

<u>Development</u>	<u>Residential Development</u>
10-19-103-001-0000	10-19-200-009-0000
10-19-200-007-0000	10-19-200-010-0000
10-19-200-010-0000	(only a portion thereof)
(only a portion thereof)	

The Village entered into the Redevelopment Agreement with the Developer for the Development and the Residential Development. See “THE DEVELOPMENT – Site Plan.” There are seventy-one (71) other parcels in the TIF District which are **not** included in the Property and which do **not** secure the Bonds. See “THE REDEVELOPMENT AGREEMENT” and “THE DEVELOPMENT.”

The Base Equalized Assessed Value of the Project Properties is \$5,636,321.

### **THE DEVELOPER**

Sawmill Station is being developed by IM Kensington MG LLC, a Delaware limited liability company (the “Developer”).

The Developer is a joint venture entity owned by Kensington Development Partners Inc. (“Kensington”) and IM Properties. The founders of Kensington Development Partners have over 70 years of collective experience in the acquisition, development, and management of commercial properties throughout the United States. The partners of Kensington have developed over 57 projects totaling more than 7 million square feet of property.

Over the last ten years, IM Properties and Kensington have built a strong relationship by combining Kensington's development experience with IM Properties' strong financial balance sheet and entrepreneurial spirit. Since IM Properties was founded in 1987, the company has established itself as one of the UK's largest privately-owned investor developers, with a track record of delivery across all sectors of commercial real estate. Now, in its 30th year, the business has grown to encompass a real estate portfolio valued in excess of \$1 billion.

### **Kensington Development Partners**

Kensington acquires, develops and redevelops retail and mixed-use projects throughout the United States. Together the principals of Kensington have over 70 years of collective industry experience. Kensington's in-house development team primarily manages site selection, entitlement, and construction process to help maximize their performance.

*Jay Eck*

Jay Eck, Principal at Kensington, has built a reputation as a leader in retail development in the Midwest over the last 30 years. He previously was a principal at Bradford Real Estate Co. leading to completion numerous multi-faceted developments totaling more than 10 million square feet. Mr. Eck coordinates development projects from conception through completion, negotiating purchase agreements with land sellers and leases with the tenants.

### *Chad Jones*

Chad Jones, Principal at Kensington, is a CPA and had previously been the Chief Financial Officer of Bradford Real Estate for over 10 years while working in the finance and real estate industries for 20 years. Mr. Jones procures and maintains all joint venture, banking, and investor relationships for Kensington. He has extensive experience with municipal incentive agreements, lease negotiation, entitlements, property management and contract negotiation. Mr. Jones has a Bachelor's degree in Accounting and a Master's Degree in Real Estate Law. Following school, he went to work for one of the largest CPA firms in the country, RSM McGladrey, focusing on construction and real estate. Mr. Jones eventually ended up with Bradford Real Estate in 2005 as the Controller and quickly rose to Chief Financial Officer in 2007 where he held that position for the last 10 years before starting Kensington.

### *John Schoditsch*

John Schoditsch, Principal, brings over 20 years of commercial real estate experience to Kensington Development Partners. Prior to his development career he was a First Vice President at CB Richard Ellis. After a successful tenure at CB Richard Ellis, Mr. Schoditsch became a partner at Bradford Real Estate and partnered with Mr. Eck to procure the majority of Bradford Real Estate's development projects over the last 13 years. Mr. Schoditsch has used his many years of experience to cultivate strong relationships with brokers, retailers and municipalities to help procure and maintain a vital development pipeline. He has a vast amount of experience in site selection, deal procurement, contract and lease negotiation, and entitlements. Over the last 20 years, Mr. Schoditsch has worked with the majority of expanding retailers that have entered the Chicagoland area, including, Mariano's, Chase Bank, PNC Bank, Portillo's, Art Van, Goodyear, Walgreens, CVS, McDonald's, Raising Cane's, Aldi, Noodles and Co. and Panera.

## **IM Properties**

Since IM Properties was founded in 1987, the company has established itself as one of the UK's largest privately-owned investor/ developers, with an enviable track record of delivery across all sectors of commercial real estate. Over the last 20 years alone, IM Properties have developed over 6 million square feet of commercial real estate becoming renowned in the industry for the consistent delivery of strategically located, award-winning schemes. The business has grown to encompass a real estate portfolio valued in excess of £1bn, producing shareholder returns that consistently outperform the market.

IM Properties has a Chicago office and team which enables the company to achieve scale, particularly in the retail sector and further develop relationships based on trust and longevity. IM Properties USA have also now moved into the Mid-West markets having recently developed a premium Lifestyle Centre in Wisconsin, 90 minutes to the north of downtown Chicago.

## **Partnership with IM Properties**

Kensington and IM Properties have formed a partnership that combines Kensington's vast experience in commercial real estate development with IM's substantial cash resources and entrepreneurial spirit.

IM Properties and the principals of Kensington began working together in 2009. The partnership is a unique blend of talented professionals with decades of experience in the United States and UK which has capitalized on their financial strength, development expertise and a deep understanding of the commercial real estate market. The partnership relies upon its vast experience and creative approach to understand and solve the complexities that often arise in the development process. With IM's portfolio

currently valued in excess of \$1.0 billion, the partnership has access to substantial cash resources from internal funds enabling them to maximize the potential of a wide range of exciting commercial development opportunities.

The principals of both companies have worked together to deliver over 1,500,000 square feet of ground up development since 2009, an investment of over \$500 million. The following is a list of developments that the principals of Kensington have been involved with developing over the last decade:

<u>Year Completed</u>	<u>Center Name</u>	<u>City</u>	<u>State</u>	<u>SF</u>
2020 *	Market Centre *	Westmont	IL	110,000
2019 *	Aldi - Gurnee *	Gurnee	IL	19,800
2019 *	Raising Cane's - Batavia *	Batavia	IL	4,000
2018	Aldi - Vernon Hills	Vernon Hills	IL	19,800
2017	The Corners of Brookfield	Brookfield	WI	750,000
2016	Harwood Heights	Harwood Heights	IL	90,000
2016	AT&T - Rolling Meadows	Rolling Meadows	IL	4,300
2016	Mariano's - Orland Park	Orland Park	IL	84,000
2016	Mariano's - Westmont	Westmont	IL	84,000
2016	Mariano's - Lombard	Lombard	IL	90,000
2015	Just Tires - Lake Zurich	Lake Zurich	IL	6,600
2014	Fox Run Square	Naperville	IL	143,469
2013	AAA	Vernon Hills	IL	9,000
2014	Mariano's - Lake Zurich	Lake Zurich	IL	90,000
2013	Mariano's - Harwood Heights	Harwood Heights	IL	82,000
2013	Mariano's - Wheaton	Wheaton	IL	85,000
2013	Mariano's - Frankfort	Frankfort	IL	85,000
2012	HH Gregg - Crystal Lake	Crystal Lake	IL	32,446
2012	Mariano's - Palatine	Palatine	IL	80,000
2011	Chase - Downers Grove	Downers Grove	IL	3,819
2011	HH Gregg - Niles	Niles	IL	36,876
2010	Chase - Park Ridge	Park Ridge	IL	4,121
2009	Franklin Marketplace	Franklin Park	IL	19,430

*\*Under Construction*

## THE DEVELOPMENT

### General

The Development is a 26 acre, mixed-use development project to be known as “Sawmill Station” located at the southeast corner at the intersection of Dempster Street and Waukegan Avenue in the Village. See the Site Map at “THE DEVELOPMENT - Site Map.” The Developer has acquired all of the land within the Property. The Development includes demolishing most of the existing structures and constructing several commercial buildings which will be leased to a grocery store, a department store, fitness tenant, movie theater, small shops and restaurants.

Demolition for the Development began on June 3, 2019 pursuant to a construction contract between the Developer and International Contractors, Inc. (See “— General Contractors — Site Work Development” and “— Construction Contracts — Demolition Work”) below.

Site work will begin the week of September 30, 2019, with vertical construction set to begin in mid-October 2019. The Developer has executed a construction contract with International Contractors, Inc. to perform the site work and vertical construction.

The Developer also intends to sell an adjoining parcel to a residential developer to construct the Residential Development consisting of an apartment facility consisting of approximately 250 residential units. Pursuant to the Redevelopment Agreement, the Village has agreed, subject to certain conditions, to issue up to \$3,200,000 in additional net proceeds which will be issued on a parity with the Bonds, provided the additional bonds test set forth in the Bond Ordinance is met and the conditions described in the Redevelopment Agreement for issuing such Additional Bonds has been met. Upon the issuance of such Additional Bonds, the “Property” will be expanded so as to include the parcels on which the Residential Development is to occur. See THE BONDS-Additional Bonds.

### **Commercial Tenants**

The Developer anticipates that the Development will include approximately 233,000 square feet of commercial space (the “Commercial Tenants”). Projected initial Commercial Tenants of the Development are set forth in the following Table.

<b>TENANT</b>	<b>ESTIMATED SQUARE FEET</b>	<b>LEASE STATUS</b>	<b>INITIAL TERM</b>	<b>OPTIONS</b>	<b>Co-Tenancy/Early Termination</b>
Grocery Store	34,997	Executed	15 years	Six - 5 year options	Co-Tenancy (Opening) and Early Termination (last day of 10 <sup>th</sup> Year – first 90 days of 11 <sup>th</sup> Year)
Kohl's	55,000	Executed	16 years	Five - 5 year options	Co-Tenancy (Opening)
Ross	22,041	Negotiating Lease	10 years	Four - 5 year options	Co-Tenancy (Opening and Ongoing)
Dollar Tree	12,033	Executed	10 years	Two - 5 year options	Co-Tenancy (Ongoing)
LA Fitness	37,000	Executed	20 years	Three - 5 year options	None
Flix Brewhouse	39,500	Executed	17 years	Three - 5 year options	Co-Tenancy (Opening)
Coopers Hawk*	11,950	Executed	15 years	Four - 5 year options	Co-Tenancy (Opening)
Strip Center - Starbucks	2,280	Negotiating Lease	10 years	Two - 5 year options	None
Strip Center - Aspen	3,570	Negotiating	10 years	Three - 5 year	Co-Tenancy

Dental		Lease		options	(Opening)
Strip Center - Vacant	2,929	N/A	N/A	N/A	N/A
Strip Center - Vacant	2,929	N/A	N/A	N/A	N/A
Raising Cane's*	3,800	Executed	15 years	Five - 5 year options	Co-Tenancy (Opening)
Bank Of America	6,500	Executed	2.5 years	Two - 5 year options	None

\* denotes a ground lease

The lease with Flix Brewhouse contains a financing contingency for both the Developer and the tenant which expires November 1<sup>st</sup>, 2019. In the event the lease would be terminated under the financing contingency, the Developer has received backup letters of intent from Studio Movie Grill and Star Cinema that have similar size and sales forecasts. In the event the lease with Flix Brewhouse is terminated and a lease is entered into with Studio Movie Grill or Star Cinema, it is expected to commence operations in a similar timeframe.

**There can be no assurance that negotiations with the potential tenants identified in the preceding Table which have not yet executed a letter of intent or lease will ultimately result in the execution of a lease with that tenant. In addition, there can be no assurance that those tenants identified in the preceding Table which have executed a letter of intent but not yet executed a lease will ultimately execute a lease with the Developer.**

Many of the leases contain co-tenancy requirements which, subject to potential cure rights on behalf of the Landlord, enable such tenants to pay a reduced rent and/or to terminate their lease early in the event certain other tenants at the Development are not in possession of a certain percentage of the Development and/or open and operating for business. Some of the co-tenancy provisions apply only to the opening of the leases while others apply throughout the term of the lease as set forth in the chart above. In addition, at least one lease, as set forth in the chart above, contains early termination rights which enable the tenant to terminate the lease after a set period of time.

Additionally, many of the leases with the Commercial Tenants contain provisions allowing the Commercial Tenants to terminate their lease in the event certain events occur or fail to occur such as Developer's failure to deliver to the Commercial Tenant its premises within a certain time period and in the condition required under the such lease, certain governmental approvals are not obtained and also if the landlord or other tenants violate certain restrictive covenants, use requirements or other specific requirements under the leases. Copies of the leases with the Commercial Tenants are available for review by prospective buyers subject to execution of an acceptable confidentiality agreement.

## Site Improvements

The Developer has entered into a guaranteed maximum price, fully bonded, contract for the construction of site improvements for the Development as described below under “-General Contracts - Site Work Development” and “- Construction Contracts - Site Work.” The Plan includes a complete demolition of existing buildings, parking lot improvements (excluding the outlot currently occupied by Bank of America), and other improvements to the Property. Improvements include an improved main entry along Dempster Street, a new traffic signal at the main entrance on Dempster Street, upgraded utilities, including a new underground stormwater detention facility that will improve the site to meet the Metropolitan Water Reclamation District's current standards, landscaping throughout the site, approximately 230,000 square feet of newly constructed retail buildings, and over 1,000 parking spaces.

## **Improvements Paid from the Bond Proceeds**

The Developer will be reimbursed from the amounts deposited into the Project Fund under the Indenture from the proceeds of the Bonds for certain landscaping, storm and sanitary sewer facilities, road improvements, lighting, parking, land, and other appropriate eligible costs to serve the Property.

## **Zoning and Permits**

On May 13, 2019, the Village of Morton Grove approved a new planned unit development for the Development. The planned unit development allows for a wide variety of commercial uses including mixed-use development, physical fitness and health services, restaurants, garden supplies, theatres, microbrewery, and bar and cocktail lounges that will permit the Development.

The Developer has received building permits for certain buildings, has submitted completed plans and specifications for other buildings to the Village in connection with the building permit process and will prepare plans and specifications for the theater building. Certain other site permits from the Illinois Environmental Protection Agency (“IEPA”) and the Illinois Department of Transportation (“IDOT”) relating to storm water management, grading permitting and access and right-of-way permits are in process. The Developer anticipates building permits for the construction of all aspects of the Development will be received on a timely basis to allow construction to be completed as planned. The following is a description of some of the key permits not yet received:

### *Forest Preserve*

The Developer is working with the Village to procure a license agreement in favor of the Village from the Cook County Forest Preserve (the “Forest Preserve”) which would allow Developer to perform certain work necessary in relation with storm water discharge from the Property. The Developer has agreed to reimburse the Village for any costs it incurs in relation to the license agreement. The Village and Developer are awaiting final approval from the Forest Preserve on the license application.

### *IEPA*

The Development is anticipating receipt of a No Further Remediation letter from the IEPA upon completion of site remediation.

### *IDOT Access and Right of Way Permit*

IDOT will review and approve the proposed road improvements and work within IDOT’s right of way. The proposed improvements include moving the eastern entrance drive on Dempster to align with Birch Avenue, signal upgrades at the signalized intersection on Dempster, and changes to the southern service drive on Waukegan. Utility permits for new water main connections will be under separate permit.

## **Property Management**

The Development will initially be managed by the Developer. In conjunction with the beginning of occupancy by the Commercial Tenants, the Developer intends to retain a separate property manager for the Development.

## **Construction Manager**

WIK Consulting, LLC is managing construction of the Development.

## Project Leasing

Mid-America Asset Management, Inc. ("Mid-America") is providing project leasing services to the Development. Mid-America is headquartered in Oak Brook, Illinois and was formed in 1984. It is a full-service retail real estate company with branches in Chicago, Wisconsin, Minnesota and Michigan.

## Architects

The architects for the Development are Woolpert, Inc. which was founded in 1911 and has over 25 offices nationwide, including an Illinois office located in Oakbrook Terrace.

## Construction Contracts

**Demolition Work.** The Developer has entered into a Standard Form of Agreement between Owner and Contractor (AIA Document A103-2017) with International Contractors, Inc. dated as of December 7, 2018 for the demolition of certain structures within the Development.

**Vertical Building.** The Developer has entered into construction contracts with International Contractors, Inc. to perform the site work and vertical construction of the grocery store building and strip center which are to be performed by the Developer. Under the leases with the Commercial Tenants, the Developer is only anticipated to perform vertical construction of certain structures, with some of the Commercial Tenants being responsible for their own vertical construction. The following is a summary of those Commercial Tenants that are anticipated to perform their own vertical construction:

<u>TENANT</u>	<u>PARTY RESPONSIBLE FOR CONSTRUCTING</u>	<u>COMPLETION REQUIREMENT</u>
Kohl's	Tenant	None although rent commences on November 1, 2020 subject to extension rights.
La Fitness	Tenant	Tenant required to complete and open for business no later than 271 days after Landlord completes certain requirements. None although rent commences nine (9) months after Developer delivers the pad to the Commercial Tenant and it receives required permits, subject to extension rights.
Coopers Hawk	Tenant	Tenant required to open for business no later than 240 days after Developer delivers the development pad to Tenant and remain open for no less than three (3) years after the rent commencement date.
Raising Cane's	Tenant	Tenant required to construct within 150 days following Developer's delivery of the development pad to Tenant (subject to permitted extensions and depending on the time of year such delivery occurs).



## Environmental Site Assessments

Phase I and Phase II Environmental Site Assessments were performed May 23, 2018 and July 5, 2018, respectively, for Tower Real Estate Services, Inc. with regard to the Property by True North Consultants, Inc. (“True North”). These reports are available for review upon request. Below is a summary of environmental matters as they relate to the Property.

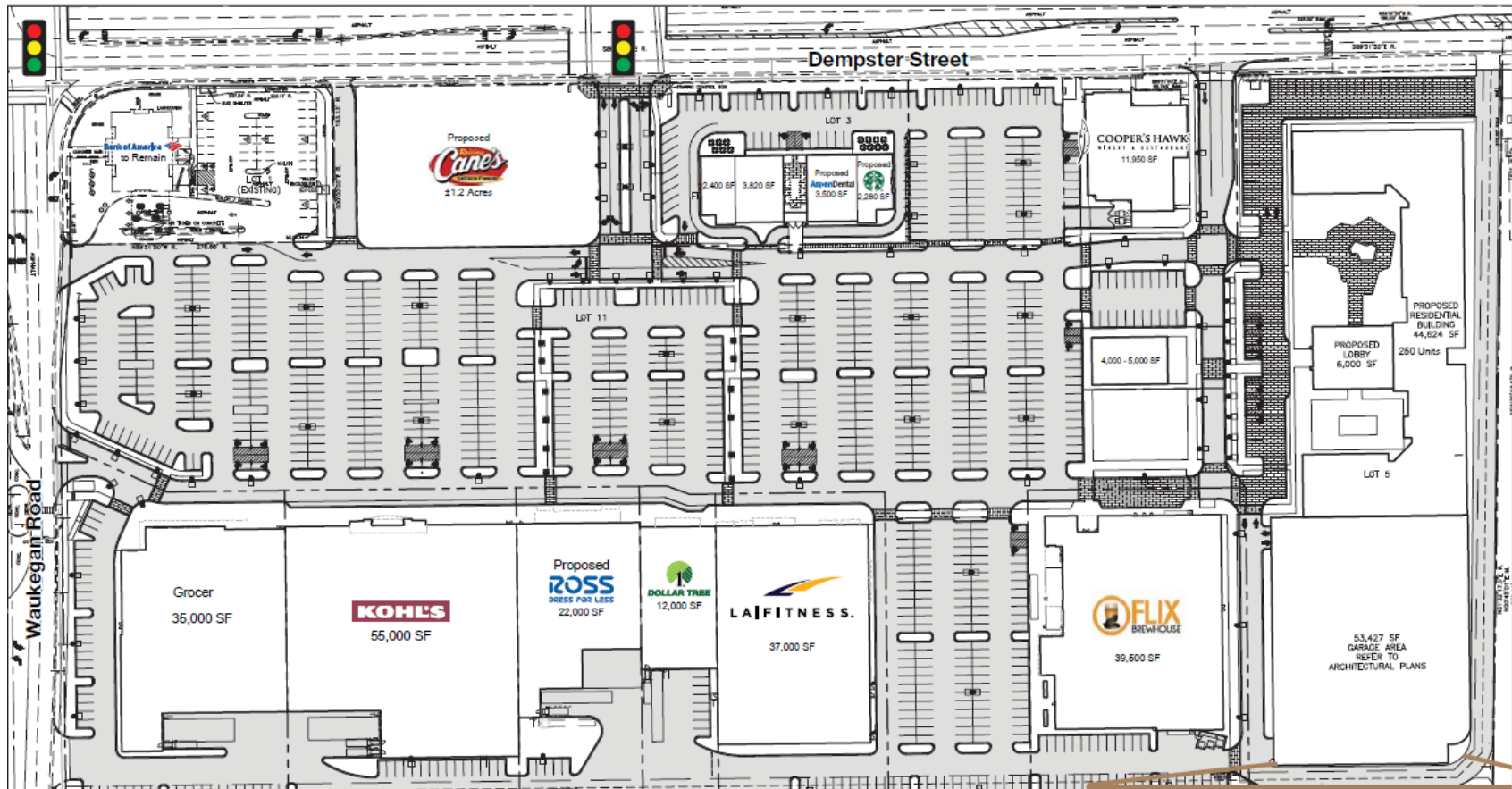
- The northwest corner of the Property was occupied by a filling station from at least 1967 to 1986. The filling station utilized a 5,000-gallon gasoline underground storage tank (“UST”), a 10,000-gallon gasoline UST, an 8,000-gallon gasoline UST, and a 550-gallon used oil UST that were removed in December 1986. The UST system was not associated with reported leaking underground storage tank (“LUST”) incidents; however, building permits identified the 550-gallon UST as leaking sometime prior to its removal. The property was redeveloped with the existing bank building by 1988. The former on-site filling station is considered a recognized environmental condition by True North.
- The eastern end of the on-site strip mall was occupied by Crystal Cleaners Two from at least 1992 to 1998. Records reviewed during True North’s 2009 Phase I ESA identified the use of perchloroethylene as a dry cleaning solvent at the property. Based on the known solvent usage, the former on-site drycleaner is considered a recognized environmental condition at the property.
- The north adjacent property located at 8801 Waukegan, identified as Amoco Oil Co. #15496, was associated with LUST No. 923262, which was reported as a gasoline release on November 17, 1992. The release was investigated and remediated to the IEPA’s satisfaction. Groundwater impacts were delineated in all cardinal directions from the source, extending beneath Dempster Street and Waukegan Road, and onto adjacent properties, including the northwest portion of the property. The IEPA issued a No Further Remediation (“NFR”) letter on June 30, 2004. Terms and conditions of the regulatory closure include a groundwater use restriction, pavement engineered barrier, Highway Authority Agreements with the IDOT and the Village of Morton Grove, and off-site notification for adherence to the Village’s groundwater ordinance, including property Parcel Index Number (PIN) 10-19-103-001. Based on the terms and conditions of the No Further Remediation Letter and required adherence to the Village’s groundwater ordinance for the property PIN 10-19-103-001, LUST No. 923262 is considered a controlled recognized environmental condition.
- The north adjacent property located at 8801 Waukegan, Graham Enterprises Inc. reported a gasoline release on September 18, 2016 that was assigned LUST No. 20160892. According to information reviewed from IEPA, this LUST Incident remains unresolved. Based on the lack of a No Further Remediation Letter and lack of subsequent investigation/documentation, the LUST Incident No. 20160892 reported at the north adjoining property is considered a recognized environmental condition at the property.
- Soil and groundwater data collected at the Property indicate the presence of contaminants of concern, particularly volatile organic compounds (“VOCs”) in exceedance of the most stringent Tier I remediation objectives (“ROs”) and groundwater remediation objectives (“GROs”) provided in 35 Illinois Administrative Code Part 742 “Tiered Approach to Corrective Action Objectives.” Based on the findings of the limited Phase II activities, True North’s opinion is that subsurface impact associated with the identified Recognized Environmental Conditions (“RECs”) is present at the Property.

A Focused Site Investigation Report, Remediation Objectives Report, and Remedial Action Plan (“FSIR/ROR/RAP”) has been submitted to, and conditionally approved by, IEPA to address impacted soils associated with the former dry cleaning operations. Asbestos abatement commenced in May 2019, and environmental remediation commenced on September 23, 2019. Impacted soils will be excavated and disposed off-site at a Subtitle D landfill as special non-hazardous waste. Confirmation samples will be collected from the sidewalls and base of the excavation to verify the removal of impacted soil. Once this confirmation occurs and remediation is complete, a Remedial Action Completion Report (“RACR”) will be submitted to IEPA, which will result in a NFR letter. It is anticipated that the NFR will have two conditions, including a prohibition against installing and/or using potable wells on site, and requiring any future buildings to contain full concrete slab-on-grade floor or full concrete basement floor and walls with no sumps, unless the sump is sealed with an approved cap.

### **Project Financing**

The Developer has closed on the Developer Loan in an amount not to exceed \$45,000,000 with Associated Bank and the other Lenders. The Developer Loan has an initial term of thirty-six (36) months with up to two (2) 12-month extension options (subject to certain conditions). The Developer Loan is secured by a first mortgage lien on the Development.

## Site Plan



## **THE REDEVELOPMENT AGREEMENT**

The Redevelopment Agreement requires that the Developer take certain actions, demolish existing structures, prepare plans and specifications, submit necessary permit applications, and construct or provide for the construction and financing of the Development and locate retail tenants for the Development. The Redevelopment Agreement sets forth certain obligations of the Village pertaining to the development of the property, including the issuance of the Bonds and the Junior Lien Note. The Redevelopment Agreement also contains provisions for the disbursement of Bond proceeds to the Developer to pay or reimburse the Developer for qualified costs. The following is a summary of key provisions from the Redevelopment Agreement.

**Tax Increment Financing:** The Village will first raise revenue bonds to result in a maximum principal amount of \$17,200,000 available to the Developer, plus costs of issuance, an interest reserve and a principal reserve. The revenue bonds will provide a market yield but in no event more than 5.75% per annum and payment of principal and interest every six months beginning with interest payments on January 1, 2020. If the Developer complies with certain conditions of the RDA (including meeting the Additional Bonds requirements set forth in the Bond Ordinance and the Indenture), the Village will issue a second tranche of bonds, which will yield not more than 5.75% per annum.

**Developer Note:** The Village will issue the Junior Lien Note in favor of the Developer in the maximum principal amount of \$7,800,000 plus interest at 6.5% per annum. The Junior Lien Note is issued to reimburse a portion of the Developer's TIF qualified expenses. Principal and interest will be payable at least once annually beginning the year following the year the Shopping Center's redevelopment is substantially complete. The Junior Lien Note will mature twenty years after the revenue bonds are first issued but in no event later than December 31, 2042 which is the maximum term permitted by the Act. An amount of \$1,000,000 will be held back until Developer completes construction of the Movie Theater Property in the Shopping Center. If construction of the Movie Theater Property is not substantially complete by March 31, 2023 (as may be extended), the amount of the Junior Lien Note will reduce by \$1,000,000. Payments on the Junior Lien Note from incremental sales and property tax revenues are subordinate on each payment date to the application of such revenue first to bond payments then due.

**Construction:** The Developer will construct the shopping center, and Developer or another residential builder permitted pursuant to the Redevelopment Agreement will construct the Residential Development, in accordance with final building, elevation, lighting, engineering and landscape plans as approved in the Village PUD Ordinance. The Developer and/or such residential builder will diligently prosecute construction of the development until it is properly completed and approved by the Village. The Developer will provide the Village a two-year guarantee against construction defects in any public improvements constructed by the Developer, subject to such longer warranty period for any public improvements under the jurisdiction of the Illinois Department of Transportation.

Construction of the retail and residential developments respectively may not begin unless the Developer and residential builder ("Residential Builder") each furnishes to the Village evidence of financing from a lender sufficient to cover the cost of construction. If the Developer or Residential Builder fails to timely complete construction of the Shopping Center and residential building, as the case may be, then the Village has the right to demolish the buildings and remove the public improvements from the property or cause the completion of the buildings and public improvements in accordance with the approved plans, subject to reimbursement by the Developer.

## **THE VILLAGE**

*The information provided under this heading has been included because it may be considered pertinent to an informed evaluation and analysis of the Bonds. No assurance can be given that the development of the Development will occur as described below or that it will be completed or occur in a timely manner or in the configuration described herein. The Bonds and obligations of the Village under the Ordinance and the Indenture are not obligations of the Developer. The Bonds are secured solely by the Pledged Taxes and certain other amounts on deposit with the Trustee.*

## **Government**

The Village of Morton Grove was incorporated on December 31, 1895, and operates as a home rule unit of government pursuant to a referendum held in 1980. The Village is governed by a President and Board of Trustees elected at large for staggered four-year terms. The administration of day-to-day affairs is the responsibility of a full-time Village Administrator. The Finance Director, along with the Administrator, prepare and administer the annual budget. The Board of Trustees sets all policies, enacts ordinances and approves all contracts and appropriations.

## **General Description**

The Village is located in Maine and Niles Townships in Cook County, Illinois (the “County”), and comprises approximately 5.2 square miles. It is located approximately 13 miles north/northwest of Chicago’s loop, eight miles northeast of O’Hare Airport and 6 miles west of Lake Michigan. The Village is bordered by the Villages of Glenview on the north, Skokie on the east, and Niles on the south and west.

Principal growth in the Village took place in the late 1950’s and early 1960’s when the population increased from 7,427 to 20,533. The 2010 census reflects a population of 23,270. The Village is a diversified and balanced community of residential neighborhoods, commercial corridors with retail centers, professional and corporate areas, and light to medium manufacturing and warehouse districts.

## **Transportation**

Interstate 94 (Edens Expressway) is located in the eastern part of the Village leading north to Wisconsin and south to the City of Chicago. Located three miles west of the Village is north/south Interstate 294 (Tri-State Tollway) connecting to additional east/west and north/south interstates leading to all parts of the nation and to O’Hare International Airport. Illinois Routes 58 and 43 and U.S. Route 41/Interstate 94 traverse the Village. Other public transportation available to Village residents includes Metra’s Milwaukee North line, which provides daily commuter service to the Village and the Regional Transportation Authority’s PACE buses connecting the Village to surrounding suburbs, the City of Chicago and O’Hare Airport.

## **Education**

The major school districts serving Village residents are Morton Grove School District 70 and Niles Community High School District 219. Various smaller areas of the Village are served by School Districts 63, 67, 68, 69 and 71 and Maine Township High School District 207. The Village is located within the boundaries of Oakton Community College District 535, a two-year college offering associate degrees in liberal arts and technical programs leading to employment or further study at four-year colleges or universities, many of which are located in the Chicago metropolitan area. In addition, several private grade schools are located in the Village.

## **Community Life**

Village residents are served by the Morton Grove Park District (the “District”), which operates and maintains over 70 acres of parks at 14 park sites offering varied facilities including outdoor pools, a museum, field houses, and a community center. The District offers a variety of programs for residents of all ages. In addition to the District’s facilities, the Cook County Forest Preserve offers residents 400 acres of forest preserve open space located within Village boundaries.

The Village provides Lake Michigan water purchased from the City of Chicago and sanitary sewer service. Sewage treatment is provided by the Metropolitan Water Reclamation District of Greater Chicago. AT&T, Comcast, NICOR and ComEd provide telephone, gas and electric service, respectively.

## **Services and Facilities**

The Village provides a full range of services which includes police and fire protection; paramedic services; solid waste and recycling services; water distribution; maintenance of highways, streets, sewers, and other infrastructure; building and maintenance code enforcement; planning and community development activities; and health and human services. All administrative offices are located in the Richard T. Flickinger Municipal Center which is a remodeled elementary school building. Police headquarters are separate but located in the same building. The Department of Public Works, including all water, sewer, and vehicle maintenance operations is located in a separate facility located on Nagle Avenue. The Fire Department has two stations strategically located within the corporate limits.

The Village’s Fire Department is a member of the Regional Emergency Dispatch Center (Red Center), a centralized emergency response system serving eight suburban fire departments, that provides ambulance/paramedic service, fire equipment and qualified personnel in response to emergency calls from the 77 square miles covered by the Center. Police dispatch services are also provided through an intergovernmental services agreement with the Glenview Public Safety Dispatch Center.

The Village is also a participating member of the Intergovernmental Risk Management Agency (IRMA), a joint venture of 70 municipalities and Special Districts in Northeastern Illinois organized for the managing and funding of the first party property losses and third party liability claims (including Worker’s Compensation) of its member municipalities. Each member assumes at least the first \$2,500 of each occurrence, with IRMA paying the remaining self-insured retention above the deductible level chosen by the respective member. Health insurance is also purchased through an intergovernmental cooperative agency, the Intergovernmental Personnel Benefit Cooperative.

The Village is also a member of the Solid Waste Agency of Northern Cook County, a municipal corporation, comprised of 23 municipalities formed for the purpose of providing efficient and environmentally sound collection, transportation, transfer, processing, treatment, storage, disposal, recovery and reuse of municipal waste.

The Morton Grove Public Library (the “Library”), is a semi-autonomous governmental unit governed by an independently elected board. However, its tax levy, annual appropriation and debt requirement must be approved by the Village Board. The Library contains more than 133,000 books, subscribes to more than 305 magazines and newspapers, and maintains a collection of phonograph records, audio tapes, compact discs, videos and art prints. It offers free programs that include book discussions, lectures, travelogues and investment seminars. The Library is a member of the Reaching Across Illinois Library System, a regional library system that serves over 1,300 public, private, school and university libraries located in northern and northwestern Illinois.

## **Administration**

The day-to-day affairs of the Village are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE
Ralph E. Czerwinski	Village Administrator
Hanna Sullivan	Village Treasurer and Finance Director

The Village is a home rule unit of local government. The Board consists of 6 Trustees, the Village Clerk and the President. The current members of the Board are as follows:

#### VILLAGE BOARD

OFFICIAL	POSITION	TERM EXPIRES
Dan DiMaria	President	2021
Eileen Scanlon Harford	Village Clerk	2021
Bill Grear	Trustee	2021
Rita Minx	Trustee	2023
Ed Ramos	Trustee	2021
Connie Travis	Trustee	2021
John Thill	Trustee	2023
Janine Witko	Trustee	2023

#### Employee Union Membership and Relations

The Village has approximately 157 full-time employees and approximately 20 part-time employees. Of the total number of employees, approximately 73 are represented by a union. Employee-union relations are considered to be good.

#### Population Data

The Village has an estimated population of 23,391.

NAME OF ENTITY	1990	2000	2010	% CHANGE 2000/2010
The Village	22,408	22,451	23,270	3.65%
The County	5,105,067	5,376,741	5,194,675	-3.39%
State of Illinois	11,430,602	12,419,293	12,830,632	3.31%

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Source: U.S. Census Bureau

## EDUCATIONAL CHARACTERISTICS OF PERSONS 25 YEARS AND OLDER

	HIGH SCHOOL GRADUATES	4 OR MORE YEARS OF COLLEGE
The Village	90.3%	43.2%
The County	84.5%	34.7%
The State	87.3%	31.4%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

### Selected Economic and Financial Information

The Village is a home rule unit of government pursuant to the Illinois Constitution and, as such, is not subject to the debt limitations set forth in the Illinois Compiled Statutes. The following tables provide information on the Village's outstanding indebtedness, equalized assessed valuation, tax rates and economic characteristics.

#### COMPOSITION OF EQUALIZED ASSESSED VALUATION BY PROPERTY TYPE

	2013	2014	2015	2016	2017
Residential	\$502,751,427	\$498,219,161	\$485,947,584	\$587,543,773	\$583,828,475
Farm	87,861	89,479	89,446	89,527	89,621
Commercial	84,511,239	128,260,405	135,675,717	145,322,663	149,799,822
Industrial	101,866,766	75,359,033	74,127,176	80,042,849	83,035,320
Total EAV*	\$689,217,293	\$701,928,078	\$695,839,923	\$812,998,812	\$816,753,238

Source: Cook County Clerk's Office.

\*Does not include TIF EAV and Enterprise Zone EAV.



TAXPAYER NAME	2017 EQUALIZED ASSESSED	PERCENT OF VILLAGE'S TOTAL EAV
Scwinge Revocable Trust	\$11,546,063	1.41%
Public Storage	7,834,404	0.96%
Avon Products, Inc.	7,102,333	0.87%
MG Property Holdings	6,972,392	0.85%
Fluid Handling LLC	6,524,493	0.80%
Menard's Inc.	5,836,569	0.71%
Tower Real Estate	5,522,073	0.68%
7000 Gold Road LLC	5,305,923	0.65%
Capital Property Management	4,489,370	0.55%
DX3 BP Associates	3,816,115	0.47%
	<hr/>	<hr/>
	\$64,949,735	7.95%

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Source: Cook County Clerk's Office.

The above taxpayers represent 7.95% of the Village's \$816,753,238 2017 EAV. Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

#### TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED
2014/15	10,556,998	10,374,750	98.27%
2015/16	10,463,024	10,351,433	98.93%
2016/17	10,463,295	10,296,872	98.41%
2017/18	10,866,059	10,576,641	97.34%
2018/19*	11,083,918	-----In Collection -----	

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Source: Cook County Treasurer's and County Clerk's Offices.

\* As of July, 2019

## VILLAGE TAX RATES BY PURPOSE 2014-2018

(Per \$100 Equalized Assessed Valuation)

PURPOSE	2014	2015	2016	2017	2018
Corporate	\$0.779	\$0.279	\$0.192	\$0.181	\$0.120
Bonds and Interest	0.121	0.122	0.102	0.075	0.141
Police Pension	0.265	0.302	0.289	0.338	0.358
Fire Pension	0.284	0.314	0.287	0.334	0.355
IMRF	0.041	0.041	0.035	0.035	0.036
Fire Protection	--	0.216	0.185	0.184	0.187
Police Protection	--	0.216	0.185	0.184	0.187
Purchase Agreement	--	--	--	--	--
Capital Improvement	0.015	0.015	0.013	--	--
Total District Tax Rate	<u>\$1.504</u>	<u>\$1.504</u>	<u>\$1.287</u>	<u>\$1.331</u>	<u>\$1.385</u>

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Source: Cook County Clerk's Offices.

## 2014-2018 REPRESENTATIVE TOTAL TAX RATES

(Per \$100 Equalized Assessed Valuation)

TAXING AUTHORITY	2014	2015	2016	2017	2018
The Village	\$1.504	\$1.504	\$1.287	\$ 1.331	\$ 1.385
The County	0.568	0.552	0.533	0.496	0.489
Cook County Forest Preserve District	0.069	0.069	0.063	0.062	0.060
Metropolitan Water Reclamation District	0.430	0.426	0.406	0.402	0.396
Consolidated Elections	--	0.034	--	0.031	--
Niles Township <sup>1</sup>	0.050	0.052	0.053	0.054	0.057
Village of Morton Grove Library Fund	0.458	0.475	0.419	0.421	0.430
Morton Grove Park District	0.463	0.499	0.431	0.444	0.462
North Shore Mosquito Abatement District	0.011	0.012	0.010	0.010	0.010
School District Number 70	4.344	4.283	3.797	3.838	3.958
Township High School District No. 219	3.650	3.891	3.460	3.409	3.347
Community College District No. 535	<u>0.258</u>	<u>0.271</u>	<u>0.231</u>	<u>0.232</u>	<u>0.246</u>
TOTAL <sup>2</sup>	\$11.805	\$12.068	\$10.690	\$10.690	\$10.840

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Source: Cook County Clerk's Office.

1. Includes Township and General Assistance

2. The total of such rates is the property tax rate paid by a typical resident living in the largest tax code in the Village.

## RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue (the "Department of Revenue") from retailers within the Village. The table indicates the level of retail activity in the Village.

### STATE SALES TAX Distribution<sup>(2)</sup>

YEAR <sup>(1)</sup>	MUNICIPAL TAX	HOME RULE TAX	TOTAL
2014	\$3,692,437	\$2,427,171	\$6,119,608
2015	3,931,958	2,506,847	6,438,805
2016	4,366,964	2,703,450	7,070,414
2017	4,294,144	3,202,631	7,496,775
2018	4,550,386	3,247,096	7,797,482
2019	4,681,069	3,309,513	7,990,582

Source: Illinois Department of Revenue

<sup>(1)</sup> State Fiscal Year Ending June 30

<sup>(2)</sup> Tax distributions are based on records of the Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

<sup>(3)</sup> As of State FY June 2019.

## UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the Village. The following table shows the trend in annual average unemployment rates for the Village, the County and the State.

	THE VILLAGE	THE COUNTY	THE STATE
2015 — Average	5.1%	6.2%	5.3%
2016 — Average	4.7%	6.0%	4.9%
2017 — Average	4.0%	5.1%	4.4%
2018 — Average	3.1%	4.0%	3.9%
2019 — May 2019	2.8%	3.6%	3.6%

Source: State of Illinois Department of Employment Security.

## MEDIAN HOUSEHOLD INCOME

According to the U.S. Census Bureau, the Village had a median household income of \$79,978. This compares to \$59,426 for the County and \$61,229 for the State. The following table represents the distribution of household incomes for the Village, the County and the State at the time of such survey.

	THE VILLAGE		THE COUNTY		THE STATE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	245	3.0%	159,387	8.1%	331,315	6.9%
\$10,000 to \$14,999	273	3.3%	89,384	4.6%	204,278	4.2%
\$15,000 to \$24,999	828	10.0%	189,773	9.7%	446,453	9.3%
\$25,000 to \$34,999	445	5.4%	173,798	8.9%	425,803	8.8%
\$35,000 to \$49,999	888	10.7%	232,740	11.9%	593,198	12.3%
\$50,000 to \$74,999	1,149	13.9%	321,931	16.5%	836,760	17.4%
\$75,000 to \$99,999	1,429	17.3%	234,621	12.0%	613,614	12.7%
\$100,000 to \$149,999	1,728	20.9%	278,593	14.2%	724,960	15.0%
\$150,000 to \$199,999	671	8.1%	126,015	6.4%	311,141	6.5%
\$200,000 or more	622	7.5%	150,319	7.7%	330,930	6.9%
Total	8,278	100.00%	1,956,561	100.00%	4,818,452	100.00%

Source: U.S. Census Bureau (2013-2017 American Community Survey)

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

### Real Property Assessment

The County Assessor (the “County Assessor”) is responsible for the assessment of all taxable real property within the County, including that in the Village, except for certain railroad property and pollution control facilities which are assessed directly by the Illinois Department of Revenue (the “Department of Revenue”). For triennial reassessment purposes, Cook County is divided into three sections: west and south suburbs, north and northwest suburbs, and the City of Chicago. The Village is located in the north/northwest suburbs and is being reassessed for the 2018 tax levy year and will be next reassessed for the 2021 tax levy year.

Real property in the County is separated into classifications for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the “Assessed Valuation”) for the parcel. The classification percentages range from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property.

Property is classified for assessment into six basic categories each of which is assessed at various percentages of fair market value as follows: Class 1) unimproved land - 22%; Class 2) residential, farms and multi-use facilities - 16%; Class 3) rental-residential - 22% in 2007 and 20% from and after 2008; Class 4) not-for-profit - 30%; Class 5a) commercial - 38%; Class 5b) industrial - 36%. There are

currently also several additional categories which provide real estate tax incentives and for which assessment ratios vary over time, as further described below: Class 6b industrial; Class 7a and 7b commercial; Class 8 commercial and industrial; Class 9 multi-family residential; Class C commercial and industrial, Class L landmarks and Class S Section 8 housing.

The Development is classified as Class 5a - commercial.

Industrial properties that are newly constructed or substantially rehabilitated and are used for manufacturing purposes may be categorized as Class 6b and assessed at 16% of fair market value for the first ten years, 23% for the eleventh year, 30% for the twelfth year and thereafter would revert to the standard classification assessment level for industrial property; provided, however, the Class 6b designation may be renewed in the tenth year of the designation (and each tenth year thereafter).

Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as a Class 7a or Class 7b property, and will then be assessed at a level of 16% for the first ten years, 23% for the eleventh year, 30% for the twelfth year, and then revert to the applicable standard classification for such property in the years thereafter.

Certain commercial and industrial properties located in an area in need of substantial revitalization and/or are located within an enterprise community, an empowerment zone or located in certain of the townships targeted by the South Suburban Tax Reactivation Pilot Program may be classified as Class 8 property and would be assessed at 16% of the fair market value of the property for ten years, 23% in the eleventh year, 30% in the twelfth year and revert to the applicable standard classification assessment level for such property in the years thereafter. The Class 8 designation for industrial property only may be renewed at the end of the tenth year of such designation and at the end of each tenth year of any extension.

Substantially rehabilitated multi-family residential properties within certain targeted areas within the County may be eligible for Class 9 categorization. This classification provides an assessment level of 16% of fair market value for ten years, thereupon reverting to the applicable standard classification assessment for such property in the years thereafter. However, the Class 9 classifications may be renewed for a maximum of three ten-year periods. State law also allows the Village and other taxing bodies to grant up to \$1 million for property tax relief for new construction or expansion of commercial or industrial facilities.

The Class C classification is designed to encourage industrial and commercial development by offering a real estate tax incentive for the remediation of contaminated properties including abandoned property or vacant land. Under the incentive provided by Class C, industrial and commercial real estate would be eligible to apply for the Class C level of assessment from the date of receipt of a "No Further Remediation Letter" confirming achievement of remediation objectives based on the industrial or commercial use. The incentive level of assessment of qualifying properties will extend to both the land and other structures in their entirety. Properties receiving the initial Class C will be assessed at 16% of market value for the first 10 years, 23% in the eleventh year and 30% in the twelfth year and thereafter revert to the applicable standard classification assessment level for such property in the years thereafter. For industrial property, the incentive may be renewed during the last year a property is entitled to a 16% assessment level up until expiration of the incentive.

Class L designation is provided to qualifying commercial, industrial, multi-family and not-for-profit properties designated as landmarks or historic, from the date substantial rehabilitation has been completed and initially assessed. Properties with Class L designation are assessed at 16% of market value

for the first eight years, 23% in the ninth year, 30% in the tenth year and thereafter revert to the applicable standard classification assessment level for such property in the years thereafter.

Class S designation is provided to qualifying federally subsidized Section 8 multi-family housing properties. Properties with Class S designation are assessed at 16% of the market value for during a qualified period and thereafter revert to the applicable standard classification level for such property in the years thereafter.

Certain of the above classifications have been modified (Class 6b, Class 7a, Class 7b, Class 8, Class L and Class 9) over the years to provide for additional decreases in assessment levels. Properties that were designated under those classifications in prior years are subject to the then applicable assessment levels. Furthermore, certain classifications have been eliminated (Class 6a and Class 6c) have been eliminated; provided, however such properties that were designated under such classifications in prior years are subject to the then applicable assessment levels.

### **Property Tax Appeals**

The Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment through a process that has been modified as a result of amendments (the “*Amendments*”) to the Property Tax Code (the “*Property Tax Code*”). Prior to January 1, 1996, a taxpayer generally was required to seek a review of its assessment by filing a complaint with the Cook County Board of Appeals, from which there was generally no further appeal. However, in 1998, the Cook County Board of Appeals was replaced by a Board of Review consisting of three commissioners elected by the voters of the County. The Board of Review has powers similar to, but somewhat broader than, those previously vested in the Board of Appeals to review and adjust Assessed Valuations set by the Assessor. The Board of Appeals remained in existence until it was replaced by the Board of Review in December 1998.

The Amendments also provide that beginning with assessments for the year 1996, owners of residential property having six or fewer units are able to appeal decisions of the Board of Appeals or the Board of Review to the Illinois Property Tax Appeal Board (the “PTAB”), a state-wide administrative body. Owners of real estate other than residential property with six or fewer units are now able to appeal Assessed Valuations to the PTAB. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Appeals or the Board of Review may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Appeals to the PTAB have been increasing in recent years. In a number of cases, the PTAB has significantly reduced assessments for commercial or industrial property on the basis of either appraisals submitted by the claimants and/or on the basis of equity, as claimants provide evidence that their effective assessment level is greater than 2.5 times the assessment level of the lowest assessed property in the Cook County. If such appeals at the PTAB level are successful, property taxes are reduced (based on a lower assessed value) and, in some cases, taxing districts may be required to return to the County certain previously collected property taxes.

## Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Tax Appeals, the Board of Review or the PTAB, the Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the “Equalization Factor”), commonly called the “multiplier,” for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33 1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in Cook County, regardless of its assessment category, except for some farmland property which is not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Tax Appeals, the Board of Review or the PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the “Equalized Assessed Valuation”) of that parcel. The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the “Assessment Base”). The following table sets forth the Equalization Factor for Cook County since 2008.

TAX LEVY YEAR	EQUALIZATION FACTOR
2009	3.3701
2010	3.3000
2011	2.9403
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109

## Exemptions

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum of \$10,000 for tax years 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer’s homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less (“Qualified Homestead Property”). If the taxpayer’s annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$8,000 for the years 2017 and thereafter.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$65,000 for the years 2017 and thereafter. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans and the un-remarried spouses of such veterans in the event they are deceased with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation. Additionally, the un-



remarried surviving spouse of a service member killed in the line of duty will be eligible for a 100% reduction in the EAV on his/her primary residence.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

## **Tax Levy**

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which they determine to levy real estate taxes. The remaining administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk uses the prior year's EAV to compute the taxing district's maximum allowable levy. The maximum that can be raised for a Unit is the maximum tax rate for that Unit multiplied by the prior year EAV for all property currently in the Village. The prior year EAV includes the prior year EAV plus the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law (the "Limitation Law"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year EAV. **The Village is a home rule unit and is not subject to the provisions of the Limitation Law.**

## **Extensions**

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current tax year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

## **Abatement**

The Property Tax Code authorizes any taxing unit, upon a majority vote of its governing authority and the determination of the assessed valuation of its property, to abate any portion of its taxes on certain types of property, including commercial and industrial facilities. The term and aggregate amount of the abatement is limited, depending on the property involved. The terms range from 10 to 20 years and the aggregate amounts allowed for abatement range from \$3,000,000 to \$12,000,000. The Property Tax Code also authorizes abatements for certain leasehold interests, leased low-rent housing and areas of urban decay.

Additionally, the Illinois Enterprise Zone Act authorizes the Illinois Department of Commerce and Economic Opportunity to certify a limited number of enterprise zones. Each unit of local government has the authority to abate property tax on business improvements added to real estate following the

creation of an enterprise zone. The abatement applies to any class of property and is limited to the term of the enterprise zone. However, the Act provides that a municipality may not create a redevelopment project area that overlaps with an enterprise zone unless it amends the enterprise zone designating ordinance to limit the eligibility for tax abatements as provided in Section 5.4.1 of the Illinois Enterprise Zone Act.

## Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to 55% of the prior years' tax bill. However, if a certificate of error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead equal to one-half of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date was the first business day in March; however, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2009	December 13, 2010
2010	November 2, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an annual tax sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six month period after the sale. If no redemption is made within the applicable redemption period

(ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The scavenger sale (the “Scavenger Sale”), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is scheduled to be held every two years on all property on which two or more years’ taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

### **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. Home rule municipalities such as the Village are exempt from the Law.

### **Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law, as amended (the “State Tax Cap”), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units. Home rule municipalities such as the Village are exempt from the State Tax Cap. In general, growth permitted under the State Tax Cap is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. The State Tax Cap applies to all non-home rule taxing bodies (and school districts) in the County.

The effect of the State Tax Cap is to limit or retard the amount of property taxes that can be extended for a taxing body. In addition, unlimited *ad valorem* tax general obligation bonds, notes or installment contracts generally cannot be issued by affected taxing districts unless the obligations first are approved at a direct referendum, are “alternate”, *i.e.*, double-barreled, or other specifically excepted bonds or are for certain refunding purposes. The limitations on the extensions of property taxes contained in the State Tax Cap do not apply to the taxes levied by the Village to pay its outstanding general obligation bonds.

Although the extension limitations contained in the State Tax Cap upon its original enactment in 1991 and its extension in 1994 to non-home rule taxing districts in the County did not apply to the Village, the State Tax Cap requires the County Clerk, in extending taxes for non-home rule taxing districts in the County to use the equalized assessed value of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended.

## **TAX INCREMENT FINANCING IN ILLINOIS**

The TIF Act authorizes the use of tax increment financing as a means for municipalities, after the approval of a “redevelopment plan and project,” to redevelop “blighted,” “conservation” or “industrial park conservation” areas by financing redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue is derived from the increase in the equalized assessed valuation of real property within the redevelopment project area over and above the equalized assessed valuation in effect at the time the redevelopment project area is designated. Any such increase in equalized assessed valuation above the certified initial equalized assessed valuation is then multiplied, on an annual basis, by the aggregate tax rate resulting from the levy of real property taxes by all units of local government having taxing power over that real property. The product of this calculation, net of loss in collection, is the amount of incremental real estate tax revenues generated within the redevelopment project area. See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION”.

Tax increment financing does not generate revenues by increasing tax rates. Instead, it generates revenues by allowing a municipality to capture all revenues resulting from increases in the equalized assessed valuation within the area which has been designated for redevelopment. The incremental real estate tax revenue is deposited into a special allocation fund from which redevelopment project costs and principal of and interest on obligations issued to finance redevelopment project costs are paid. Under tax increment financing, all overlapping taxing districts continue to receive real estate tax revenue based on the certified initial equalized assessed valuation. When the amount of incremental real estate tax revenue applicable to the redevelopment project area is greater than the amount required to pay for expected redevelopment project costs and principal of and interest on obligations issued to pay such costs, the municipality is required to return such money to the county for distribution to the overlapping taxing districts. If a redevelopment plan and project so provides, a municipality may use incremental real estate tax revenue for eligible costs in a contiguous redevelopment project area or one separated only by a public right-of-way.

To finance redevelopment project costs, a municipality may issue obligations secured by the anticipated tax increment revenue generated within the redevelopment project area. These redevelopment project costs include, but are not limited to, costs of studies and surveys, costs associated with the acquisition of land, costs of rehabilitation or repair of existing public or private buildings, costs of construction of public works or improvements, costs of job training and retraining programs and financing costs. Subject to certain limitations, tax increment financing may also apply to certain interest costs incurred by the redeveloper of a project.

For an area to be designated as a tax increment financing redevelopment project area, a municipality must demonstrate that the prospective redevelopment project area qualifies as a “blighted area”, as a “conservation area” or as an “industrial park” within the definitions set forth in the TIF Act. A “blighted area” may be either improved or vacant. When the TIF District was designated, the TIF Act required the presence of five or more of the following factors in an improved area: dilapidation, obsolescence, deterioration, illegal use of individual structures, structures below minimum code standards, excessive vacancies, overcrowding of structures and community facilities, lack of ventilation, light or sanitary facilities, inadequate utilities, excessive land coverage, deleterious land-use or lay-out, declining or lagging equalized assessed valuation or lack of community planning. For a vacant area, the TIF Act required the municipality to find that the sound growth of the taxing districts was impaired by a combination of two or more of the following factors: obsolete platting, diversity of ownership, tax and special assessment delinquencies, declining or lagging equalized assessed valuation, deterioration of structures or site improvements on adjacent land; otherwise it had to be demonstrated that such vacant land was a blighted improved area immediately before becoming vacant, or the area consisted of an unused quarry, railyard railtracks or railroad rights-of-way, or was subject to chronic flooding as

particularly provided in the TIF Act, or the area consisted of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or the area was not less than 50 nor more than 100 acres, 75 percent of which was vacant. The TIF Act defined a “conservation area” as any improved area within the boundaries of a redevelopment project area in which 50 percent or more of the structures had an age of 35 years or more. Such an area was not yet a blighted area but was in danger of becoming a blighted area and was detrimental to the public safety, health, morals or welfare because of a combination of three or more of the following factors: dilapidation, obsolescence, deterioration, illegal use of individual structures, presence of structures below minimum code standards, declining or lagging equalized assessed valuation, excessive vacancies, overcrowding of structures and community facilities, lack of ventilation, light or sanitary facilities; inadequate utilities, excessive land coverage, deleterious land use or layout, depreciation of physical maintenance, lack of community planning.

At the time the TIF District was designated, the TIF Act required a municipality to hold a public hearing and convene an advisory joint review panel or board to consider the proposal. Pursuant the TIF Act, the joint review panel or board consisted of representatives selected by certain taxing districts having taxing power over the area, and a member of the public. After considering all comments made by the public and the joint review panel or board, if any, the municipality could adopt the necessary ordinances to create a redevelopment project area, but only after adopting an ordinance approving a redevelopment plan. Then an ordinance approving tax increment allocation financing could be adopted.

## **SALES TAX LEVY AND COLLECTION PROCEDURES**

The Limited Incremental Sales Taxes consist of the distribution by the State to the Village of sales taxes levied pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailer’s Occupation Tax Act, the Home Rule Municipal Retailers Occupation Tax Act and the Home Rule Municipal Service Occupation Tax Act. For purposes of the projections discussed in this Limited Offering Memorandum, it is assumed that there is imposed a tax on taxable sales (with certain exceptions) within the Property. A portion of fifty percent (50%) of the 1.00% local government share (as defined below) and the 1.25% home rule taxes distributed by the State to the Village are pledged by the Village to the payment of debt service on the Bonds and represents the available Limited Incremental Sales Taxes. The Village will receive the Limited Incremental Sales Taxes without annual appropriation by the Illinois General Assembly. Any change in the tax rate or amount of net tax receipts allocated to the Village constituting the Limited Incremental Sales Taxes would require the enactment of legislation by the Illinois General Assembly. The Village may also increase the tax rate under the Home Rule Municipal Retailers Occupants Tax Act and the Home Rule Municipal Retailers Service Occupants Tax Act, but any such income would not be pledged to the payment of the Bonds and would not constitute Pledged Taxes.

The Retailer’s Occupation Tax Act imposes a 6.25% tax (“ROT”) on the occupation of making retail sales in Illinois of tangible personal property for use or consumption. The ROT is measured as a percentage of gross receipts, or the total selling price, and must be submitted by the retailer to the Department of Revenue.

The Retailers Use Tax Act imposes a 6.25% tax (“UT”) on the use in Illinois of tangible personal property purchased at a retail price from a retailer anywhere and is applied to either the selling price or fair market value. Every retailer maintaining a place of business in Illinois must collect the applicable UT from purchasers. The retailer may keep the UT it collects to the extent it has paid ROT to the Department of Revenue on the property.

The Service Occupation Tax Act imposes a 6.25% tax (“SOT”) on service occupations in Illinois. The SOT is imposed whenever servicemen purchase tangible personal property they intend to transfer at a later time as an incident to a sale of service and is measured by the retail selling price of the property transferred, which selling price cannot be less than the price of cost of the property to the serviceman.

The Service Use Tax Act imposes a 6.25% tax (“SUT”) on the use in Illinois of real or tangible personal property acquired as an incident to the purchase of a service from a serviceman anywhere and is measured as a percentage of the retail selling price of property transferred incidentally to a sale of service, which price can be no more than the serviceman’s cost price. A serviceman must pay the SOT to the Department of Revenue and collect the SOT from the purchaser, keeping any SOT to the extent he already paid SOT on the property.

For each of the Retailer’s Occupation Tax, the Retailers Use Tax, the Service Occupation Tax, and the Service Use Tax, the Department of Revenue pays 16% of the revenues collected at the 6.25% rate into the Local Government Tax Fund which is distributed to the local municipality (the “1% local government share”).

Under the Home Rule Retailers Occupation Tax Act (the “Home Rule ROTA”), the Village may impose a tax on all persons engaged in the business of selling tangible personal property at retail in the Village. The tax under the Home Rule ROTA may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. The Village’s current rate imposed pursuant to the Home Rule ROTA is 1.25% and is applied to gross receipts, or the total selling price, and must be submitted by the retailer to the State.

Under the Home Rule Service Occupation Tax Act (“Home Rule SOTA”), the Village may impose a tax on all persons engaged in the business of making sales of service in the Village at the same rate as imposed under the Home Rule ROTA. Such tax may only be imposed in 0.25% increments. The tax under the Home Rule SOTA may not be imposed on sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. The Village’s current rate imposed pursuant to the Home Rule SOTA is 1.25% and is imposed whenever servicemen transfer tangible personal property or in the form of real estate as an incident of a sale of service. A serviceman must submit the sales tax collected pursuant to the Home Rule SOTA to the State.

The Limited Incremental Sales Taxes, and all civil penalties that may be assessed as an incident thereof, are collected and enforced by the Department of Revenue. The Department of Revenue has full power to collect all Limited Incremental Sales Taxes and penalties due within the TIF Area. The Department of Revenue shall immediately pay over to the State Treasurer, ex officio, as trustee, all Limited Incremental Sales Taxes, penalties, and interest collected within the TIF Area for deposit into the Local Government Tax Fund. On or before the 25<sup>th</sup> day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the Local Government Tax Fund, the municipalities to be those from which retailers have paid sales taxes or penalties to the Department of Revenue during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected during the second preceding calendar month by the Department of Revenue. The proceeds of the sales taxes paid to municipalities shall be deposited into funds maintained by or on behalf of the municipality.

The Department of Revenue charges a 2.0% sales tax administrative fee (the “IDOR Fee”) on locally-imposed sales taxes by retaining such administrative fee from sales tax distributions to local governments. The IDOR Fee is transferred to the State’s Tax Compliance and Administrative Fund in order to cover the costs of collecting and distributing sales tax revenues to local governments. Additionally, a retailer is allowed to discount up to 1.75% of its liability for sales taxes for the timely payment of its sales tax liabilities.

## **RISKS TO BONDHOLDERS**

AN INVESTMENT IN THE BONDS IS SUBJECT TO A NUMBER OF SIGNIFICANT RISK FACTORS. THE FOLLOWING SECTIONS CONTAIN DISCUSSIONS OF SOME, BUT NOT NECESSARILY ALL, OF THE POSSIBLE RISK FACTORS WHICH SHOULD BE CAREFULLY EVALUATED BY PROSPECTIVE INVESTORS PRIOR TO PURCHASING ANY OF THE BONDS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EVALUATE THE RISKS AND MERITS OF AN INVESTMENT IN THE BONDS, AND SHOULD CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS BEFORE CONSIDERING PURCHASING ANY OF THE BONDS.

THERE CAN BE NO ASSURANCE THAT THE OWNERS OR LESSEES OF REAL ESTATE WITHIN THE PROPERTY WILL GENERATE A SUFFICIENT AMOUNT OF SUCH THAT THERE WILL BE SUFFICIENT MONEYS TO PAY PRINCIPAL AND INTEREST ON THE BONDS WHEN DUE. THE ABILITY OF SUCH PROPERTY OWNERS AND TENANTS TO GENERATE PLEDGED TAXES IS DEPENDENT ON AND SUBJECT TO FUTURE EVENTS AND CIRCUMSTANCES WHICH CANNOT BE FORESEEN OR PREDICTED WITH CERTAINTY. THERE CAN BE NO ASSURANCE THAT THE PROJECTIONS AND ASSUMPTIONS SET FORTH IN THE FINANCIAL FEASIBILITY STUDY WILL BE ACHIEVED.

PLEASE ALSO SEE PART II OF APPENDIX D HERETO FOR A SEPARATE DISCUSSION OF CERTAIN RISKS PERTAINING TO THE BONDS.

### **Limited Source of Funds**

The Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the Pledged Taxes and the amounts on deposit in certain of the funds and accounts established and maintained under the Indenture. In any year the Pledged Taxes may not be sufficient to provide for the payment of debt service on the Bonds.

The Bonds are not general obligations of the Village and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation. No holder of the Bonds shall have the right to compel the exercise of any taxing power of the Village for payment of principal thereof or interest or premium, if any, thereon. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

### **Assumptions in and Failure to Achieve Estimate of Pledged Taxes Projections**

The Consultant has prepared the Financial Feasibility Study attached hereto as Appendix D. It is based on numerous assumptions set forth therein which are material to the estimates of Limited Incremental Property Taxes and Limited Incremental Sales Taxes estimated to be collected. Prospective investors should carefully read and consider the assumptions set forth in the Financial Feasibility Study. The assumptions cited therein, if incorrect, could adversely affect the forecasts of Incremental Property Taxes and Incremental Sales Taxes. Any circumstances adversely affecting the generation of Incremental Property Taxes and Incremental Sales Taxes may also have an adverse effect on the ability of the Village

to make timely payment of principal of and interest on the Bonds. No representation or warranty is or can be made about the amount or timing of any future income, loss, occupancy, valuation, increased assessment or revenues, or that actual results will be consistent with the Consultant's report or with the forecasts contained therein. There is no assurance that actual events will correspond with the projections or the assumptions, estimates and/or the opinions on which they are based.

### **Information Not Verified**

Information concerning the TIF District, the Property and the Development has been obtained from the Village, the Developer and other sources believed to be reliable, but much of that information involves predictions of future events, such as projected occupancy status, sales, assessments and the ability of the owners to retain creditworthy tenants; such information is, by its nature, not subject to verification.

### **Risk of Natural Disaster**

In the event of a natural disaster severely damaging the facilities in the Property, there can be no assurance that such facilities will be rebuilt. In such case, generation of Pledged Taxes would be adversely affected. There can be no assurance that comprehensive insurance will be properly maintained or that the proceeds therefrom will be sufficient or even available to repair or rebuild the Development or other improvements within the Property or that the owners or tenants will choose to repair or rebuild such improvements. In addition, certain types of losses may not be covered by existing insurance policies. Furthermore, any insurance proceeds will not be assigned as security for the payment of real estate or to secure payment of the Bonds. The restoration of the Development may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed valuation of property in the Property remaining low for an indefinite period of time and decrease the amount of Pledged Taxes available to pay debt service on the Bonds.

### **Risk of Failure to Maintain Levels of Assessed Valuations**

The assessed value of property located in Cook County, where the TIF District is located, was last reassessed in 2016, is currently being reassessed in 2019 and will be reassessed triennially thereafter. There can be no assurance that the projected equalized assessed value of the Development will increase at the rate assumed in the Financial Feasibility Study. Furthermore, the successful application of any owner of the Development for the reduction of the assessed value of the Development may cause the assessed value of the Development to be less than the assessed value of the Development projected in the Financial Feasibility Study. If at any time during the term of the Bonds the actual assessed value is less than projected, the generation of Incremental Property Taxes could be significantly impaired.

### **Risks Associated with Generation of Limited Incremental Property Taxes**

Cook County's method used to assess properties in the TIF District may be altered for land value, resulting in a potentially reduced or altered valuation in a particular year. The State of Illinois multiplier is also subject to change annually. Additionally, the County could fail to remit property taxes to the Village on a timely basis. Any reduction in assessed valuation or the State multiplier or any failure by the County to remit property taxes to the Village on a timely basis could have a material adverse effect on the Incremental Property Taxes.

Property tax rates are established by a number of different taxing bodies. Any lowering of tax rates by any taxing bodies in the TIF District could have a material adverse effect on the Incremental



Property Taxes. Changes in County formulas for determining property taxes could also result in a decline in Incremental Property Taxes. See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION — Tax Levy and Collection Procedures.”

In addition, there are numerous taxpayers from which Limited Incremental Property Taxes are generated, the identity and creditworthiness of which is subject to change. Failure to remit property taxes when due by the owner of any property in the Property for any reason could result in delays in receipt of Limited Incremental Property Taxes.

In recent years, a number of states have enacted legislation significantly reducing the reliance of local governmental units on real property taxes. Illinois has not taken such action, but over the past several years, various bills have been introduced in the Illinois General Assembly that would have the effect of reducing incremental property taxes. See “REAL PROPERTY ASSESSMENT TAX LEVY AND COLLECTION - Pending Legislation.” Future changes in law reducing governmental reliance on real property taxes or amending the TIF Act could adversely affect the amount of Limited Incremental Property Taxes collected by the Village, and any such adverse effect may be material.

FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF LIMITED INCREMENTAL PROPERTY TAXES COLLECTED OR DISTRIBUTED.

#### **Risks to Bondholders Regarding Collections of Limited Incremental Property Taxes**

The repayment of the principal of and interest on the Bonds is dependent in part upon the collection of Limited Incremental Property Taxes. To the extent that the Developer would be unwilling or unable to pay its tax bills in a timely fashion, the ability of the Village to pay principal and interest on the Bonds would be adversely affected.

A description of the remedies of the Village in the event of nonpayment of taxes is contained in “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION — Tax Levy and Collection Procedures.” No assurance can be given that either Cook County, on behalf of the Village, will be able to collect the taxes levied or that such collections, if made, will be made in a timely fashion.

In the event a taxpayer fails to pay his tax bill, the County may foreclose on property which is the subject of the bill. However, in the event the forfeited property sells for an amount less than the tax levied on the property, the Village may be unable to meet the debt service requirements on the Bonds or may be unable to meet the debt service requirements on the Bonds in a timely fashion.

In addition, potential purchasers of tax certificates for unpaid taxes may come to a conclusion that it is uneconomic to purchase the certificates representing back taxes, with the result that there may be no buyers of the tax certificates. If tax certificates are unmarketable, the land will be forfeited to the State and no tax receipts will be forthcoming. The past due, unpaid taxes on the land will bear interest and penalties. Annual taxes will continue to be levied and go unpaid; new taxes may be levied each year to cover prior debt service deficiencies and, if not timely paid, will bear interest and penalties.

No one can obtain merchantable title to the land from the State through a county without paying off the past due delinquent taxes, or at least becoming subject to the future taxes and the likely possibility of liability through a deficiency tax levy for unpaid bond debt service. This overhanging liability for

taxes may have the effect of discouraging potential purchasers and causing title to the land to remain in the County for the benefit of the State and off the tax rolls.

### **Risks Associated With Generation and Receipt of Limited Incremental Sales Taxes**

There are certain risks associated with the generation and ultimate receipt of Limited Incremental Sales Taxes. These risks include, but are not limited to, the following:

- Sales tax rates and the portion distributed to local governments are determined by the State. A reduction in the sales tax rates or the portion distributed to the local governments by the State may have an adverse effect on Limited Incremental Sales Taxes. If sales tax rates or the portion distributed to local governments were to decrease below projected rates, there could be a significant adverse effect on the Limited Incremental Sales Taxes.
- Further changes may be made in the sales tax system by the State. Such changes could include various changes to the method of distributing sales taxes, abatements, exemptions or additional relief measures or other measures that would limit the tax levy amount that could be required with respect to retail sales within the Property and, consequently, the projected Limited Incremental Sales Taxes generated; *e.g.*, if Illinois adopted a method of distributing sales taxes based on the point of delivery and not at the point of sale.
- Errors by the State in calculating sales taxes could result in delays or future corrections in the receipt of Limited Incremental Sales Taxes could have a significant adverse effect upon the Limited Incremental Sales Taxes received.
- The failure to operate any particular developments in the Property commencing with the occupancy of the Development as provided herein and at any time thereafter could result in Limited Incremental Sales Taxes actually received being substantially lower than projected.
- Failure by the State to remit the Limited Incremental Sales Taxes to the Village on a timely basis could result in insufficient Limited Incremental Sales Taxes being available to pay principal of or interest on the Bonds when due.
- Failure to remit the Limited Incremental Sales Taxes to the State when due by any retailer within the Development or the failure to timely report the Limited Incremental Sales Taxes paid to the State by any retailer within the Property could result in delays in receipt of Limited Incremental Sales Taxes.
- Failure of performance by the Village to administer the TIF District as provided in the Indenture or to deposit Limited Incremental Sales Taxes as provided in the Indenture could result in a reduction in the projected amount of Limited Incremental Sales Taxes herein.
- Any increase of the percentage charged by the Department of Revenue for the IDOR Fee would lower the amount of Limited Incremental Sales Taxes remitted by the Department of Revenue to the Village.

### **Risks to Collection of Limited Incremental Sales Taxes Associated With Failure to Fund Pensions**

The Illinois Pension Code (the “Pension Code”) requires municipalities (other than the City of Chicago) to make certain annual payments into the municipality’s Police Pension Fund and Firefighters Pension Fund and into the Illinois Municipal Retirement Fund (“IMRF”). Pursuant to the Pension Code, if

a municipality fails to transmit to its Police Pension Fund or its Firefighters' Pension Fund the required contributions for more than 90 days after the date of which payment of those contributions is due under the Pension Code, the Police Pension Fund or the Firefighters' Pension Fund may, after giving notice to the municipality, certify to the State Comptroller the amounts of such delinquent payments. The Comptroller must then deduct from any payments of State funds to the municipality (including any Limited Incremental Sales Taxes to be remitted by the Comptroller to the municipality) and remit the certified amounts to the Police Pension Fund or the Firefighters' Pension Fund, as the case may be, provided that the Comptroller cannot deduct more than the amount certified by the Police Pension Fund or the Firefighters Pension Fund.

If a municipality fails to transmit to the IMRF the required contributions for more than 60 days after the date on which payment of such contributions is due under the Pension Code, the IMRF, after giving notice to the municipality, may certify to the Comptroller the amounts of such delinquent payments. The Comptroller shall then deduct the amounts so certified or any part thereof from any payments of State funds to the municipality (including any Limited Incremental Sales Taxes to be remitted by the Comptroller to the municipality) and shall remit the amount so deducted to the IMRF. If State funds from which such deductions may be made are not available, the IMRF may proceed against the municipality to recover the amounts of such delinquent payments in the appropriate circuit court.

There can be no assurance that the Village will never fail to make the required contributions into its Police Pension Fund, its Firefighters Pension Fund or the IMRF, nor can there be any assurance that, in the event the Village fails to make any such required contribution, its Police Pension Fund, its Firefighters Pension Fund or the IMRF will not certify the amount of such delinquent payment to the Comptroller. Furthermore, there can be no assurance that, in such event, the Comptroller will not remit all or any portion of the Limited Incremental Sales Taxes to the Village's Police Pension Fund, its Firefighters Pension Fund or the IMRF instead of remitting any such Limited Incremental Sales Taxes to the Village. There can also be no assurance that the claims of either pension fund or the IMRF would not be deemed by an Illinois court to be liens on all or a portion of the Limited Incremental Sales Taxes which are superior to those of the Village's bondholders.

### **Failure to Develop Properties**

Development of land is subject to economic considerations affecting the Developer and prospective purchasers of developed property including interest rates and the general economic climate of the region surrounding the Property. The failure to complete development of the required infrastructure or substantial delays in the completion of the Development due to litigation or the inability to obtain required funding may affect the completion of the Development. See "THE DEVELOPMENT," and "THE FINANCING PLAN." The Village may terminate the Redevelopment Agreement if the Developer does not comply with its terms and provisions. There can be no assurance that the Developer will comply with the terms of the Redevelopment Agreement or that the Village will not terminate such agreement if the Developer fails to comply with its terms. See "REDEVELOPMENT AGREEMENT." See "THE DEVELOPMENT" herein for a description of the progress made to date in connection with the construction of the Development.

### **Risk of Construction. Lack of Construction Contracts**

The generation of Pledged Taxes is dependent upon the completion of the Development on a timely basis. Delays in the construction of the retail properties and any delays in openings could adversely affect the generation of Pledged Taxes. Construction delays could occur for reasons outside the control of the Developer such as material or labor shortages. In addition, at the time of the closing of the Bonds, the Developer may not have entered into contracts with contractors for the site development and

vertical construction phases of the Development. As such no guaranteed maximum price for the construction will have been established. Please see “THE DEVELOPMENT - General Contractors” and “- Construction Contracts” for a description of the contracts entered into for the Development.

Development of land within the Property is also contingent upon construction or acquisition of major improvements such as arterial streets, water distribution facilities, sewage collection and transmission facilities, drainage and flood protection facilities, gas, telephone, other communication and electrical facilities, and lighting, as well as local in-tract improvements and on-site grading and related improvements. There can be no assurance that the improvements will be constructed or will be constructed in time for development to proceed as currently expected. See “THE DEVELOPMENT - Construction Contracts.”

### **Risk of Occupancy; Co-Tenancy Requirements; Other Termination Rights**

There is no assurance that the sale or leasing of the retail space within the Development by the Developer will achieve or maintain the projected occupancy assumed in the Financial Feasibility Study included as APPENDIX D. There are anticipated to be numerous small and mid-sized tenants in the Development with various lease terms and various provisions in their leases, and there can be no assurance that, when a lease expires or is terminated for any reason, the lease will be extended or that the tenant’s space will be re-leased. A failure to re-lease space could adversely affect the Pledged Taxes generated from the Property.

The Developer has executed leases with certain tenants and is still negotiating leases with certain other prospective tenants in the Development. See “THE DEVELOPMENT - Commercial Tenants.” Letters of intent are not binding on the prospective tenants, and no assurance can be given that the prospective tenants that have signed letters of intent will enter into definitive leases for space in the Development.

As described herein under “THE DEVELOPMENT - Commercial Tenants,” most leases and/or letters of intent between the Developer and tenants or prospective tenants contain “co-tenancy” requirements, which afford the tenant the right to terminate its lease (or not to accept possession following construction) in the event certain other conditions with respect to tenants are not met. Examples include specific stores (or potential acceptable substitute tenants) not being open and operating for business at the time of lease opening and/or not being in operation during the term of the lease. In addition, as described herein under “THE DEVELOPMENT – Commercial Tenants,” many leases also include provisions allowing the Commercial Tenants to terminate their leases in the event Developer fails to deliver a premises to such tenant within a specific timeframe and in a certain condition, if certain governmental approvals are not obtained within require time periods, or for other occurrences set forth in such leases.

### **Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition**

Sales by the stores in the Property, and the subsequent generation of Pledged Taxes, could be significantly impaired as a result of changes in market conditions, changes in general economic conditions and competition from existing facilities or facilities developed in the future. In addition, the economic vitality of the Village and the surrounding area may also affect the generation of Pledged Taxes.

## **Risk of Terminations or Discontinued Operations**

Leases with the retail tenants at the Development will grant the tenants the right to terminate their respective leases under a number of different scenarios, including, without limitation, a failure to meet the co-tenancy requirements discussed above under “THE DEVELOPMENT - Risk of Occupancy; Co-Tenancy Requirements.” In addition, tenants may have the right to terminate their respective leases in the event of fire or other casualty, condemnation, a breach by the landlord of its obligations under the lease, or the existence of hazardous wastes not caused by the tenant. The bankruptcy or insolvency of any tenant may also result in the termination of such tenant’s lease. There can be no assurance that any of the circumstances under which any one or more of the leases will or may be terminated will not occur.

No assurance can be given that the owners and/or tenants of property within the Development will open or continue to operate viable retail stores in the Development or be viable businesses. In such case, the availability of Pledged Taxes could be negatively affected.

## **Environmental Risks**

Phase I and Phase II Environmental Assessments were performed with respect to the Development as described herein under “THE DEVELOPMENT - Environmental Site Assessments.” The Developer believes that none of the issues remaining could materially delay or materially increase the cost of the Development although remediation of recognized environmental conditions is not complete at this time. There can be no assurance that additional environmental conditions will not be encountered on the undeveloped property in the Property. If serious environmental conditions are encountered in connection with future development, the generation of Pledged Taxes on such undeveloped property could be significantly impaired.

## **Local, State and Federal Land Use Regulations**

There can be no assurance that land development operations within the Development will not be adversely affected by future government policies, including, but not limited to, governmental policies which directly or indirectly restrict or control development. The Redevelopment Agreement cannot limit the application of state or federal laws and regulations which have preemptive effect on local land use regulations. During the past several years, state and federal regulatory agencies have significantly expanded their involvement in local land use matters through increased regulatory enforcement of various environmental laws, including the Endangered Species Act, the Clean Water Act and the Clean Air Act, among others. Such regulations can substantially impair the rate and amount of development without requiring just compensation unless the effect of the regulation is to deny all economic use of the affected property. Bond owners should assume that any event that significantly impairs the ability to develop land in the Development could cause substantial reduction in the amount of the Pledged Taxes generated within the Property and could reduce the revenues available to pay principal and interest on the Bonds.

## **Zoning Approvals and Building Permits**

While certain zoning approvals and permits have been obtained, certain additional permits necessary to commence construction of portions of the Development have not yet been obtained. See “THE DEVELOPMENT - Zoning and Permits.” While the Developer anticipates that all of such permits will be obtained in the ordinary course, there can be no assurances that all permits and governmental approvals will be obtainable in a timely manner.

## **Bankruptcy**

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency, fraudulent transfer or conveyance, or other similar laws affecting the rights of creditors generally.

## **Limitation on Remedies; No Acceleration**

Remedies available to holders of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds, or to preserve the tax-exempt status of the Bonds. Bond Counsel has limited its opinions to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency, fraudulent transfer and conveyance, or other similar laws affecting the rights of creditors generally. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture, including payment default. Lack of remedies may entail risks of delay, limitation, or modification of the rights of the holders of the Bonds. Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion.

## **Limited Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Neither the Village nor the Developer has committed to provide financial and/or operating information on a going forward basis other than as described under "CONTINUING DISCLOSURE." Occasionally, because the general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. In addition, prices of issues for which a market is being made will depend on then prevailing circumstances. Such prices could be substantially different from the original purchase price.

## **Secondary Market and Prices**

The Underwriter presently does not intend to engage in secondary market trading of the Bonds. The Underwriter is not obligated to engage in secondary trading or to repurchase any of the Bonds at the request of the owners thereof. No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

## **Loss of Tax Exemption**

Interest on the Bonds could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the Village to comply with certain provisions of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory redemption provisions of the Trust Indenture.

## **PROJECTIONS**

The Financial Feasibility Study prepared with respect to the Property by the Consultant is attached to this Limited Offering Memorandum as APPENDIX D. The report sets forth the Consultant's

projections of the Pledged Taxes to be available for payment of principal of and interest on the Bonds, as well as the assumptions upon which the analysis is based. The report also includes a number of limiting conditions and potential risks associated with those projections. No assurance can be given that the projections, or the assumptions upon which they are based, will be proven accurate.

The projections included in the Consultant's report are forward-looking statements and predictions and are not guarantees of result or performance. These statements are based on beliefs and assumptions, which in turn are based on currently available information. These beliefs and assumptions could prove inaccurate. Accordingly, actual outcomes could differ materially from those contained in the Consultant's report.

THE FINANCIAL FEASIBILITY STUDY (APPENDIX D) DOES NOT REACH CONCLUSIONS AS TO THE ADEQUACY OF LIMITED INCREMENTAL TAXES TO PAY, ON A TIMELY BASIS, THE PRINCIPAL OF AND INTEREST ON THE BONDS. RATHER, THE FINANCIAL FEASIBILITY STUDY SERVES AS A BASIS FOR ESTIMATING THE AMOUNT OF LIMITED INCREMENTAL TAXES WHICH, PURSUANT TO THE INDENTURE, COULD BE AVAILABLE TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

None of the Village, the Developer or the Underwriter has independently verified the projections or tested the assumptions contained in the Consultant's report.

### **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to compliance by the Village and others with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public. The Issue Price of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax under the Internal Revenue Code of 1986, as amended (the “Code”); and (d) the accretion of original issue discount in each year may result in other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the “Revised Issue Price”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any



pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## **LITIGATION**

### **The Village**

At the time of delivery of and payment for the Bonds, the Village will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any court, regulatory agency, public board or body, pending with respect to which the Village has been served with process or is otherwise aware, or, to the knowledge of the officer of the Village executing such certificate, threatened against the Village affecting the existence of the Village, the TIF District or the titles of its officers to their respective offices or seeking to restrain or enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Ordinance and/or the Indenture, or the collection or application of the Pledged Taxes, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance, the Indenture, the Redevelopment Agreement, or any action of the Village contemplated by any of the said documents, or the collection or application of the Pledged Taxes, or in any way contesting the completeness or accuracy of the Ordinance, the Indenture or any amendments or supplements hereto, or contesting the powers of the Village contemplated by any of said documents, nor, to the knowledge of the officer of the Village executing such certificate, is there any basis therefor.

### **The Developer**

At the time of delivery of and payment for the Bonds, the Developer will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened by or against the Developer (i) in any way questioning the due formation and valid existence of the Developer; (ii) in any way questioning or affecting the validity of the Redevelopment Agreement or the consummation of the transactions contemplated thereby; (iii) in any way questioning or contesting the validity of any governmental

approval of the Development or any aspect thereof; or (iv) which would have a material adverse effect upon the financial condition of the Developer or the ability of the Developer to develop the Development.

### **NO RATING**

The Village has not made, and does not currently contemplate making, an application to any rating agency for the assignment of a rating to the Bonds.

### **CONTINUING DISCLOSURE**

The Bonds are being initially issued in authorized denominations of \$100,000 or integral multiples of \$5,000 in excess thereof and are being offered to less than thirty-five (35) sophisticated investors. Accordingly, the Bonds will be exempt from the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Notwithstanding the foregoing, the Developer, the Village and the Trustee have entered into a Continuing Disclosure Agreement pursuant to which certain information is to be provided to the Underwriter and the holders of the Bonds.

Pursuant to the Continuing Disclosure Agreement, the Developer has agreed to provide, commencing December 31, 2019 and continuing until ninety percent (90%) of the rentable square footage of the Development is complete and occupied by tenants, provide quarterly reports to the Village setting forth certain Developer Financial Information (as defined in the Continuing Disclosure Agreement).

The Village covenants in the Continuing Disclosure Agreement that it will disseminate its Annual Financial Information (as defined below) and its Audited Financial Statements (as defined below) to the Municipal Securities Rulemaking Board (the “MSRB”) through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The Village is required to deliver Annual Financial Information (exclusive of Audited Financial Statements) on or before November 1 of each year commencing November 1, 2021 and Audited Financial Statements shall be filed not more than 210 days after the last day of the Village’s fiscal year commencing with the fiscal year ending December 31, 2020.

“*Annual Financial Information*” means the form of the table included as Exhibit V of the Continuing Disclosure Agreement.

“*Audited Financial Statements*” means the general purpose financial statements of the Village prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time (i.e., as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of Illinois law).

The foregoing is a brief summary of certain provisions of the Continuing Disclosure Agreement of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Continuing Disclosure Agreement, a copy of which is attached hereto as “**APPENDIX F** – Continuing Disclosure Agreement.”

### **Prior Failure to File**

During the previous five years, the Village did not timely file audited financial statements for its fiscal years ended December 31, 2015 and 2016, did not timely file a notice of rating change in

connection with certain bonds, and did not timely file notice of its failure to provide such information on or before the date specified in its applicable prior continuing disclosure undertakings.

### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Sheppard, Mullin, Richter & Hampton LLP, Chicago, Illinois, as Bond Counsel (the “Bond Counsel”) who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Limited Offering Memorandum or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Limited Offering Memorandum, except that in its capacity as Bond Counsel, Sheppard, Mullin, Richter & Hampton LLP, has, at the request of the Underwriter supplied the information under the heading “TAX EXEMPTION.” Certain legal matters will be passed on for the Village by its special counsel, Del Galdo Law Group, LLC, Berwyn, Illinois, for the Developer by its counsel, Seyfarth Shaw LLP, Chicago, Illinois and for the Underwriter by its counsel, Bryan Cave Leighton Paisner, LLP, Chicago, Illinois.

### **UNDERWRITING**

The Underwriter has agreed, subject to certain conditions, to purchase all of the Bonds from the Village at an aggregate price of \$18,538,278.95 (representing the aggregate principal amount of the Bonds, plus original issue premium of \$182,803.95 and less an underwriter’s discount of \$279,525). The offering price may be changed from time to time by the Underwriter. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions set forth in the Purchase Contract.

### **MISCELLANEOUS**

The references, excerpts, and summaries of documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for all payment of the Bonds, and the rights and obligations of the owners thereof.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of its date.

Any statement made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact; no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof.

## **AUTHORIZATION**

This Limited Offering Memorandum has been approved for distribution to prospective purchasers of the Bonds on behalf of the Village and the Developer.

VILLAGE OF MORTON GROVE,  
COOK COUNTY, ILLINOIS

By:       /s/      Daniel P. DiMaria        
Daniel P. DiMaria, Its Village President

IM Kensington MG, LLC

By:       /s/      Chad W. Jones        
Chad W. Jones, Its Authorized Representative

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**APPENDIX A**

**FORM OF OPINION OF BOND COUNSEL**

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**APPENDIX A**

**FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF SHEPPARD, MULLIN, RICHTER & HAMPTON, LLP]**

**OCTOBER 3, 2019**

We hereby certify that we have examined a certified copy of the proceedings (the “*Proceedings*”) had by the President and Board of Trustees of the Village of Morton Grove, Cook County, Illinois (the “*Village*”), passed preliminary to the issuance by the Village of its fully registered Senior Lien Tax Increment Revenue Bonds (Sawmill Station Redevelopment Project) (the “*2019 Senior Lien Bonds*”), to the amount of \$18,635,000, dated the date of issuance thereof, being October 3, 2019, of the denomination of \$100,000 and integral multiples of \$5,000 in excess thereof. The 2019 Senior Lien Bonds mature serially on January 1 of the years and bear interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2029	4,880,000	4.25
****	****	****
2039	13,755,000	5.00

The 2019 Senior Lien Bonds are Term Bonds and are subject to mandatory redemption on January 1 of the years and in the amounts as follows, at a redemption price of par plus accrued interest to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>
2023	\$495,000
2024	610,000
2025	640,000
2026	675,000
2027	780,000
2028	820,000
2029	860,000
2030	\$980,000
2031	1,035,000
2032	1,095,000
2033	1,235,000
2034	1,300,000
2035	1,375,000
2036	1,530,000
2037	1,615,000
2038	1,705,000
2039	1,885,000



The 2019 Senior Lien Bonds are also subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after January 1, 2026, from any available moneys, and if in part in such principal amounts as the Village shall determine and by lot, at par plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the 2019 Senior Lien Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and, except that the rights of the owners of the 2019 Senior Lien Bonds and the enforceability of the 2019 Senior Lien Bonds may be limited by bankruptcy, reorganization, moratorium, insolvency and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion, is payable from (i) a portion of the incremental property taxes, if any, derived from the Sawmill Station Redevelopment Project Area heretofore designated by the Village (the "*Redevelopment Project Area*"), said portion being those incremental property taxes derived from eligible stores located on a site located with the Redevelopment Project Area and defined in the Proceedings as the "Property" (the "*Limited Incremental Property Taxes*"), (ii) fifty percent of certain incremental sales taxes, if any, derived from the Property (the "*Limited Incremental Sales Taxes*" and, together with the Limited Incremental Property Taxes, the "*Pledged Taxes*"), and (iii) certain amounts on deposit in and to the credit of the special tax allocation fund created by the Village for the Redevelopment Project Area, all in the priority of lien and as otherwise provided in the Indenture of Trust by and between the Village and the Amalgamated Bank of Chicago, dated as of October 1, 2019. Additional Bonds ratably and equally secured by the Pledged Taxes with the 2019 Senior Lien Bonds may be issued as provided in the Indenture and the Proceedings.

It is our opinion that, subject to compliance by the Village and others with certain covenants, under present law, interest on the 2019 Senior Lien Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such covenants could cause interest on the 2019 Senior Lien Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2019 Senior Lien Bonds. Ownership of the 2008 Senior Lien Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2019 Senior Lien Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Limited Offering Memorandum relating to the 2019 Senior Lien Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**APPENDIX B**

**BOND ORDINANCE**

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**ORDINANCE NUMBER 19-09**

AN ORDINANCE providing for the issuance of not to exceed \$26,000,000 Senior Lien Tax Increment Revenue Bonds, Series 2019 (Sawmill Station Redevelopment Project), of the Village of Morton Grove, Cook County, Illinois, and providing for the execution of a trust indenture and a bond order in connection therewith.

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Adopted by the President and Board  
of Trustees on the 8th day of  
July 2019.

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## ORDINANCE NUMBER 19-09

AN ORDINANCE providing for the issuance of not to exceed \$26,000,000 Senior Lien Tax Increment Revenue Bonds, Series 2019 (Sawmill Station Redevelopment Project), of the Village of Morton Grove, Cook County, Illinois, and providing for the execution of a trust indenture and a bond order in connection therewith.

WHEREAS, by proceedings spread in full upon the records of the Village of Morton Grove, Cook County, Illinois (the "*Village*"), pursuant to the provisions of the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "*TIF Act*"), and particularly as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, and as further supplemented and, where necessary, superseded, by Section 6 of Article VII of the 1970 Constitution of the State of Illinois (collectively, the "*Act*"), the President and Board of Trustees of the Village (the "*Corporate Authorities*") have heretofore determined, and do hereby determine, as follows:

A. On the 8th day of July 2019, the Corporate Authorities adopted (A) Ordinance No. 19-06, approving a redevelopment plan (the "*Redevelopment Plan*") and project (the "*Redevelopment Project*") for the Sawmill Station Redevelopment Project Area (as legally described in EXHIBIT A attached hereto, the "*Redevelopment Project Area*"), (B) Ordinance No. 19-07, designating the Redevelopment Project Area, and (C) Ordinance No. 19-08, adopting tax increment allocation financing for the Redevelopment Project Area and creating a special tax allocation fund therefor (the "*Special Tax Allocation Fund*") (collectively, the "*TIF Ordinances*").

B. On the 8th day of July 2019, the Corporate Authorities adopted Resolution Number 19-29, authorizing the execution of that certain Redevelopment Agreement (the "*Developer*") between the Village and IM Kensington MG, LLC, a Delaware limited liability company (the "*Redevelopment Agreement*").

C. Pursuant to the Redevelopment Agreement, the Developer has agreed to assemble real property or rights therein on a site within the Redevelopment Project Area (as legally described on EXHIBIT A-1 attached hereto, the "*Property*"), and to construct on the Property certain retail and commercial improvements (including all electrical, engineering, financial, legal and other related services and expenditures, collectively, the "*2019 Retail TIF Project*").

D. The Village has heretofore determined that it is advisable and necessary and in the best interests of the Village that the costs of the 2019 Retail TIF Project now be paid or

reimbursed, and, to that effect, the Village wishes to provide in this Ordinance for the execution of an indenture of trust, for the issuance of the hereinafter defined Series 2019 Senior Lien Bonds, for the continuation and operation of the Special Tax Allocation Fund and the accounts therein and for the creation and operation of the Limited Incremental Sales Tax Fund.

G. All of the costs of the redevelopment project to be financed with the proceeds of the Series 2019 Senior Lien Bonds constitute eligible “redevelopment project costs” under the TIF Act and have been or will be approved by the Corporate Authorities in accordance with the Redevelopment Plan.

H. The Village has insufficient cash on hand and lawfully available to pay the costs of the 2019 Retail TIF Project and does hereby determine that it is necessary and advisable at this time to borrow money, and in evidence thereof issue a series of senior lien tax increment allocation revenue bonds of the Village in the aggregate principal amount of not to exceed \$26,000,000 to pay the same.

I. It is necessary and advisable that the Village authorize the execution of an Indenture of Trust (the “Indenture”) dated as of August 1, 2019, by and between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the “Trustee”), in order to provide for the security of said Bonds.

WHEREAS, the Corporate Authorities hereby determine that it is advisable to provide for the issuance of the Bonds secured by the hereinafter defined Pledged Taxes; and

WHEREAS, the Bonds will constitute a Series of Senior Lien Bonds and this Ordinance will constitute a Senior Lien Bond Ordinance under the Indenture:

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Morton Grove, Cook County, Illinois, in the exercise of its home rule powers, as follows:

*Section 1. Incorporation of Preambles.* The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and do incorporate them into this Ordinance by this reference.

*Section 2. Definitions.* The following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different

meaning is intended. Words and terms used in this Ordinance but not defined herein shall have the meanings set forth in the Indenture.

A. The following words and terms are as defined in the preambles hereto.

Act  
Corporate Authorities  
Developer  
Indenture  
Property Redevelopment Agreement  
Redevelopment Plan  
Redevelopment Project  
Redevelopment Project Area  
Special Tax Allocation Fund  
TIF Act  
TIF Ordinances  
2019 Retail TIF Project  
Trustee  
Village

B. The following words and terms are defined as set forth.

*“Additional Bonds”* means any bonds issued in the future on a parity with and sharing ratably and equally in the Pledged Taxes with the Bonds.

*“Authorized Denominations”* means \$100,000 with increments of \$5,000 in excess of \$100,000.

*“Baseline Taxes”* means \$56,000.00 for each of the last 2 calendar quarters of 2019; \$57,680.00 for each 2020 calendar quarter; \$59,410.00 for each 2021 calendar quarter and increasing 3% each year thereafter.

*“Bond”* or *“Bonds”* or *“Series 2019 Senior Lien Bond”* or *“Series 2019 Senior Lien Bonds”* means one or more, as applicable, of the not to exceed \$26,000,000 Senior Lien Tax Increment Revenue Bonds, Series 2019 (Sawmill Station Redevelopment Project), authorized to be issued by this Ordinance. For all purposes of the Indenture, the Bonds shall be Senior Lien Bonds.



*“Bond Counsel”* means Sheppard, Mullin, Richter & Hampton, LLP, Chicago, Illinois.

*“Bond Fund”* means the Senior Lien Principal and Interest Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund established under the Indenture.

*“Bond Order”* means the written bond order and notification of sale signed by any Designated Officer and setting forth certain details of the Bonds as hereinafter provided.

*“Bond Register”* means the books of the Village kept by the Trustee, as Bond Registrar, to evidence the registration and transfer of the Bonds.

*“Bond Registrar”* means the Trustee, acting as Bond Registrar under this Ordinance and the Indenture, or a successor thereto.

*“Book Entry Form”* means the form of Bonds in which they are delivered to a depository and held solely by a depository, or its nominee, as record owner, transfers of beneficial ownership for such Bonds being made by book entries in accordance with the procedures of such depository.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“Completion Date”* means the date of the certification to the Village Treasurer by the architect or engineer in responsible charge of the 2019 Retail TIF Project that the 2019 Retail TIF Project has been completed.

*“Continuing Information Agreement”* means that agreement among the Village, the Developer and the Trustee to provide certain ongoing information for the benefit of the registered owners of the Bonds.

*“Current Debt Service Requirement”* means, for any Bond Year, the aggregate Interest Requirement and Principal Requirement for all Bonds then outstanding.

*“Designated Officers”* means the President, Clerk, Administrator, Treasurer, or [Finance Director] of the Village, or any two of them acting together, and successors or assigns.

*“Effective Date”* means July 8, 2019.

*“Eligible Store”* means each commercial establishment generating Sales Taxes and located within the Property.

*“Fiscal Year”* means the 12-calendar month period chosen by the Village as its fiscal year.

*“Home Rule Sales Taxes”* means tax revenues generated by retail sales from Eligible Stores through the imposition of the Village's (current as of the Effective Date) 1.25% home rule municipal retailers' occupation tax (pursuant to 65 ILCS 5/8-11-1) or the Village's (current as of the Effective Date) 1.25% home rule municipal service occupation tax (pursuant to 65 ILCS 5/8-11-5) or any tax or legislation in substitution therefor. This does not include food and beverage tax, business district tax or any other taxes.

*“Incremental Property Taxes”* means the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk, and as provided in the TIF Act.

*“Incremental Sales Taxes”* means any distributions by the State to the Village of Sales Taxes imposed on Eligible Stores within the Property over and above the Baseline Taxes, or successor taxes thereto.

*“Independent”* when used with respect to any specified person means such person who is in fact independent and is not connected with the Village as an officer, employee, consultant, financial advisor, underwriter or person performing a similar function. Whenever it is herein provided that the opinion or report of any Independent person shall be furnished, such person shall be appointed by the Village, and such opinion or report shall state that the signer has read this definition and that the signer is Independent within the meaning thereof.

*“Initial Equalized Assessed Value”* means the equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Project Area as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes, all as determined by the County Clerk in accordance with the TIF Act.

*“Interest Payment Date”* means a Stated Maturity of interest on any Bond.

*“Limited Incremental Property Taxes”* means an amount of Incremental Property Taxes which is equal to that portion of each distribution of Incremental Property Taxes arising from the Property.

*“Limited Incremental Sales Tax Fund”* means the fund created in Section 4.07 of the Indenture.

*“Limited Incremental Sales Taxes”* means fifty percent (50%) of the Incremental Sales Taxes.

*“Limited Offering Memorandum”* means the Limited Offering Memorandum of the Village dated the date of initial issuance of the Bonds offering the Bonds for sale.

*“Maximum Annual Debt Service”* means at any given time of determination an amount equal to the maximum Principal Requirement and Interest Requirement on the Bonds and any Additional Bonds then outstanding in the then current or in any succeeding Bond Year by reason

of Stated Maturities, scheduled mandatory prepayments or by operation of any mandatory sinking fund.

*“Municipal Portion”* means, collectively, that portion of the Incremental Property Taxes and that portion of the Incremental Sales Taxes not pledged under this Ordinance and the Indenture to the payment of principal of and applicable premium and interest on the Bonds, *to-wit:* an amount of Incremental Property Taxes equal to that portion of each distribution of Incremental Property Taxes which is not derived from the Property and fifty percent (50%) of each distribution of Incremental Sales Taxes.

*“Ordinance”* means this Ordinance, numbered 19-09 and passed by the Corporate Authorities on the 8th day of July 2019.

*“Permitted Investments”* means any investment lawful under Illinois law for the investment of Village funds, to be prudently made, and scheduled to mature prior to the time when needed.

*“Pledged Taxes”* means, collectively, the Limited Incremental Property Taxes and the Limited Incremental Sales Taxes.

*“Private Business Use”* means any use of the 2019 Retail TIF Project by any person other than a state or local governmental unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the 2019 Retail TIF Project on the same basis as the general public.

*“Project Fund”* means the 2019 Retail TIF Project Fund created in Section 11(D) hereof.

*“Program Expense Requirement”* means, for any Bond Year, not to exceed \$25,000.

*“Purchase Contract”* means the Bond Purchase Agreement to be executed by the Village and the Underwriter for the purchase of the Bonds.

*“Purchase Price”* means the price to be paid by the Underwriter to the Village for the Bonds as set out in the Bond Order, *provided* the Purchase Price shall be not less than ninety-eight and one-half percent (98.5%) of par (without regard to original issue discount, if any, or original issue premium, if any).

*“Record Date”* means the fifteenth day of the month preceding any regularly scheduled Interest Payment Date and the fifteenth day prior to any Interest Payment Date caused by a redemption of Bonds on other than a regularly scheduled Interest Payment Date.

*“Sales Taxes”* means generally applicable sales taxes collected by the State and levied on Eligible Stores pursuant to the Retailers’ Occupation Tax Act, as amended, the Service Occupation Tax Act, as amended, the Use Tax Act, as amended and the Service Use Tax Act, as amended and Home Rule Sales Taxes or successor taxes or charges imposed by the State or the Village in lieu thereof or in addition thereto.

*“Series 2019 Senior Lien Debt Service Reserve Requirement”* means that amount set forth in the Bond Order.

*“Stated Maturity”* when used with respect to any Bond or any interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable whether by maturity, mandatory redemption, or otherwise.

*“Term Bonds”* means Bonds subject to mandatory redemption by operation of the Bond Fund.

*“Underwriter”* means D.A. Davidson & Co., Chicago, Illinois.

*Section 3. Determination to Issue Bonds.* It is necessary and in the best interests of the Village to borrow money and issue its Bonds to pay or reimburse a portion of the costs of the 2019 Retail TIF Project as enumerated in the preambles hereto, and all related costs and expenses incidental thereto, including, if necessary, an initial deposit to the Senior Lien Debt Service Reserve and Redemption Subaccount. It is hereby expressly found and determined that such borrowing is authorized pursuant to the Act, is a proper public purpose for the Village, and is further authorized pursuant to the home rule authority of the Village.

*Section 4. Bond Details; the Depository.* For the purposes specified in Section 3 there shall be issued and sold the Bonds in the principal amount of not to exceed \$26,000,000. The Bonds shall each be designated “Senior Lien Tax Increment Revenue Bond, Series 2019 (Sawmill Station Redevelopment Project)” (or such other title or Series designation as the Designated Officers shall deem advisable as set forth in the Bond Order); be dated such date not earlier than August 1, 2019, or later than December 1, 2019, as shall be provided in the Bond Order (the “*Dated Date*”); and shall also bear the date of authentication thereof. The Bonds shall be “Senior Lien Bonds” as provided in the Indenture, shall be in fully registered form, shall be in Authorized Denominations, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall, subject to rights of prior redemption as hereinafter provided, mature serially or as Term Bonds on January 1 of any of the years from 2020 up to and including the year 2040 and in the amounts and bearing interest at the rates percent per annum as shall be set forth in the Bond Order, *provided, however*, that no Bond shall bear interest at a rate percent per annum which is in excess of five and three quarters percent (5.75%).

Each Bond shall bear interest from the later of its Dated Date as provided herein or from the most recent Interest Payment Date to which interest has been paid or duly provided for, such

interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on January 1 and July 1 (or such other dates as may be provided in the Bond Order) of each year, commencing on January 1, 2020, or such later or other date as shall be provided in the Bond Order, and until the principal amount thereof is paid or duly provided for. Interest on each Bond shall be paid by check or draft of the Trustee, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the Record Date, and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or in immediately available funds as may be agreed to by the Village and the Depository so long as the Bonds are held in Book-Entry only form as hereinafter provided. The principal of or redemption price due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal office maintained for the purpose by the Trustee in the City of Chicago, Illinois, or at a successor Trustee and locality.

As provided in the Indenture the Village hereby expressly determines that the Bonds shall be issue in Book Entry Form and shall be registered so as to participate in a securities depository system with the Depository.

*Section 5. Redemption.*

(a) *Mandatory Sinking Fund Redemption.* If so provided in the Bond Order, the Bonds may be issued as one or more Term Bonds. Term Bonds shall be subject to mandatory redemption by operation of the Bond Fund at a redemption price of par plus accrued interest to the date fixed for redemption, without premium, selected by lot by the Trustee as hereinafter provided, on January 1 of each of the years, in the principal amounts pursuant to such additional terms as shall be provided in the Bond Order.

(b) *Extraordinary Mandatory Redemption.* If so provided in the Bond Order, the Bonds may be subject to extraordinary mandatory redemption. The terms and provisions of any such extraordinary mandatory redemption shall be as set out in the Bond Order.

(c) *Optional Redemption.* If so provided in the Bond Order, the Bonds may also be subject to redemption prior to maturity, at the option of the Village, in whole or in part, from any available funds, on the dates and at the prices and as otherwise provided in the Bond Order, *provided, however,* that no Bond shall bear a redemption price (expressed as a percentage of principal amount redeemed) in excess of 103% plus accrued interest to the date fixed for redemption.

*Section 6. Redemption Procedure.* The Bonds subject to redemption shall be identified and paid and redeemed and notice given pursuant to the procedures as follows:

*A. Notice to Trustee.* For a mandatory or an extraordinary mandatory redemption, the Trustee, unless otherwise notified by the Village, shall proceed on behalf of the Village as its agent to provide for the mandatory redemption of such Bonds without any further order or direction hereunder or otherwise. For an optional redemption, the Village shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the maturities and principal amounts of Bonds to be redeemed and, if applicable, for a partial redemption of Term Bonds, the effect thereof on the mandatory redemption schedule of such Term Bonds.

*B. Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 45 days prior to the redemption date by such method of



lottery as the Trustee shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any Bond or portion of a Bond shall be as likely to be called for redemption as any other such Bond or portion, provided that no Bond shall be redeemed in a portion which results in a Bond of less than an Authorized Denomination. The Trustee shall make such selection upon the earlier of the irrevocable receipt of funds sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

C. *Official Notice of Redemption.* The Trustee shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Trustee.

All official notices of redemption shall include at least the information as follows:

- (1) the redemption date;
- (2) the redemption price;
- (3) if less than all of the Outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;
- (4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office maintained for the purpose by the Trustee.

Such additional notice as shall be required in the Representation Letter shall be given for so long as any Bonds are held in Book Entry Form as provided.

*D. Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

*E. Bonds Shall Become Due.* Subject to the stated condition in paragraph D immediately preceding, official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption accordance with said notice, said Bonds shall be paid by the Trustee at the redemption price. The procedure for payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

*F. Insufficiency in Notice Not Affecting Other Bonds.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to

other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. In lieu of the foregoing official notice, so long as the Bonds are held in Book Entry Form, notice may be given as provided in the Representation Letter, and the giving of such notice shall constitute a waiver by the Depository and the Book Entry Owner, as registered owner, of the foregoing notice.

*G. New Bond in Amount Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

*H. Effect of Nonpayment upon Redemption.* If any Bond or portion of a Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

*I. Bonds to be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other

transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

*J. Additional Notice.* The Village agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the Village, (3) not be a condition precedent of a valid redemption or a part of the Bond contract, and (4) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Information Agreement of the Village with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

*Section 7. Execution; Authentication; Indenture.*

A. EXECUTION. The Bonds shall be executed on behalf of the Village by the manual or duly authorized facsimile signature of its President and be attested by the manual or duly authorized facsimile signature of its Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. AUTHENTICATION. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Trustee as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance or the Indenture unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

C. INDENTURE. For the benefit of the registered owners of the Bonds and to the better securing of same the Village agrees to execute the Indenture.

The Indenture shall be executed on behalf of the Village by the Designated Officers and shall be in substantially the form before this meeting, subject, however, to such modifications as may be deemed necessary or advisable by the Designated Officers executing the Indenture, their signatures on the Indenture constituting their approval of any such modifications and to be deemed conclusive and binding approval hereunder as to the Village and the Corporate Authorities.

*Section 8. Registration of Bonds; Identity of Owners.* The Village hereby directs the Bond Register to be kept at the designated corporate trust office maintained for the purpose by the Trustee in [Chicago, Illinois], which is hereby constituted and appointed the Bond Registrar of the Village for the Bonds. The Bonds shall be registered and exchanged as provided in the Indenture.

*Section 9. Form of the Bonds.* The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend “See Reverse Side for Additional Provisions” shall be omitted and paragraphs [7] through [13] shall be inserted immediately after paragraph [1].

[Form of Bond-Front Side]

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
VILLAGE OF MORTON GROVE  
SENIOR LIEN TAX INCREMENT REVENUE BOND,  
SERIES 2019 (SAWMILL STATION REDEVELOPMENT PROJECT)

See Reverse Side for  
Additional Provisions

Interest                      Maturity                      Dated  
Rate:                      Date: January 1, \_\_\_\_\_      Date: \_\_\_\_\_, 2019      CUSIP \_\_\_\_\_

Registered Owner:

Principal Amount:

[1]      KNOW ALL PERSONS BY THESE PRESENTS that the Village of Morton Grove, Cook County, Illinois, a municipality, home rule unit and political subdivision of the State of Illinois (the "*Village*"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (subject to right of prior redemption as hereinafter provided), the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on January 1 and July 1 of each year, commencing January 1, 2020, and until said Principal Amount is paid or duly provided for. The principal of this Bond or redemption price, if any, hereon are payable in lawful money of the United States of America upon presentation hereof at the office maintained for the purpose by Amalgamated Bank of

Chicago, Chicago, Illinois (the “*Trustee*”), as trustee under an Indenture of Trust dated as of August 1, 2019, by and between the Village and the Trustee (the “*Indenture*”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Trustee, as bond registrar, at the close of business on the Record Date and shall be paid by check or draft of the Trustee, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Trustee, or as otherwise agreed to by the Village and the Depository, for as long as this Bond shall be held in book-entry only form as provided for same.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] This bond and each bond of the Series of which it forms a part (together, the “*Bonds*”), are issued pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended, and particularly as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended, and as further supplemented and, where necessary, superseded, by Section 6 of Article VII of the 1970 Constitution of the State of Illinois (collectively, the “*Act*”), and the principal of and interest, and premium, if any, on the Bonds are payable solely and only from (i) a portion of the ad valorem taxes, if any, arising from taxes levied by any and all taxing districts or municipal corporations having the power to tax real property in the Sawmill Station Redevelopment Project Area of the Village (the “*Redevelopment Project Area*”), which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real



property in the Redevelopment Project Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of The County of Cook, Illinois (the “*Incremental Property Taxes*”), said portion being those Incremental Property Taxes derived from eligible store located on a site located within the Redevelopment Project Area and defined as the “Property” in the hereinafter defined 2019 Senior Lien Bond Ordinance (said portion being the “*Limited Incremental Property Taxes*”), and on deposit in the Senior Lien Bond and Interest Subaccount of the 2019 Redevelopment Projects Account of the Sawmill Station Redevelopment Project Area Special Tax Allocation Fund (the “*Special Tax Allocation Fund*”) continued under the Indenture, (ii) a portion of the *Incremental Sales Taxes*, if any, derived from eligible stores located on the Property, or any successor taxes thereto (said portion being the “*Limited Incremental Sales Taxes*” and, together with the Limited Incremental Property Taxes, the “*Pledged Taxes*”) and (iii) the amounts on deposit in and pledged to the various funds and accounts of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund, all as provided in the 2019 Senior Lien Bond Ordinance and the Indenture. Additional Senior Lien Bonds may be issued upon the terms and as provided in the hereinafter defined Series 2019 Senior Lien Bond Ordinance and the Indenture. The Bonds are being issued for the purpose of paying or reimbursing certain Redevelopment Project costs incurred in and for the Redevelopment Project Area pursuant to the Act, all as more fully described in proceedings adopted by the President and Board of Trustees of the Village (the “*Corporate Authorities*”) and in an ordinance adopted by the Corporate Authorities on the 8th day of July, 2019, and authorizing the issuance of the Bonds and the execution of the Indenture (as supplemented by a 2019 Bond Order and Notification of Sale, the “*Series 2019 Senior Lien Bond Ordinance*”), to all the provisions of which the holder by the acceptance of this Bond assents. The Bonds,

together with the interest and premium, if any, thereon, are limited obligations of the Village, payable solely from the Pledged Taxes and the amounts on deposit in and pledged to the various funds and accounts of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund and the Limited Incremental Sales Tax Fund, all in the priority of lien and as otherwise provided in the Indenture. For the prompt payment of this Bond, both principal and interest, as aforesaid, at maturity, the Pledged Taxes are hereby irrevocably pledged. THE BONDS ARE LIMITED OBLIGATIONS OF THE VILLAGE PAYABLE SOLELY AND ONLY FROM THE PLEDGED TAXES ON DEPOSIT IN THE ACCOUNTS AND IN THE PRIORITIES AND AS SET OUT IN THE INDENTURE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. No HOLDER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL HEREOF OR INTEREST OR PREMIUM, IF ANY, HEREON.

[4] Under the Act, the Indenture, and the Series 2019 Senior Lien Bond Ordinance, the Limited Incremental Property Taxes shall be deposited in the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund of the Village. Moneys on deposit in the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund shall be used first, to pay Program Expenses, next, to pay principal of and interest on outstanding Senior Lien Bonds, and thereafter to fund the accounts of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund in the priorities and as further provided in the Indenture.

[5] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee.

[6] IN WITNESS WHEREOF the Village of Morton Grove, Cook County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all in the exercise of its home rule powers and as appearing hereon and as of the Dated Date identified above.

\_\_\_\_\_  
Daniel P. DiMaria, Village President  
Village of Morton Grove  
Cook County, Illinois

Attest:

\_\_\_\_\_  
Eileen Scanlon Harford, Village Clerk  
Village of Morton Grove  
Cook County, Illinois

(SEAL)

Date of Authentication: \_\_\_\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Trustee, bond Registrar and Paying Agent:  
AMALGAMATED BANK OF CHICAGO  
Chicago, Illinois

This Bond is one of the Bonds described in the within-mentioned Series 2019 Ordinance and is one of the Senior Lien Tax Increment Revenue Bonds, Series 2019, having a Dated Date of \_\_\_\_\_, 2019, of the Village of Morton Grove, Cook County, Illinois.

AMALGAMATED BANK OF CHICAGO,  
as Trustee, Bond Registrar and Paying Agent

By \_\_\_\_\_  
Authorized Officer

[Form of Bond-Reverse Side]

VILLAGE OF MORTON GROVE  
COOK COUNTY, ILLINOIS  
SENIOR LIEN TAX INCREMENT REVENUE BOND  
SERIES 2019 (SAWMILL STATION REDEVELOPMENT PROJECT)

[7] This Bond is one of a series of bonds (the “*Bonds*”) in the aggregate principal amount of \$26,000,000 issued by the Village for the purpose of paying or reimbursing costs of the 2019 TIF Project, and of paying expenses incidental thereto, all as described and defined in the Series 2019 Senior Lien Bond Ordinance, pursuant to and in all respects in compliance with the applicable provisions of the Constitution and laws of the State of Illinois, including the Act, as amended, the Indenture, and with the Series 2019 Senior Lien Bond Ordinance, which has been duly passed by the President and Board of Trustees, approved by the President of the Village, and published, in all respects as by law required.

[8] The Bonds are issued in fully registered form in the denominations of \$100,000 and increments of \$5,000 over and above \$100,000. This Bond may be exchanged upon presentation and surrender for cancellation hereof at the office maintained for the purpose by the Trustee in East Syracuse, New York, or at successor Trustee and locality, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, for a like aggregate principal amount of Bonds of the same maturity.

[9] This Bond may be transferred only on the Bond Register maintained by the Trustee but only in the manner, subject to the limitations and upon payment of the charges

provided in the Indenture and upon surrender for transfer to the Trustee at its office maintained for the purpose in East Syracuse, New York, or at successor Trustee and locality, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or the registered owner's attorney duly authorized in writing. Upon such transfer the Trustee will authenticate a new Bond or Bonds of the same maturity in an equal total principal amount and registered in the name of the transferee.

[10] The Bonds coming due on January 1, 20 , are Term Bonds and are subject to mandatory redemption by operation of the Senior Lien Bond and Interest Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund at a redemption price of par plus accrued interest to the date fixed for redemption without premium, selected by lot by the Trustee as provided in the Series 2019 Senior Lien Bond Ordinance, on January 1 of each of the years and in the principal amounts as follows:

YEAR	AMOUNT(\$)
------	------------

[11] The Bonds coming due on January 1, 20\_, and thereafter, are subject to redemption prior to maturity, at the option of the Village, in whole or in part, from any available funds, on January 1, 20\_, or on any date thereafter, and if in part, in any order of maturity and within any maturity by lot in integral multiples of \$100,000 and in increments of \$5,000 over and above \$100,000, selected by lot by the Trustee, at the redemption prices (expressed as a percentage of principal amount) and on the dates set forth below, plus accrued interest to the redemption date:

REDEMPTION DATES (INCLUSIVE)	PRICE(%)
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[12] [Insert extraordinary mandatory redemption provisions, if any.]

[13] Unless waived by the Registered Owner of Bonds to be redeemed, official notice of any such optional redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by first class mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the registration books maintained by the Trustee or at such other address as is furnished in writing by such registered owner to the Trustee. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a Registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds or portions being redeemed shall be paid by the Trustee at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

---

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

*Section 10. Pledged Taxes Pledged; Operation of Special Tax Allocation Fund; Operation of Limited Incremental Sales Tax Fund; Rebate Fund; Investment Income.*

A. *Pledged Taxes Pledged.* For the prompt payment of principal of and interest on the Bonds when due, the Village hereby pledges the Pledged Taxes in the priority of lien and as otherwise in this Ordinance and the Indenture provided. The Bonds, together with the interest and premium, if any, thereon are limited obligations of the Village, payable solely and only from the collection of the Pledged Taxes and the amounts on deposit in and pledged to the various funds and accounts as provided herein and in the Indenture. NO BONDHOLDER SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE OR A LOAN OF CREDIT THEREOF WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL LIMITATION. FAILURE TO PAY WHEN DUE ANY INTEREST ON OR PRINCIPAL OF THE BONDS DUE TO INSUFFICIENCY OF THE

PLEDGED TAXES, WHETHER AT STATED MATURITY, FINAL MATURITY OR OTHERWISE, SHALL IN NO EVENT BE DEEMED TO BE AN EVENT OF DEFAULT ON THE BONDS.

B. *Operation of Special Tax Allocation Fund.* The Village covenants and agrees that all Incremental Property Taxes required to be deposited into the Special Tax Allocation Fund shall be deposited into the Special Tax Allocation Fund as provided in the Indenture. As further provided in the Indenture, the Bonds are secured by a pledge of all of the moneys on deposit in the Senior Lien Bond and Interest Subaccount and the Senior Lien Debt Service Reserve and Redemption Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund, in the priorities specified in the Indenture and this Ordinance, and such pledge is irrevocable until the obligations of the Village are discharged under this Ordinance and the Indenture.

As provided in the Indenture, the Incremental Property Taxes are to be paid by the officers of the County who collect or receive the same to the Treasurer. If and whenever the Treasurer receives any of the Incremental Property Taxes, he or she shall retain the Municipal Portion and shall immediately transmit the Limited Incremental Property Taxes to the Trustee for deposit into the 2019 Redevelopment Project Account, created under the Indenture, of the Special Tax Allocation Fund for deposit to the separate accounts thereof as hereinafter created.

Under the Indenture there are expressly created (or authorized to be created) within the 2019 Redevelopment Project Account of the Special Tax Allocation Fund the following subaccounts: the "Program Expenses Subaccount," the "Senior Lien Bond and Interest Subaccount," the "Senior Lien Debt Service Reserve Subaccount," the "Extraordinary Mandatory Redemption Subaccount" (but only if provided in any Bond Ordinance authorizing a



Series of Senior Lien Bonds), the “Junior Lien Bond and Interest Subaccount” (but only upon the issuance of any Junior Lien Bonds), the “Junior Lien Debt Service Reserve and Redemption Subaccount” (but only upon the issuance of any Junior Lien Bonds and if so provided in the Bond Ordinance authorizing a Series of Junior Lien Bonds) and the “General Subaccount.” The Trustee shall hold the Program Expenses Subaccount, the Senior Lien Bond and Interest Subaccount, the Senior Lien Debt Service Reserve Subaccount, the Extraordinary Mandatory Redemption Subaccount (if created), the Junior Lien Bond and Interest Subaccount (if created) and the Junior Lien Debt Service Reserve and Redemption Subaccount (if created). The Village shall hold the General Subaccount. Each such Subaccount shall be held separate and segregated from all other funds of the Village.

On or before each December 1, commencing on December 1, 2019, the Trustee shall conduct an accounting (each, an “*Accounting*”) to determine the amounts, if any, to be deposited in and shall transfer said amounts into the following Subaccounts in the order in which hereinafter mentioned, as follows:

(a) *Program Expenses Subaccount.* The Trustee shall first transfer Limited Incremental Property Taxes to the Program Expenses Subaccount until the balance on deposit in and to the credit of the Program Expenses Subaccount shall equal the Program Expense Requirement. Moneys on deposit in the Program Expenses Subaccount shall be used to pay or reimburse Program Expenses for the then current and the next succeeding Bond Year.

(b) *The Senior Lien Bond and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Senior Lien Bond and Interest Subaccount the amount of Limited Incremental Property Taxes necessary to pay the Current Debt Service Requirement for the Bonds. If upon any Accounting there are Limited Incremental Property Taxes in the Senior Lien Bond and Interest Subaccount in excess of the amount necessary to pay such Current Debt Service Requirement, such funds shall first be transferred by the Trustee to the Senior Lien Debt Service Reserve Subaccount as described below.

Except as hereinafter or in any Supplemental Indenture provided, moneys to the credit of the Senior Lien Bond and Interest Subaccount shall be used solely and only for the

purpose of paying principal of and premium, if any, and interest on the Bonds as the same become due upon maturity or mandatory redemption.

(c) *The Senior Lien Debt Service Reserve Subaccount.* The Trustee shall next credit the balance of the Limited Incremental Property Taxes to a separate and special account to maintain a debt service reserve for the outstanding Bonds, to be known as the Senior Lien Debt Service Reserve Subaccount. The Trustee shall credit Limited Incremental Property Taxes to the Senior Lien Debt Service Reserve Subaccount until the amount to the credit of the Senior Lien Debt Service Reserve Subaccount aggregates the Senior Lien Debt Service Reserve Requirement. Thereafter no such payments shall be made by the Trustee into the Senior Lien Debt Service Reserve Subaccount except that when any money is paid out of said Subaccount payments shall be resumed and continued until such account has been restored to an aggregate amount equal to the Senior Lien Debt Service Reserve Requirement. At the time of the issuance of any Additional Bonds or other increase of the Maximum Annual Debt Service occasioned by entering into a Credit Enhancer Obligation or Interest Rate Exchange Transaction, the Senior Lien Debt Service Reserve Subaccount shall be immediately funded to the fullest extent as may be both (1) permitted by the Act and (2) if the Additional Bonds so issued are Tax Exempt, as may be limited by the Code. In the event full funding is not available as a result of such limitations, then the difference between what is available and Maximum Annual Debt Service shall be accumulated in the Senior Lien Debt Service Reserve Subaccount by a credit each month, beginning the month after the event (such as the issuance of Additional Bonds) resulting in such increase, in the amount of 1/12th of the difference between the amount on deposit to the credit of said Subaccount immediately after such event and Maximum Annual Debt Service as calculated at such time, until the credit balance of said Subaccount aggregates the amount of Maximum Annual Debt Service.

Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be used to redeem Senior Lien Bonds and shall be transferred by the Trustee to the Senior Lien Bond and Interest Subaccount as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Senior Lien Bonds *provided that* the Trustee shall first draw upon the Limited Incremental Sales Tax Fund as hereinafter provided prior to transferring any monies on deposit in the Senior Lien Debt Service Reserve Subaccount to the Senior Lien Bond and Interest Subaccount. Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be pledged to pay principal of any specified Senior Lien Bonds under a related Bond Ordinance or Bond Order. It is hereby expressly provided that monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be used to pay principal of and interest on the Series 2019 Senior Lien Bonds coming due on the last Stated Maturity of the Series 2019 Senior Lien Bonds.

The procurement and deposit of a Reserve Fund Insurance Policy or a Credit Facility with the Trustee shall be treated as a proper deposit in lieu of cash to the credit of the Senior Lien Debt Service Reserve Subaccount to the stated amount of such policy or facility then in force and available to draw upon. Reference is made to Section 4.06 of this Indenture for certain covenants which may be made with respect to such policy or

facility. The Trustee may require a certificate signed by a Designated Officer and an Opinion of Counsel as to the suitability of a given policy or facility for deposit hereunder.

Whenever the Trustee has credited to and deposited into the Senior Lien Debt Service Reserve Subaccount an amount of Limited Incremental Property Taxes sufficient to maintain a balance to the credit of said Subaccount equal to the Senior Lien Debt Service Reserve Requirement, and subject to the provisions of and in any order of priority as provided in any Junior Lien Bond Ordinance or Supplemental Indenture, the Trustee shall then remit remaining funds to the credit of the Special Tax Allocation Fund into any of the Extraordinary Mandatory Redemption Subaccount, the Junior Lien Bond and Interest Subaccount or the Junior Lien Debt Service Reserve and Redemption Subaccount, as follows:

(d) *The Extraordinary Mandatory Redemption Subaccount.* If so provided in the Bond Order, the Trustee shall next credit to and shall immediately transfer for deposit into the Extraordinary Mandatory Redemption Subaccount that portion of the balance of the Limited Incremental Property Taxes required under the Bond Order to be held by the Trustee and used solely to provide for the extraordinary mandatory redemption of the Bonds. Incidental to each Accounting the Trustee shall determine the amount, if any, necessary to provide for such extraordinary mandatory redemption and, without further official action by or direction from the Corporate Authorities shall so provide for such extraordinary mandatory redemption of Bonds. If, upon any Accounting, the Trustee shall determine that no such credit to or deposit into the Extraordinary Mandatory Redemption Subaccount shall be required, any Limited Incremental Property Taxes shall next be transferred by the Trustee to the Junior Lien Bond and Interest Subaccount as provided in the Indenture and in any Bond Ordinance authorizing a Series of Junior Lien Bonds.

If, upon any Accounting, the Trustee shall determine that the amount of Limited Incremental Property Taxes on deposit in and to the credit of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund exceeds the amount necessary to meet the Subaccount requirements as hereinabove set forth, the Trustee shall transfer such remaining balance of Limited Incremental Property Taxes as provided in the Indenture and any Bond Ordinance authorizing the issuance of a Series of Junior Lien Bonds or related Bond Order.

If, upon any Accounting, the Trustee shall determine that the Limited Incremental Property Taxes are insufficient fully to pay the Current Debt Service Requirement or to maintain the balance on deposit in and to the credit of in an amount equal to the Senior Lien Debt Service

Reserve Requirement, the Trustee shall thereupon draw from the Limited Incremental Sales Tax Fund as hereinbelow provided.

C. *Operation of the Limited Incremental Sales Tax Fund.* Whenever any Accounting shall demonstrate that Limited Incremental Property Taxes are insufficient fully to pay the Current Debt Service Requirement or to maintain the balance on deposit in and to the credit of the Senior Lien Debt Service Reserve and Redemption Account in an amount equal to the Senior Lien Debt Service Reserve Requirement, the Trustee is hereby expressly authorized, without further order of or direction by the Village, to transfer from the Limited Incremental Sales Tax Fund to the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund the Limited Incremental Sales Taxes, *first*, to the Senior Lien Bond and Interest Subaccount to establish a balance on deposit therein and to the credit thereof which is equal to the Current Debt Service Requirement and *second*, if necessary, to the Senior Lien Debt Service Reserve and Redemption Subaccount to establish a balance on deposit therein and to the credit thereof which is equal to the Senior Lien Debt Service Reserve Requirement. Subject to the provisions of any Bond Ordinance authorizing a Series of Junior Lien Bonds or any Supplemental Indenture, after conducting each Accounting and making any requisite transfer and deposit of Limited Incremental Sales Taxes to the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund, the Trustee shall immediately remit to the Village any Limited Incremental Sales Taxes remaining on deposit in the Limited Incremental Sales Tax Fund; such Limited Incremental Sales Taxes shall be released from the pledge of this Ordinance and of the Indenture when remitted to the Village, shall be available for use by the Village for any corporate purpose and shall no longer be deemed to be Pledged Taxes under this Ordinance or under the Indenture for any purpose whatsoever.

D. *The Rebate Account.* The Trustee is hereby authorized to establish within the Rebate Fund a “2019 Senior Lien Tax Increment Revenue Bonds Rebate [or Penalty, if applicable] Account” (the “*2019 Senior Lien Rebate Account*”) for the Bonds, and the Designated Officers are hereby directed, not less frequently than annually, to cause to be transferred to the 2019 Senior Lien Rebate Account the amount determined to be the accrued liability under the Rebate Requirement or Penalty. The Designated Officers shall cause to be paid to the U.S., without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

E. *Investments.* Funds on deposit in the Program Expenses Subaccount, the Senior Lien Bond and Interest Subaccount and the Senior Lien Debt Service Reserve and Redemption Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund and in the Limited Incremental Sales Tax Fund and held by the Trustee may be invested by the Trustee at the direction (which direction may be telephonic but shall be promptly confirmed in writing) of the Village Treasurer in Permitted Investments. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Subject to Section 16 of this Ordinance (A) any investment earnings or losses in the Program Expenses Subaccount or in the Senior Lien Bond and Interest Subaccount shall be attributed to the respective Subaccount from which derived; (B) to and including the Completion Date, any earnings on the Senior Lien Debt Service Reserve and Redemption Subaccount shall be transferred by the Trustee without further official action of or direction by the Corporate Authorities to the hereinafter created Project Fund; (C) from and after

the Completion Date, any earnings on the Senior Lien Debt Service Reserve and Redemption Subaccount shall be transferred by the Trustee without further official action of or direction by the Corporate Authorities to the Senior Lien Bond and Interest Subaccount, and (D) any investment earnings or losses in the Limited Incremental Sales Tax Fund shall be attributed to the Limited Incremental Sales Tax Fund. Any investment earnings in the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund or in the Limited Incremental Sales Tax Fund shall be transferred by the Trustee as necessary to the Senior Lien Bond and Interest Subaccount at the direction of the Village Treasurer with no further official action or direction of the Corporate Authorities for the payment of principal of and interest on the Bonds when due or as hereinafter provided for the payment of arbitrage rebate. Although the Village recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Village agrees that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

*Section 11. Sale of Bonds; Execution of Bond Order, Purchase Contract, Limited Offering Memorandum and Closing Documents.* The Designated Officers are hereby authorized to proceed, without any further authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds upon the terms as prescribed in this Section.

The Bonds shall be sold and delivered to the Underwriter at the Purchase Price, plus accrued interest, if any, to the date of delivery. Such sale shall be made upon the determination of the Designated Officers that (i) the terms of the Bonds are fair and reasonable in view of

current conditions in the bond markets and (ii) the proposed sale will accomplish the 2019 Retail TIF Project.

Nothing in this Section shall require the Designated Officers to sell the Bonds if in their judgment the conditions in the bond markets shall have markedly deteriorated from the time of adoption hereof, but the Designated Officers shall have the authority to sell the Bonds in any event so long as the limitations set forth in this Ordinance, the Indenture and the conditions of this Section shall have been met.

Upon the sale of the Bonds, the Designated Officers and any other officers of the Village as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the Bond Order, Preliminary Limited Offering Memorandum, Limited Offering Memorandum, Purchase Contract, Continuing Information Agreement and closing documents, including but not limited to a Tax Agreement and such certifications and agreements as are necessary to assure the Tax Exempt status of the Bonds and such undertakings as are necessary to comply with the securities laws of the United States of America.

The Purchase Contract shall be executed on behalf of the Village by the Designated Officers. The Purchase Contract shall be in substantially the form before this meeting, subject, however, to such modifications as may be necessary or advisable by the Designated Officer executing the Purchase Contract, his or her signature on the Purchase Contract constituting his or her approval of any such modifications and to be deemed conclusive and binding approval hereunder as to the Village and the Corporate Authorities. It is hereby found and determined that no person holding any office of the Village either by election or appointment, is in any manner

financially interested, either directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use of the Limited Offering Memorandum (including the Preliminary Limited Offering Memorandum and any amendments to the Limited Offering Memorandum), this Ordinance, all ordinances described in the first paragraph of this Ordinance, the Continuing Information Agreement and the Indenture in connection with the sale of the Bonds is hereby authorized, ratified and approved, and the Designated Officers are hereby authorized to execute and deliver the Limited Offering Memorandum to the Underwriter on behalf of the Village. The form of Limited Offering Memorandum before this meeting is hereby approved, subject, however, to such modifications as may be deemed necessary or advisable by the Designated Officer executing the Limited Offering Memorandum, his or her execution thereof constituting his or her approval of any such modifications and to be deemed conclusive and binding approval hereunder as to the Village and the Corporate Authorities.

Upon the sale of the Bonds, the Designated Officers shall prepare a Bond Order, which shall include the pertinent details of sale as provided herein and in the Indenture, including, specifically, the amount which is equal to the Senior Lien Debt Service Reserve Requirement, and such shall be entered into the records of the Village and made available to all Corporate Authorities members at the next public meeting thereof, but such action shall be for information purposes only, it being the express intent of the Corporate Authorities that the Designated Officers shall be fully authorized to sell, execute and deliver the Bonds as herein provided without further official action of the Corporate Authorities.

*Section 12. Creation and Maintenance of Funds; Appropriations; Investments.* The proceeds derived from the sale of the Bonds shall be used as follows:



A. Accrued interest, if any, capitalized interest, if any, in the amount and to and including the date, not to be later than July 1, 2022, as described in the Bond Order, and any premium received from the sale of the Bonds shall be credited to the Bond Fund and be applied to pay first interest due on the Bonds.

B. The amount of the proceeds of the Bonds, together with an amount of cash on hand and lawfully available therefor, as shall be provided in the Bond Order shall be deposited to the Senior Lien Debt Service Reserve Account and held as provided in the Indenture.

C. The amount of the proceeds of the Bonds as shall be provided in the Bond Order shall be deposited into a separate fund, hereby created, designated the “Series 2019 Senior Lien Tax Increment Revenue Bonds Expense Fund” (the “*Expense Fund*”) to be used to pay expenses of issuing the Bonds. Disbursements from such fund shall be made by the Trustee upon the delivery of the Bonds or from time to time thereafter by the Village Treasurer in accordance with customary Village disbursement procedures and as needed to pay costs of issuing the Bonds. Any excess in the Expense Fund shall be deposited into the Bond Fund after six months from the date of issuance of the Bonds.

D. From the principal proceeds of the Bonds, the sum necessary, as determined by the Designated Officers, shall be used to pay costs of the 2019 Retail TIF Project and to that end shall be deposited into a separate and segregated account of the Village, hereby created, and to be known as the “2019 Retail TIF Project Fund” (the “*Project Fund*”) Monies on deposit in and to the credit of the Project Fund shall be disbursed from time to time as needed by the Village Administrator, without further official action or direction of the Corporate Authorities, in accordance with normal Village procedures for disbursements of corporate funds for capital projects. As soon as shall be reasonably practicable following the Completion Date, remaining

funds, if any, on deposit in and to the credit of the Project Fund shall be transferred by the Village Treasurer, without further official action of or direction by the Corporate Authorities, to the Bond Fund, and the Project Fund shall be closed. Monies on deposit in and to the credit of the Project Fund may be (a) advanced to the Bond Fund in anticipation of the receipt of Pledged Taxes as necessary in order to assure the timely payment of principal of and interest on the Bonds and (b) invested by the Village Treasurer in any Permitted Investments, each without further official action of or direction by the Corporate Authorities. Alternatively, the Village may deposit from the principal proceeds of the Bonds, the sum necessary, as determined by the Designated Officers, to be used to pay costs of the 2019 Retail TIP Project into one or more existing capital projects funds of the Village and assign thereto a separate project number in accordance with customary Village procedures for capital improvement projects, and the Project Fund shall be deemed to consist of said proceeds, *provided, however*, that the hereinabove stated provisions for the Project Fund shall in all other respects be in effect.

*Section 13. Village Covenants.* The Village covenants and agrees that all Incremental Property Taxes required to be deposited into the Special Tax Allocation Fund shall be deposited into the Special Tax Allocation Fund as provided in the Indenture.

As provided in the Indenture, all moneys in the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund are pledged to the payment of the Bonds (and all other bonds at any time outstanding under the Indenture as provided therein), but only in the priorities specified in the Indenture and subject to the limitations contained therein.

The Village covenants and agrees with the holders of the Bonds that, so long as any Bonds remain outstanding and unpaid:

A. The Village will punctually pay or cause to be paid, in the priority specified in the Indenture, from the Pledged Taxes on deposit in and to the credit of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund, the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds, this Ordinance and the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

B. The Village will pay and discharge, or cause to be paid and discharged, from the Special Tax Allocation Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes, or any part thereof or upon any funds in the hands of the Trustee which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

C. So long as any Bonds are outstanding, the Village will prepare or cause the preparation of, within 180 days after the close of each Fiscal Year of the Village, complete financial statements with respect to that Fiscal Year, showing the amounts and sources of the Incremental Property Taxes and the Incremental Sales Taxes received, all disbursements from the funds and accounts created by this Ordinance and the Indenture and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Bonds and the Redevelopment Project as of the end of such Fiscal Year, which statements shall be accompanied by a certificate or opinion in writing of an independent certified public accountant to the effect that the Village is in compliance with the requirements of the Indenture relating to the Special Tax Allocation Fund and the requirements of the Act. The Village will

furnish a copy of such statements to the Underwriter, to any registered owner of a Bond upon written request and to the Trustee.

D. The Village will conform fully with all provisions of the TIF Act pertaining to annual reporting requirements.

E. The Village will use its best efforts to implement or cause the implementation of the Redevelopment Project with all practicable dispatch in accord with its stated objectives and purposes in conformity with the Redevelopment Plan and the TIF Act.

F. The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in this Ordinance.

G. The Village hereby specifically covenants, warrants and agrees that it will not order any abatement of its taxes on property in the Redevelopment Project Area pursuant to Sections 162 or 162(e) of The Revenue Act of 1939, as supplemented and amended, while any Bonds remain outstanding. The Village hereby expressly warrants, covenants and agrees that it will enforce any redevelopment agreements it may hereafter execute relating to the Redevelopment Project Area and all rights and interests inuring to the Village thereunder.

*Section 14. Additional Bonds.* The Village reserves the right to issue Additional Bonds from time to time for the purposes authorized in the Redevelopment Plan, and any such Additional Bonds shall share ratably and equally in the Pledged Taxes with the Series 2019 Senior Lien Bonds as may be provided; *provided, however*, that no Additional Bonds shall be issued except upon compliance with all of the following conditions:

- A. All deposits and credits required to be made into the Senior Lien Principal and Interest Subaccount and the Senior Lien Reserve and Redemption Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund shall have been made up to and including the date of adoption of any such ordinance authorizing the issuance of Additional Bonds.
- B. the Village shall have provided to the Trustee a report of a nationally recognized Independent consultant, knowledgeable as to urban redevelopment, tax increment financing and municipal finance, which includes the information and conclusions as follows:
  - a. A description of the purposes for which such Additional Bonds are to be issued; and
  - b. A statement that, in such Independent consultant's opinion, based upon his or her review of executed redevelopment agreements and such other documents as he or she reasonably deems pertinent, Pledged Taxes to be generated will be equal to at least 150% of actual annual debt service calculated for all succeeding years on all Series 2019 Senior Lien Bonds then outstanding and the Additional Bonds proposed to be issued.
- C. Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal and as to interest on the same dates of the year on which principal and interest come due on the Series 2019 Senior Lien Bonds.
- D. The Village specifically reserves the right to issue Junior Lien Bonds and subordinated obligations from time to time for the purposes authorized in the Redevelopment Plan.

Notwithstanding the foregoing restrictions, if, prior to the payment in full of the Series 2019 Senior Lien Bonds, the Village shall determine, as hereinafter provided in this Ordinance, to refund part or all of such Series 2019 Senior Lien Bonds then outstanding, said Series 2019 Senior Lien Bonds may be refunded, and any refunding bonds or obligations so issued shall share ratably and equally in the Pledged Taxes with the portion, if any, of such Series 2019 Senior Lien Bonds which is not refunded; *provided, further*, that if any portion of the Series 2019 Senior Lien Bonds is refunded such that the interest rate is increased or the refunding bonds or obligations mature at a date earlier than the maturity of such Series 2019 Senior Lien Bonds not refunded, then such refunding bonds or obligations shall be in all respects subordinate to such

Series 2019 Senior Lien Bonds and shall not share ratably and equally in the Pledged Taxes with the portion of such Series 2019 Bonds remaining outstanding, except that if it is found necessary to refund any annual installment of such Series 2019 Senior Lien Bonds at maturity or within one year of maturity thereof in order to prevent a default, such refunding bonds or obligations may be issued to share ratably and equally in the Pledged Taxes with the portion of such Series 2019 Senior Lien Bonds not refunded notwithstanding the fact that the interest rate is increased, *provided, however*, that such refunding bonds or obligations shall not mature at a date earlier than the maturity of any installment of principal of and interest on said Series 2019 Senior Lien Bonds not refunded and then outstanding.

A. Additional Bonds may be issued to refund Outstanding Bonds if the Additional Bonds result in a Current Debt Service Requirement in each Fiscal Year after the proposed issuance not greater than the corresponding year's Current Debt Service Requirement were such Additional Bonds not to be issued.

B. Additional Bonds may be issued to refund Outstanding Bonds in order to avoid or remedy default in the payment of principal of or interest on Outstanding Bonds; provided they are issued to avoid such default not earlier than three months prior to the due date of such principal or interest.

C. Bonds or other obligations may be issued payable from the Pledged Taxes subordinate to the Outstanding Bonds. Such subordinate bonds shall be payable from the General Subaccount created in the Indenture or may be made payable from such other fund or account as may be provided therefor, upon the transfer of moneys from the General Subaccount to such other fund or account. In any ordinance authorizing Additional Bonds, it shall be proper

to incorporate provisions of this ordinance by reference and, where appropriate, to have the term “*Bonds*” as used herein mean such Additional Bonds.

*Section 15. Refunding Bonds.* Subject to the provisions of Section 14 hereof, refunding bonds issued to refund, whether at or in advance of maturity, Bonds issued under this Ordinance, may be issued by the Corporate Authorities hereunder, and, upon such issuance, shall be “*Bonds*” as defined hereunder, subject to the limitations hereof.

*Section 16. General Arbitrage Covenants.* The Corporate Authorities certify and covenant with the purchasers and registered owners of the Bonds from time to time outstanding, that so long as any of the Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause such Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code, and any lawful regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised.

The Village further certifies and covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” (the “*Rebate Requirement*”) to the United States:

A. Unless an applicable exception to the Rebate Requirement is available to the Village, the Village will meet the Rebate Requirement.

B. Relating to applicable exceptions, the Designated Officers are hereby authorized to make such elections under the Code as such officers shall deem reasonable and in the best interests of the Village. If such election may result in a “penalty in lieu of rebate” as provided in the Code, and such penalty is incurred (the “*Penalty*”), then the Village shall pay such Penalty.

C. The Trustee is hereby authorized to establish within the Rebate Fund a “2019 Senior Lien Tax Increment Revenue Bonds Rebate [or Penalty, if applicable] Account” (the “~~2019~~ Rebate Account”) for the Bonds, and the Designated Officers are hereby directed, not less frequently than annually, to cause to be transferred to the 2019 Rebate Account the amount determined to be the accrued liability under the Rebate Requirement or Penalty. Title Designated Officers shall cause to be paid to the U.S., without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

D. Interest earnings in the Senior Lien Bond and Interest Subaccount and the Senior Lien Debt Service Reserve Account of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund and in the Limited Incremental Sales Tax Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the 2019 Rebate Account for the purposes herein provided; and proceeds of the Bonds and other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

*Section 17. Not Private Activity Bonds.* The Bonds are not “private activity bonds” as defined in Section 141(a) of the Code. In support of such conclusion, the Village certifies, represents and covenants as follows:

- (a) No direct or indirect payments are to be made on any Bond with respect to any Private Business Use by any person other than a state or local governmental unit; and
- (b) None of the proceeds of the Bonds is to be used directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

*Section 18. Further Tax Covenants.* The Village agrees to comply with all provisions of the Code which, if not complied with by the Village, would cause the Bonds not to be Tax



Exempt. In furtherance of the foregoing provisions, but without limiting their generality, the Village agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with Bond Counsel and to comply with such advice as may be given; (d) to pay to the United States, if necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (e) to file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Village in such compliance.

*Section 19. Reimbursement.* None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the Village prior to the date hereof except architectural or engineering costs incurred prior to the date hereof or expenditures for which an intent to reimburse has properly declared under Treasury Regulations Section 1.150-2. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs paid after the date hereof and prior to issuance of the Bonds.

*Section 20. Amendment to Add Additional Pledged Taxes.* The Village shall have the right, without the consent of the Trustee or any holders of the Bonds, to amend Exhibit A-1 at any time to include additional parcels of land located in the Redevelopment Project Area in the description of the Property.

*Section 22. Registered Form.* The Village recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and to

remain Tax Exempt. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

*Section 23. Opinion of Counsel Exception.* The Village reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the tax-related covenants set forth in Sections 16 through 20 herein, *provided* it shall first have received an opinion from Bond Counsel, or, in the event Bond Counsel is unable or unwilling to provide such opinion, from another attorney or a firm of attorneys of nationally recognized standing as bond counsel to the effect that use or investment of such moneys as contemplated is valid and proper under applicable law and this Ordinance and, further, will not adversely affect the Tax Exempt status for the Bonds.

*Section 24. Publication of Ordinance.* A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

*Section 25. Superseder and Effective Date.* All ordinances, resolutions and orders, or parts thereof, in conflict herewith are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

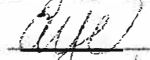
*Section 26. Severability.* If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

PASSED this 8th day of July 2019.

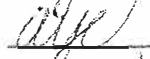
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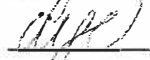
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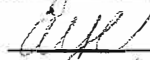
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Trustee Travis



Trustee Thill



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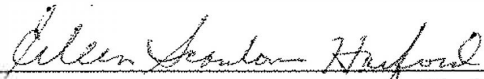


APPROVED by me this 8th day of July 2019.



Daniel P. DiMaria, Village President  
Village of Morton Grove  
Cook County, Illinois

APPROVED and FILED in my office  
This 9th day of July 2019.



Eileen Scanlon Harford, Village Clerk  
Village of Morton Grove  
Cook County, Illinois

**APPENDIX C**

**INDENTURE**

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**INDENTURE OF TRUST**

dated as of October 1, 2019

by and between

**VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS**

and

**AMALGAMATED BANK OF CHICAGO,  
as trustee**

**SENIOR LIEN TAX INCREMENT REVENUE BONDS  
(SAWMILL STATION REDEVELOPMENT PROJECT)**

**JUNIOR LIEN TAX INCREMENT REVENUE NOTE  
(SAWMILL STATION REDEVELOPMENT PROJECT)**

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INDENTURE OF TRUST dated as of October 1, 2019, by and between the VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS, an Illinois municipal corporation (the “*Village*”), and AMALGAMATED BANK OF CHICAGO, an Illinois banking corporation duly organized, existing and authorized to accept trusts of the character herein set out under and by virtue of the laws of the State of Illinois (the “*Trustee*”), as trustee.

### RECITALS

The Tax Increment Allocation Redevelopment Act, as supplemented and amended (the “*TIF Act*”), and particularly as supplemented and amended by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended, and as further supplemented, and where necessary, superseded, by Section 6 of Article VII of the 1970 Constitution of the State of Illinois (collectively, the “*Act*”), empowers the Village to issue its bonds or other obligations for the purposes specified in the Act.

On the 8th day of July, 2019, the Village President and Board of Trustees of the Village (the “*Corporate Authorities*”) adopted (A) Ordinance No. 19-06, approving a redevelopment plan (the “*Redevelopment Plan*”) and project (the “*Redevelopment Project*”) for the Sawmill Station Redevelopment Project Area (as legally described in EXHIBIT A attached hereto, the “*Redevelopment Project Area*”), (B) Ordinance No. 19-07, designating the Redevelopment Project Area, and (C) Ordinance No. 19-08, adopting tax increment allocation financing for the Redevelopment Project Area and creating a special tax allocation fund therefor (the “*Special Tax Allocation Fund*”) (collectively, the “*Original TIF Ordinances*”).

On the 8th day of July, 2019, the Corporate Authorities adopted Resolution Number 19-29, authorizing the execution of that certain Redevelopment Agreement between the Village and IM Kensington MG, LLC, a Delaware limited liability company (the “*Developer*”) (as most recently amended, the “*Redevelopment Agreement*”).

Pursuant to the Redevelopment Agreement the Developer has agreed to assemble real property or rights therein on a site within the Redevelopment Project Area (as legally described on EXHIBIT A-1 (Legal Description of Property attached hereto, the “*Total Property*”), and to construct on a portion of the Total Property (as legally described on EXHIBIT A-2 (Legal Description of Retail Parcel) attached hereto, the “*First Stage Property*”) certain retail and commercial improvements (including all electrical, engineering, financial, legal and other related services and expenditures, collectively, the “*First Stage TIF Project*”) and to construct on a portion of the Total Property (as legally described on EXHIBIT A-3 (Legal Description of Residential Property) attached hereto, the “*Second Stage Property*”) certain residential improvements (including all electrical, engineering, financial, legal and other related services and expenditures, collectively, the “*Second Stage TIF Project*” and, together with the First Stage TIF Project, the “*TIF Project*”).

The Village has heretofore determined that it is advisable and necessary and in the best interests of the Village that the costs of the TIF Project now be paid or reimbursed, and, to that effect, the Village wishes to provide in this Indenture of Trust for the issuance of the hereinafter defined Bonds, including, specifically, the hereinafter defined Senior Lien Bonds and the Junior Lien Note, for the continuation and operation of the Special Tax Allocation

Fund and the accounts therein, for the creation and operation of the Limited Incremental Sales Tax Fund.

On the 8th day of July, 2019, the Corporate Authorities adopted Ordinance No. 19-09 authorizing the issuance of the hereinafter defined Senior Lien Bonds and the execution of this Indenture of Trust.

On the 26<sup>th</sup> day of August, 2019, the Corporate Authorities adopted Ordinance No. 19-11 authorizing the issuance of the hereinafter defined Junior Lien Note and amended certain provisions of Ordinance No. 19-09.

Accordingly, the Village and the Trustee agree as follows for the benefit of the other and for the benefit of the holders of the Outstanding Bonds issued pursuant to and secured by this Indenture of Trust.

All terms used in the following Granting Clauses shall have the meanings set forth in Article I hereof.

### **GRANTING CLAUSE**

To secure the payment of the Bonds, the Village assigns to the Trustee and grants to the Trustee a security interest in all right, title and interest of the Village in and to (a) all Pledged Taxes and (b) all moneys and securities held from time to time by the Trustee under this Indenture of Trust as provided in this Indenture of Trust for the equal and proportionate benefit of all holders of the Bonds without priority or distinction as to lien or otherwise of any Bonds over any other Bonds, *provided* that (i) the Rebate Fund shall be held for the sole and exclusive benefit of the United States of America as provided in Section 5.03 hereof, (ii) the Senior Lien Bond and Interest Subaccount and the Senior Lien Debt Service Reserve Subaccount shall be held for the sole and exclusive benefit of the holders of the Senior Lien Bonds as provided in Section 4.05 hereof, (iii) the Junior Lien Note and Interest Subaccount and the Junior Lien Debt Service Reserve and Redemption Subaccount shall be held for the sole and exclusive benefit of the holders of the Junior Lien Notes as provided in Section 4.05 hereof, and (iv) the General Subaccount shall be held for the sole and exclusive use of the Village as provided in Section 4.05 hereof; and except as otherwise specifically provided in this Indenture of Trust or in any Supplemental Indenture.

### **ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION**

*Section 1.01.* Definitions. For all purposes of this Indenture of Trust, unless the context requires otherwise, the following terms shall have the following meanings:

“*Accounting*” is defined in Section 4.05 hereof. An “*Accounting Date*” is the date of any Accounting.

“*Act*” is defined in the Recitals hereto.

*“Additional Bonds”* means any bonds or notes issued in the future on a parity with and sharing ratably and equally in the Pledged Taxes with outstanding Senior Lien Bonds, including, without limitation, the Series 2019 Bonds, pursuant to Section 2.10 hereof.

*“Additional Notes”* means any bonds or notes issued in the future on a parity with and sharing ratably and equally in the Pledged Taxes with the Junior Lien Note pursuant to Section 2.11 hereof.

*“Baseline Sales Taxes”* means (i) for the calendar quarters ending September 30, 2019 and December 31, 2019, \$56,000.00, (ii) for the calendar quarters ending March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020, \$57,680.00, (iii) for the calendar quarters ending March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021, \$59,410.00, and (iv) for each calendar quarter ending on and after March 31, 2022, an amount equal to 3% above the previous calendar quarter’s amount.

*“Bond Counsel”* means Sheppard, Mullin, Richter & Hampton, LLP, Chicago, Illinois.

*“Bond Order”* means a written bond order and notification of sale signed by any Designated Officer as authorized in a Bond Ordinance and setting forth the final details of a Series of Bonds.

*“Bond Ordinance”* means any ordinance of the Village authorizing a Series of Bonds issued pursuant to this Indenture and specifically includes Ordinance Number 19-09, adopted by the Corporate Authorities on the 8th day of July, 2019, and authorizing the Series 2019 Senior Lien Bonds and Ordinance Number 19-11, adopted by the Corporate Authorities on the 26<sup>th</sup> day of August, 2019, and authorizing the Junior Lien Notes and amended certain provisions of Ordinance No. 19-09.

*“Bond Year”* means that 12 calendar month period beginning on January 1 of any calendar year and ending on December 31 of that year.

*“Bondholder”* or *“holder”* means the registered owner of a Bond of any Series.

*“Bonds”* means the Senior Lien Bonds, the Junior Lien Notes, or any other bonds or notes issued pursuant to or secured by this Indenture, whether Tax Exempt or Taxable, and specifically includes the Series 2019 Senior Lien Bonds.

*“Book Entry Form”* means the form of Bonds in which they are delivered to a depository and held solely by a depository, or its nominee, as record owner, transfers of beneficial ownership for such Bonds being made by book entries in accordance with the procedures of such depository.

*“Business Day”* means any day (a) other than a Saturday, Sunday or day on which banks in New York, New York, in the City of Chicago, Illinois, or in the city of the Trustee’s designated corporate trust office are required or authorized by law or executive order to close and (b) on which the New York Stock Exchange is not closed.

*“Code”* means the Internal Revenue Code of 1986, as amended.

“*Corporate Authorities*” means the President and Board of Trustees of the Village.

“*County*” means The County of Cook, Illinois.

“*County Clerk*” means the County Clerk of the County.

“*Current Debt Service Requirement*” means, upon any Accounting, the sum of the amounts of Principal Requirements and Interest Requirements with respect to Outstanding Bonds for the next succeeding Bond Year. For purposes of this definition, any Bond Ordinance or any Bond Order may provide that the Current Debt Service Requirement (i) includes Principal Requirements or Interest Requirements for more than one Bond Year or for a fractional amount of any Bond Year or (ii) includes a fractional amount of Principal Requirements or Interest Requirements for the next succeeding Bond Year, even if such fractional amount is less than all of the Principal Requirements or Interest Requirements for any Series of Bonds for such Bond Year or (iii) is to be calculated by reference to Tax Year rather than Bond Year if required by said Bond Ordinance or Bond Order.

“*Depository*” means The Depository Trust Company, New York, New York, or such successor depository operating a securities depository system as may be acceptable to the Village, or such depository’s agent or designee.

“*Designated Officer*” means the President, Clerk, Administrator, Treasurer or Finance Director of the Village, or any two of them acting together, and successors or assigns.

“*Eligible Store*” means each commercial establishment located within the Property generating Sales Taxes.

“*Event of Default*” means an event of default specified in Section 8.01 of this Indenture.

“*Extraordinary Mandatory Redemption Subaccount*” means the subaccount created and so named in Section 4.05 of this Indenture.

“*Favorable Opinion of Tax Counsel*” means an Opinion of Tax Counsel addressed to the Village and the Trustee to the effect that the action proposed to be taken is authorized by the laws of the State and this Indenture and will not adversely affect any exclusion from gross income for federal income tax purposes of interest on any Tax Exempt Bonds.

“*First Stage Property*” is defined in the preambles hereto.

“*Home Rule Sales Taxes*” means the 1.25% sales tax collected by the State and levied by the Village pursuant to the Home Rule Retailers’ Occupation Tax Act, as amended, and the Home Rule Service Occupation Tax Act, as amended, or successor taxes or charges imposed by the State or the Village in lieu thereof or in addition thereto. Home Rule Sales Taxes shall not include any food and beverage tax, business district tax or other taxes not levied under the Home Rule Retailer’s Occupation Tax Act, as amended, and the Home Rule Service Occupation Tax Act, as amended or any taxes levied in addition to the 1.25% sales tax under the Home Rule Retailer’s Occupation Tax Act, as amended, and the Home Rule

Service Occupation Tax Act, as amended. or successor taxes or charges imposed by the State or the Village in lieu thereof or in addition thereto.

*“Incremental Property Taxes”* means the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk, all as provided in the TIF Act.

*“Incremental Sales Taxes”* means the aggregate distributions by the State to the Village each calendar quarter of Sales Taxes imposed on Eligible Stores within the Property for such calendar quarter over and above the Baseline Taxes for such calendar quarter, or successor taxes thereto.

*“Indenture”* means this Indenture of Trust, as it may be amended or supplemented from time to time in accordance with its terms by and between the Village and the Trustee.

*“Initial Equalized Assessed Value”* means the equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Project Area as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes, all as determined by the County Clerk in accordance with the TIF Act.

*“Interest Requirement”* means, for any Series of Bonds and for any Bond Year, the aggregate amount of interest payable on such Series of Bonds during such Bond Year; *provided, however,* that interest accruing but not payable in such Bond Year on any bonds issued as Capital Appreciation Bonds (as defined in any Bond Ordinance) shall not be included in such aggregate amount.

*“Junior Lien Note and Interest Subaccount”* means the fund created in Section 4.05 hereof and any fund of that name referred to in any Bond Ordinance authorizing the issuance of a Series of Junior Lien Notes.

*“Junior Lien Notes”* means any Series of Bonds defined as *“Junior Lien Notes”* in any Bond Ordinance.

*“Junior Lien Debt Service Reserve and Redemption Subaccount”* means the fund created in Section 4.05 hereof and any fund referred to in any Bond Ordinance authorizing the issuance of a Series of Junior Lien Notes.

*“Junior Lien Debt Service Reserve Requirement”* means an amount equal to the aggregate of each Debt Service Reserve Requirement as defined in any Bond Ordinance authorizing the issuance of a Series of Junior Lien Notes and as referred to in Section 4.05(e) hereof.

*“Limited Incremental Property Taxes”* means an amount of Incremental Property Taxes which is equal to that portion of each distribution of Incremental Property Taxes arising from the Property.

*“Limited Incremental Sales Tax Fund”* means the fund created in Section 4.07 of this Indenture.

*“Limited Incremental Sales Taxes”* means fifty percent (50%) of the Incremental Sales Taxes.

*“Maximum Annual Debt Service”* means at any given time of determination an amount equal to the maximum Principal Requirement and Interest Requirement on the Bonds and any Additional Bonds then outstanding in the then current or in any succeeding Bond Year by reason of Stated Maturities, scheduled mandatory prepayments or by operation of any mandatory sinking fund.

*“Municipal Portion”* means, collectively, that portion of the Incremental Property Taxes and that portion of the Incremental Sales Taxes not pledged under any Bond Ordinance or this Indenture to the payment of principal of and applicable premium and interest on the Bonds, *to-wit*: an amount of Incremental Property taxes equal to that portion of each distribution of Incremental Property Taxes which is not derived from the Property and fifty percent (50%) of each distribution of Incremental Sales Taxes.

*“Nominee”* means any nominee of a Depository as may be specified in any Bond Ordinance or Bond Order.

*“Opinion of Counsel”* means a written opinion of counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Village or the Trustee.

*“Opinion of Tax Counsel”* means an Opinion of Counsel experienced in matters relating to the tax exemption of interest on obligations issued by states and their political subdivisions.

The term *“outstanding”* when used with reference to Bonds, or *“Bonds outstanding”* means all Bonds which have been authenticated and delivered by the Trustee, except the following:

- (a) Bonds canceled or delivered to the Trustee for cancellation.
- (b) Bonds that have become due (at maturity, on redemption, or otherwise) and for the payment, including interest accrued to the due date, of which sufficient moneys are held by the Trustee.
- (c) Bonds deemed paid by Section 6.01.
- (d) Bonds in lieu of which others have been authenticated under Section 2.03 (relating to registration and exchange of Bonds) or 2.04 (relating to mutilated, lost, stolen or destroyed Bonds).

*“Pledged Taxes”* means, collectively, the Limited Incremental Property Taxes and the Limited Incremental Sales Taxes or means, for a Series of Junior Lien Notes, that portion of the Limited Incremental Property Taxes, the Limited Incremental Sales Taxes, or both so defined in the Bond Ordinance authorizing such Series of Junior Lien Notes.

*“Principal Requirement”* means, for any Series of Bonds and for any Bond Year, the aggregate principal amount, including the Compound Accreted Value at Maturity (as defined in any Bond Ordinance), of such Series of Bonds having a Stated Maturity during such Bond Year less any amount on deposit in a related Reserve Fund which has been specifically pledged to the payment of principal of such Series of Bonds during such Bond Year (as opposed to pledged to the payment of principal of such Series of Bonds solely to the extent other funds are not available for payment). If any Bond Ordinance for a Series of Bonds provides that such Series of Bonds is subject to mandatory redemption to the extent Pledged Taxes are available to pay the redemption price on such Series of Bonds, then the Principal Requirement for such Series of Bonds for any Bond Year shall include principal payments on such Series of Bonds equal to the amount of Pledge Taxes available to make such redemption payment in such Bond Year.

*“Program Expense Requirement”* means, for any Bond Year, such amount as may be provided for any Series of Bonds in the relevant Bond Ordinance.

*“Program Expenses”* means any administrative expenses related to or incurred in connection with a Series of Bonds, including, specifically, (i) the sum necessary to pay all costs and expenses of any Trustee, registrar or paying agent for any Series of Bonds, (ii) fees related to the calculation or verification of any required payment to the United States of America pursuant to Section 148(f) of the Code and (iii) expenses of the Village relating specifically to the administration of, or provision of governmental services to, the Redevelopment Project Area and the Redevelopment Project.

*“Program Expenses Fund”* means the Program Expenses Subaccount created in Section 4.05 hereof.

*“Project Fund”* means any Project Fund established under a Bond Ordinance.

*“Property”* means until the issuance of the Second Series Bonds pursuant to Ordinance Number 19-09 and this Indenture, the First Stage Property and, on and after the issuance of the Second Series Bonds pursuant to the Ordinance Number 19-09 and this Indenture, the Total Property.

*“2019 Redevelopment Projects Account”* means the fund of that name created in Section 4.05 hereof.

*“Rating Agency”* means any rating agency that has an outstanding credit rating assigned to any Outstanding Bonds at the request of the Village.

*“Rebate Fund”* means the fund of that name created in Section 5.03 hereof.

*“Redevelopment Agreement”* is defined in the preambles hereto.



*“Redevelopment Plan”* is defined in the preambles hereto.

*“Redevelopment Project”* is defined in the preambles hereto.

*“Redevelopment Project Area”* is defined in the preambles hereto.

*“Representation Letter”* means any Representation Letter dated the date of the initial issuance of any Bonds and signed by and among the Village, the Trustee and a Depository.

*“Reserve Fund”* means any Senior Lien Debt Service Reserve Subaccount, Junior Lien Debt Service Reserve and Redemption Subaccount or any fund designated a Reserve Fund which is established under a Bond Ordinance.

*“Responsible Officer”* means the Chairman of the Board, the President, a Vice President or any other officer or assistant officer of the Trustee within the corporate trust office specified in Section 10.01(b) hereof assigned by the Trustee to administer its corporate trust matters.

*“Sales Taxes”* means generally applicable sales taxes collected by the State and levied on Eligible Stores pursuant to the Retailers’ Occupation Tax Act, as amended, the Service Occupation Tax Act, as amended, the Use Tax Act, as amended and the Service Use Tax Act, as amended and Home Rule Sales Taxes or successor taxes or charges imposed by the State or the Village in lieu thereof or in addition thereto..

*“School Payment”* means the payments to school districts as provided in 65 ILCS 5-11-74.4-3(q)(7.5) of the TIF Act.

*“Second Series Senior Lien Bonds”* means a series of Additional Bonds issued after the Series 2019 Senior Lien Bonds of the Village are issued to finance a development on the Second Stage Property in accordance with the Redevelopment Agreement.

*“Second Stage Property”* is defined in the preambles hereto.

*“Senior Lien Bond and Interest Subaccount”* means the fund created in Section 4.05 hereof and any fund so referred to in a Bond Ordinance authorizing the issuance of a Series of Senior Lien Bonds.

*“Senior Lien Bonds”* mean any Series of Bonds defined as *“Senior Lien Bonds”* in any Bond Ordinance and specifically includes the Series 2019 Senior Lien Bonds.

*“Senior Lien Debt Service Reserve Subaccount”* means the fund created in Section 4.05 hereof and any fund so referred to in a Bond Ordinance authorizing the issuance of a Series of Senior Lien Bonds.

*“Senior Lien Debt Service Reserve Requirement”* means an amount equal to the aggregate of each Debt Service Reserve Requirement as defined in any Bond Ordinance authorizing the issuance of a Series of Senior Lien Bonds or a related Bond Order and as referred to in Section 4.05(c) hereof.

“*Series*” means any series of Bonds so designated by a Bond Ordinance.

“*Series 2019 Senior Lien Bonds*” means the first Series of Senior Lien Bonds issued under this Indenture which are designated as “Senior Lien Tax Increment Revenue Bonds, Series 2019 (Sawmill Station Redevelopment Project)” of the Village.

“*Special Tax Allocation Fund*” is defined in the preambles hereto.

“*State*” means the State of Illinois.

“*Stated Maturity*” when used with respect to any Bond or any interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable whether by maturity, mandatory redemption or otherwise.

“*Supplemental Indenture*” means any supplement to this Indenture pursuant to Article IX hereof.

“*Tax Agreement*” means the Section 103 (Tax Exemption) Certificate and Agreement of the Village dated the date that any Tax Exempt Bonds are initially issued and sold, as amended from time to time.

“*Tax Escrow Agreement*” means that written direction, if any, from the Village to the County Collectors of the County, or either of them, to transmit the Incremental Property Taxes upon collection directly to the Trustee.

“*Tax Exempt*” means, with respect to Bonds, the status of interest accrued, paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest is taken into account in determining the alternative minimum tax for certain corporations.

“*Tax Year*” means the year for which an ad valorem tax levy is made by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area. The 2019 Tax Year shall be that year during which ad valorem taxes levied for the year 2019 are extended and collected (which is in the year 2020), and so on.

“*Taxable Bonds*” means any Bonds issued hereunder on other than a Tax Exempt basis.

“*Total Property*” is defined in the preambles hereto.

“*Treasurer*” means the Treasurer of the Village.

“*Trust Estate*” means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture.

“*Trustee*” means the entity identified as such in the heading of this Indenture and its successors under this Indenture.

“*Underwriter*” has the meaning given such term in any Bond Ordinance.

“*U.S. Government Obligations*” is defined in Section 6.01.

*Section 1.02. Rules of Construction.* Unless the context otherwise requires,

- (a) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles, and
- (b) references to Articles and Sections are to the Articles and Sections of this Indenture.

## **ARTICLE II THE BONDS**

*Section 2.01. Bond Terms.* The terms of any Senior Lien Bonds shall be set forth in a Bond Ordinance authorizing the issuance of a Series of Senior Lien Bonds, any related Bond Order and/or a supplement to this Indenture. The terms of any Junior Lien Notes shall be set forth in a Bond Ordinance authorizing the issuance of a Series of Junior Lien Notes, any related Bond Order and/or a supplement to this Indenture. A certified copy of any Bond Ordinance shall be filed with the Trustee on the date that any Bonds are initially issued. Any Bond terms may be finalized in a Bond Order as provided in any Bond Ordinance. Any supplement to this Indenture shall be filed with the Trustee on the date any related Series of Bonds is issued.

*Section 2.02. Bond Register.* Bonds may be presented at the office maintained for the purpose by the Trustee for registration, transfer and exchange, and Bonds may be presented at that office for payment. The Trustee shall keep a register of Bonds (the “*Bond Register*”) and of their transfer and exchange.

*Section 2.03. Registration and Exchange of Bonds; Persons Treated as Owners.* Bonds may be transferred only on the Bond Register. Upon surrender for transfer of any Bond to the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the holder or the holder’s attorney duly authorized in writing, the Trustee will authenticate a new Bond or Bonds of the same Series in an equal total principal amount and of the same maturity and registered in the name of the transferee.

Bonds may be exchanged for an equal total principal amount of Bonds of the same Series and of the same maturity of different authorized denominations. The Trustee will authenticate and deliver Bonds that the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding.

The Trustee will not be required to transfer or exchange any Bond called for redemption or during the period beginning 15 days before the mailing of notice calling the Bonds or any portion of the Bonds for mandatory purchase or for redemption and ending on the mandatory purchase date or the redemption date, as the case may be.

The Trustee shall deliver to the transferee any applicable notice of redemption or mandatory tender for purchase when it effects a transfer or exchange of any Bond after the mailing of notice calling the Bond or any portion of the Bond for redemption or mandatory tender for purchase.

The registered owner of a Bond shall be the absolute owner of the Bond for all purposes, and payment of principal or interest shall be made only to or upon the written order of the holder or the holder's legal representative.

The Trustee will require the payment by a Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid in respect of the exchange or transfer but will not impose any other charge.

*Section 2.04. Mutilated, Lost, Stolen or Destroyed Bonds.* If any Bond is mutilated, lost, stolen or destroyed, the Trustee will authenticate a new Bond of the same Series and of the same maturity of the same denomination if any mutilated Bond shall first be surrendered to the Trustee, and if, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Village and the Trustee evidence of such loss, theft or destruction, together with an indemnity, satisfactory to them. If the Bond has matured, instead of issuing a duplicate Bond, the Trustee may with the consent of the Village pay the Bond without requiring surrender of the Bond (except in the case of a mutilated Bond) and make such requirements as the Trustee deems fit for its protection, including a lost instrument bond. The Village and the Trustee may charge their reasonable fees and expenses in this connection.

*Section 2.05. Cancellation of Bonds.* Whenever a Bond is delivered to the Trustee for cancellation (upon payment, redemption or otherwise), or for transfer, exchange or replacement pursuant to Section 2.03 or 2.04, the Trustee will promptly cancel the Bond and after destruction of the Bond, the Trustee will issue a certificate of destruction to the Village.

*Section 2.06. Temporary Bonds.* Until definitive Bonds are ready for delivery, the Village may execute and the Trustee will authenticate temporary Bonds substantially in the form of the definitive Bonds, with appropriate variations. The Village will, without unreasonable delay, prepare and the Trustee will authenticate definitive Bonds in exchange for the temporary Bonds. Such exchange shall be made by the Trustee without charge.

*Section 2.07. Depository.* Any Bonds may be registered so as to participate in a securities depository system with a Depository (the "*Depository System*"), as set forth herein, and such Bonds shall be initially issued in Book Entry Form. Upon initial issuance, the ownership of such Bond shall be registered on the Bond Register in the name of a Nominee, or any successor thereto, as nominee for Depository. The Village and the Trustee are authorized to execute and deliver such letters to or agreements with a Depository as shall be necessary to effectuate the Depository System, including the Representation Letter. With respect to any Bonds registered in the Bond Register in the name of a Nominee, as nominee of a Depository, the Village and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which such Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*Depository Participant*") or to any person on behalf

of whom such a Depository Participant holds an interest in such Bonds (each such person being herein referred to as an “*Indirect Participant*”). Without limiting the immediately preceding sentence, the Village and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of a Depository, its Nominee, or any Depository Participant with respect to the ownership interest in such Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a bond as shown in the Bond Register, of any notice with respect to such Bonds, including any notice of mandatory tender for purchase or of redemption or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, such Bonds. While in the Depository System, no person other than the appropriate Nominee, or any successor thereto, as nominee for a Depository, shall receive a Bond certificate with respect to any such Bond. Upon delivery by a Depository to the Trustee of written notice to the effect that such Depository has determined to substitute a new nominee in place a Nominee, and subject to the provisions of any Bond Ordinance with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Bonds at the close of business on the record date applicable to any interest payment date, the name “Nominee” in this Indenture shall refer to such new nominee of such Depository.

In the event that (a) the Village determines that a Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason or (c) the Village determines that it is in the best interests of the beneficial owners of such Bonds that they be able to obtain certificated Bonds, the Trustee shall notify such Depository of the availability through such Depository of Bond certificates and such Bonds shall no longer be restricted to being registered on the Bond Register in the name of a Nominee, as nominee of Depository. At that time, the Village may determine that such Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Village or such depository’s agent or designee, and if the Village does not select such alternate securities depository system then such Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of a Nominee, as nominee of a Depository, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

*Section 2.08. Escrowed Bonds.* If so provided in any Bond Ordinance or a Bond Order, a Series of Bonds may be deposited by the Village with the Trustee to be held in escrow by the Trustee, pending delivery thereof to a purchaser. Said Bonds when so deposited shall be deemed to be “*Escrowed Bonds*” hereunder. The Trustee shall authenticate, release and deliver Escrowed Bonds and Escrowed Bonds shall be deemed to have been issued by the Village only upon the delivery of a relevant Bond Order to the Trustee, together with the written confirmation by the Village that (i) the purchase price or consideration for the issuance by the Village of such Escrowed Bonds shall have been received by the Village; (ii) such

documentation, representations, certifications and covenants as may have been required by the Village and Tax Counsel as a precondition to such authentication, release and delivery by the Trustee and issuance by the Village shall have been executed or received, which shall at a minimum include a Tax Agreement and an Opinion of Tax Counsel for Escrowed Bonds issued on a Tax Exempt basis; (iii) the relevant Bond Ordinance and Bond Order for such Escrowed Bonds are in full force and effect and have not been repealed or rescinded; and (iv) no Event of Default hereunder has occurred and is continuing and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an Event of Default. The Trustee shall be entitled to rely upon such written confirmation, in substantially the form attached hereto as *Exhibit B*, of the Village in determining to authenticate, deliver and release Escrowed Bonds.

*Section 2.09. Certain Rights Reserved to Village.* The Village reserves the right to provide one or more irrevocable letters of credit, lines of credit, standby purchase agreements, financial guaranty insurance policies or surety bonds or similar instruments (for purposes hereof, collectively, “*Instruments*”) (including Qualified Reserve Account Instruments), or a combination thereof to secure the payment of the principal of, premium, if any, and interest on one or more series of Outstanding Bonds, or in the event owners of such Bonds have the right to require purchase thereof, to secure the payment of the purchase price of such Bonds upon the demand of the owners thereof. In connection with any such Instruments, the Village may execute and deliver an agreement setting forth the conditions upon which drawings or advances may be made under such Instruments and the method by which the Village will reimburse the issuer of such Instruments for such drawings together with interest thereon at such rate or rates and otherwise make payments as may be agreed upon by the Village and the issuer of such Instruments. Any such obligation of the Village to reimburse or otherwise make payments to the issuer of such Instruments securing a series of Outstanding Bonds shall be payable from the Senior Lien Bond and Interest Subaccount or the Junior Lien Note and Interest Subaccount, as applicable, under this Indenture to the same extent as any series of Outstanding Bonds, and any and all amounts payable by the Village to reimburse the issuer of any such Instruments, together with interest thereon, shall for purposes of this Ordinance be deemed to constitute the payment of principal of, premium, if any, and interest on Outstanding Bonds.

*Section 2.10. Additional Bonds.*

The Village reserves the right to issue Additional Bonds from time to time for the purposes authorized in the Redevelopment Plan, and any such Additional Bonds shall share ratably and equally in the Pledged Taxes with the outstanding Senior Lien Bonds as may be provided; *provided, however*, that no Additional Bonds shall be issued except upon compliance with all of the following conditions:

(A) All deposits and credits required to be made into the Senior Lien Principal and Interest Subaccount and the Senior Lien Reserve and Redemption Subaccount of the 2019 Redevelopment Projects Account of the Special Tax Allocation Fund shall have been made up to and including the date of adoption of any such ordinance authorizing the issuance of Additional Bonds.

(B) the Village shall have provided to the Trustee a report of a nationally recognized Independent consultant, knowledgeable as to urban redevelopment, tax increment financing and municipal finance, which includes the information and conclusions as follows:

a. A description of the purposes for which such Additional Bonds are to be issued; and

b. A statement that, in such Independent consultant's opinion, based upon his or her review of executed redevelopment agreements and such other documents as he or she reasonably deems pertinent, Pledged Taxes to be generated will be equal to at least [150%] of actual annual debt service calculated for all succeeding years on all Senior Lien Bonds then outstanding and the Additional Bonds proposed to be issued.

(C) Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal and as to interest on the same dates of the year on which principal and interest come due on the Senior Lien Bonds.

*Section 2.11. Additional Notes.*

No Additional Notes shall be issued unless the Village shall have obtained the prior written consent of the registered owners of all of the Junior Lien Notes then outstanding. The Village hereby expressly reserves unto itself without restriction of any type or kind whatsoever the right to issue obligations secured by all or any portion of the Municipal Portion. In addition, the Village shall have the right to issue any bonds or obligations that are subordinate to the Senior Lien Bonds and Junior Notes. The Village also reserves the right, without the need to obtain any consent of the holders of the Junior Lien Notes, to (a) refinance any Senior Lien Bonds on any date after such Senior Lien Bonds become callable and (b) defease any Senior Lien Bonds and issue new Senior Lien Bonds secured by the same pledged taxes so long as such defeasance (i) does not adversely affect the tax-exempt status of the Bonds, (ii) the new Senior Lien Bonds are tax-exempt, and (iii) such defeasance allows for a restructuring or reduction of the debt service for the Senior Lien Bonds.

**ARTICLE III  
REDEMPTION**

Bonds shall be subject to redemption as provided in a Bond Ordinance and/or a Supplemental Indenture.

**ARTICLE IV  
APPLICATION OF PROCEEDS AND PAYMENT OF BONDS**

*Section 4.01. Application of Proceeds and Completion.*

(a) *Application of Proceeds.* The Village will cause the proceeds of the initial sale of any Series of Bonds to be deposited with the Trustee as provided in the relevant Bond Ordinance or Bond Order. The Trustee will hold those proceeds in trust for the benefit

of the Bondholders and will apply the proceeds in accordance with a relevant Bond Ordinance or Bond Order and this Section.

Moneys in each Project Fund will be disbursed to pay Redevelopment Project costs described in the appropriate Bond Ordinance or related Bond Order or to reimburse the Village or a Developer for Redevelopment Project costs paid by it, upon receipt of a written request signed by a Designated Officer. The Trustee shall rely fully on any such written request delivered pursuant to this Section and shall not be required to make any investigation in connection therewith.

The Village covenants and agrees that moneys in each Project Fund will be used solely for the purposes described in and solely for the payment of the portion of the Redevelopment Project costs described in the appropriate Bond Ordinance, and for Bonds issued on a Tax Exempt basis, in accordance with the provisions of the relevant Tax Agreement.

(b) *Completion.* Upon the completion of Redevelopment Project costs described in the appropriate Bond Ordinance, any balance of moneys in any Project Fund created with proceeds of Senior Lien Bonds or Project Fund created with proceeds of Junior Lien Notes shall be used and deposited as provided in the Bond Ordinance authorizing such Bonds or the relate Bond Order or, if not provided therein then be withdrawn from the Project Fund by the Trustee and deposited into the Senior Lien Bond and Interest Subaccount or the Junior Lien Note and Interest Subaccount, as appropriate, and be used to pay the principal portion of the redemption price of any Senior Lien Bonds or Junior Lien Notes, as appropriate, on the earliest possible redemption date on which no redemption premium must be paid or if earlier, the principal portion due on a maturity date of such Senior Lien Bonds or Junior Lien Notes, as appropriate.

*Section 4.02. Payments of Bonds.*

(a) The Trustee will make payments of principal of, premium, if any, and interest on the Senior Lien Bonds from moneys deposited in the hereinafter created "Senior Lien Bond and Interest Subaccount." The Trustee will deposit in the Senior Lien Bond and Interest Subaccount all moneys available to the Trustee for the purpose of paying principal of, premium, if any, and interest on the Senior Lien Bonds. Moneys in the Senior Lien Bond and Interest Subaccount shall be used solely to pay principal of, premium, if any, and interest on the Senior Lien Bonds and the holders of the Junior Lien Notes or any other Bonds shall not have any interest in said moneys.

(b) The Trustee will make transfers as needed to the credit of the Senior Lien Bond and Interest Subaccount of moneys deposited in the hereinafter created "Senior Lien Debt Service Reserve Subaccount." The Trustee will deposit in the Senior Lien Debt Service Reserve Subaccount all moneys available to the Trustee to make deposits to the Senior Lien Debt Service Reserve Subaccount. Anything in this Indenture to the contrary notwithstanding, moneys in the Senior Lien Debt Service Reserve Subaccount shall be used solely and only to pay principal of, premium, if any, and interest on Senior Lien Bonds, and the holders of the Junior Lien Notes or any other Bonds shall not have any interest in said moneys.



(c) The Trustee will make payments of principal of, premium, if any, and interest on the Junior Lien Notes from moneys deposited in the hereinafter created "Junior Lien Note and Interest Subaccount." The Trustee will deposit in the Junior Lien Note and Interest Subaccount all moneys available to the Trustee for the purpose of paying principal of, premium, if any, and interest on the Junior Lien Notes, as provided in any Junior Lien Note Ordinance. Except as provided in any Supplemental Indenture, moneys in the Junior Lien Note and Interest Subaccount shall be used solely to pay principal of, premium, if any, and interest on Junior Lien Notes and the holders of the Senior Lien Bonds or any other Bonds shall not have any interest in said moneys.

(d) The Trustee will make transfers as needed to the credit of the Junior Lien Note and Interest Subaccount of moneys deposited in the hereinafter created "Junior Lien Debt Service Reserve and Redemption Subaccount." The Trustee will deposit in the Junior Lien Debt Service Reserve and Redemption Subaccount all moneys available to the Trustee to make deposits to the Junior Lien Debt Service Reserve and Redemption Subaccount. Anything in this Indenture to the contrary notwithstanding, moneys in the Junior Lien Debt Service Reserve and Redemption Subaccount shall be used solely to pay principal of, premium, if any, and interest on Junior Lien Notes and the holders of the Senior Lien Bonds or any other Bonds shall not have any interest in said moneys.

(e) The proceeds of investments of any such moneys may be used to the same extent as the moneys invested could be used had they not been invested.

*Section 4.03. Investment of Moneys.* To the extent permitted by law, the Trustee will invest and reinvest moneys held by it under this Indenture as directed by an officer of the Village in any investment authorized by a Bond Ordinance or a relevant Bond Order and, for any Bonds issued on a Tax Exempt basis, as permitted by the relevant Tax Agreement. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. The Trustee may make any and all such investments and such investments through its own investment department or that of its affiliates or subsidiaries.

Investments will be made in instruments maturing, or which may be redeemed at the option of the holder, on or prior to the date or dates that the Trustee anticipates that moneys from the investments or the proceeds thereof will be required to make payments of principal of or interest on Bonds. Investments will be registered in the name of the Trustee or in the Trustee's nominee name and held by or under the control of the Trustee. The Trustee will sell and reduce to cash a sufficient amount of investments whenever the cash held by the Trustee is insufficient to pay principal of and premium, if any, and interest on the Bonds, *provided, however*, that absent its negligence or willful misconduct, the Trustee shall not be held liable for any investment losses incurred in connection with such investments. The Village agrees for the benefit of holders of any Bonds issued on a Tax Exempt basis that moneys held by the Trustee in connection with such Bonds, whether or not such moneys were derived from the proceeds of the sale of such Bonds, will not be used in a manner which will cause such Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to such agreement, the Village will comply with the requirements of that Section. The Village and the Trustee each agree for the benefit of the holders of any Bonds issued on a Tax Exempt

basis that it will comply with those provisions of the Tax Agreement which impose duties or obligations upon it.

Although the Village recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Village hereby agrees that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

*Section 4.04. Moneys Held in Trust.* The Trustee will hold in trust for the benefit of the Bondholders (a) the proceeds of the initial sale of the Bonds until used as contemplated herein and (b) all moneys held by it for any payment on the Bonds.

*Section 4.05. Special Tax Allocation Fund.* There is hereby continued the “Sawmill Station Redevelopment Project Area Special Tax Allocation Fund” heretofore created by Ordinance Number 19-09, adopted by the Corporate Authorities on the 8th day of July, 2019, as amended by Ordinance Number 19-11, adopted by the Corporate Authorities on the 26th day of August, 2019 (the “*Special Tax Allocation Fund*”), which is a trust fund established under the TIF Act for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by the TIF Act, this Indenture, and any Bond Ordinance. The Village hereby expressly continues the accounts heretofore created within the Special Tax Allocation Fund and known as the “Municipal Account” and the “2019 Redevelopment Project Account.”

The Bonds are secured, in the priority of lien and as otherwise herein provided, by a pledge of the Limited Incremental Property Taxes on deposit in certain subaccounts of the 2019 Redevelopment Project Account of the Special Tax Allocation Fund as provided below and by the Limited Incremental Sales Taxes as provided below, and such pledge is irrevocable until the obligations of the Village are discharged under this Indenture, any Supplemental Indenture, and any Bond Ordinance.

The Incremental Property Taxes are to be paid by the officers of the County who collect or receive the same (i) to the Treasurer or (ii) in the event the Village files a Tax Escrow Agreement with the County Clerk, directly to the Trustee. If and whenever the Treasurer receives any of the Incremental Property Taxes, he or she shall retain the Municipal Portion and shall immediately transmit the Limited Incremental Property Taxes to the Trustee for deposit into the 2019 Redevelopment Project Account, hereby created, of the Special Tax Allocation Fund. In the event that the Village shall file a Tax Escrow Agreement with the County, the Trustee shall immediately upon receipt of each distribution of Incremental Property Taxes and a certification from the Village as to the amount of the Municipal Portion, transmit the Municipal Portion to the Treasurer for deposit into the Municipal Account of the Special Tax Allocation Fund which shall be held by the Village and shall thereafter immediately deposit the Limited Incremental Property Taxes into the 2019 Redevelopment Project Account of the Special Tax Allocation Fund for deposit to the separate accounts thereof as hereinafter created.

There are hereby expressly created (or authorized to be created) within the 2019 Redevelopment Project Account of the Special Tax Allocation Fund the following subaccounts:

the "School Subaccount", the "Program Expenses Subaccount," the "Senior Lien Bond and Interest Subaccount," the "Senior Lien Debt Service Reserve Subaccount," the "Extraordinary Mandatory Redemption Subaccount" (but only if provided in any Bond Ordinance authorizing a Series of Senior Lien Bonds), the "Junior Lien Note and Interest Subaccount" (but only upon the issuance of any Junior Lien Notes), the "Junior Lien Debt Service Reserve and Redemption Subaccount" (but only upon the issuance of any Junior Lien Notes and if so provided in the Bond Ordinance authorizing a Series of Junior Lien Notes) and the "General Subaccount." The Trustee shall hold the School Subaccount, the Program Expenses Subaccount, the Senior Lien Bond and Interest Subaccount, the Senior Lien Debt Service Reserve Subaccount, the Extraordinary Mandatory Redemption Subaccount (if created), the Junior Lien Note and Interest Subaccount (if created) and the Junior Lien Debt Service Reserve and Redemption Subaccount (if created). The Village shall hold the General Subaccount. Each such Subaccount shall be held separate and segregated from all other funds of the Village. On or before each December 1, commencing on December 1, 2019, the Trustee shall conduct an accounting (each, an "*Accounting*") to determine the amounts, if any, to be deposited in and shall transfer said amounts into the following Subaccounts in the order in which hereinafter mentioned, as follows:

(a) *School Subaccount and Program Expenses Subaccount.* The Trustee shall (i) first transfer Limited Incremental Property Taxes to the School Subaccount until the balance on deposit in and to the credit of the School Subaccount shall equal the School Payment for such year as certified in writing by the Village to the Trustee by November 1 of such year and (ii) after the transfer in clause (i), second transfer Limited Incremental Property Taxes to the Program Expenses Subaccount until the balance on deposit in and to the credit of the Program Expenses Subaccount shall equal the Program Expense Requirement. Moneys on deposit in the School Account shall be paid to or at the written direction of the Village to make payments as provided in 65 ILCS 5-11-74.4-3(q)(7.5) of the TIF Act and moneys on deposit in the Program Expenses Subaccount shall be used to pay or reimburse Program Expenses and shall be disbursed upon the written direction of the Village.

(b) *The Senior Lien Bond and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Senior Lien Bond and Interest Subaccount the amount of Limited Incremental Property Taxes necessary to pay the Current Debt Service Requirement for Senior Lien Bonds. If upon any Accounting there are Limited Incremental Property Taxes in the Senior Lien Bond and Interest Subaccount in excess of the amount necessary to pay such Current Debt Service Requirement, such funds shall first be transferred by the Trustee to the Senior Lien Debt Service Reserve Subaccount as described below.

Except as hereinafter or in any Supplemental Indenture provided, moneys to the credit of the Senior Lien Bond and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Senior Lien Bonds as the same become due upon maturity or mandatory redemption or on an interest payment date.

(c) *The Senior Lien Debt Service Reserve Subaccount.* The Trustee shall next credit the balance of the Limited Incremental Property Taxes to a separate and special account to maintain a debt service reserve for the outstanding Senior Lien Bonds, to be known as the Senior Lien Debt Service Reserve Subaccount. The Trustee shall credit Limited

Incremental Property Taxes to the Senior Lien Debt Service Reserve Subaccount until the amount to the credit of the Senior Lien Debt Service Reserve Subaccount aggregates the Senior Lien Debt Service Reserve Requirement. Thereafter no such payments shall be made by the Trustee into the Senior Lien Debt Service Reserve Subaccount except that when any money is paid out of said Subaccount payments shall be resumed and continued until such account has been restored to an aggregate amount equal to the Senior Lien Debt Service Reserve Requirement. At the time of the issuance of any Additional Bonds, the Senior Lien Debt Service Reserve Subaccount shall be immediately funded to the fullest extent as may be both (1) permitted by the Act and (2) if the Additional Bonds so issued are Tax Exempt, as may be limited by the Code.

Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be used, at the written direction of the Village, to redeem all or a portion of a series of Senior Lien Bonds secured by such funds; provided, however, that such funds may only be used for optional redemption of a series of Senior Lien Bonds if such series is being redeemed in full. In addition, if there is not sufficient funds in the Senior Lien Bond and Interest Subaccount after making any transfers from the Limited Incremental Sales Tax Fund, the Trustee shall transfer to the Senior Lien Bond and Interest Subaccount amounts from the Senior Lien Debt Service Reserve Subaccount as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Senior Lien Bonds. Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be pledged to pay principal of any specified Senior Lien Bonds under a related Bond Ordinance or Bond Order.

Whenever the Trustee has credited to and deposited into the Senior Lien Debt Service Reserve Subaccount an amount of Limited Incremental Property Taxes sufficient to maintain a balance to the credit of said Subaccount equal to the Senior Lien Debt Service Reserve Requirement, and subject to the provisions of and in any order of priority as provided in any Junior Lien Note Ordinance or Supplemental Indenture, the Trustee shall then remit remaining funds to the credit of the Special Tax Allocation Fund into any of the Extraordinary Mandatory Redemption Subaccount, the Junior Lien Note and Interest Subaccount or the Junior Lien Debt Service Reserve and Redemption Subaccount, as follows:

(d) *The Extraordinary Mandatory Redemption Subaccount.* Whenever any Bond Ordinance authorizing a Series of Senior Lien Bonds or related Bond Order so provides, the Trustee shall next credit to and shall immediately transfer for deposit into the Extraordinary Mandatory Redemption Subaccount any portion of the balance of the Limited Incremental Property Taxes required under such Bond Ordinance or Bond Order to be held by the Trustee and used solely to provide for the extraordinary mandatory redemption of a Series of Senior Lien Bonds. Incidental to each Accounting the Trustee shall determine the amount, if any, necessary to provide for such extraordinary mandatory redemption and, without further official action by or direction from the Corporate Authorities shall so provide for such extraordinary mandatory redemption of Bonds. If, upon any Accounting, the Trustee shall determine that no such credit to or deposit into the Extraordinary Mandatory Redemption Subaccount shall be required, any Limited Incremental Property Taxes shall next be transferred by the Trustee to the Junior Lien Note and Interest Subaccount as described below.

(e) *The Junior Lien Note and Interest Subaccount.* Whenever there are any Junior Lien Notes outstanding, the Trustee shall next credit to and shall immediately transfer for deposit into the Junior Lien Note and Interest Subaccount any portion of the balance of the Limited Incremental Property Taxes pledged under a Bond Ordinance authorizing a Series of Junior Lien Notes or a related Bond Order to a Series of Junior Lien Notes. Incidental to each Accounting and as may be further provided in a Bond Ordinance authorizing a Series of Junior Lien Notes or a related Bond Order, the Trustee shall determine the amount necessary to pay the Current Debt Service Requirement (which shall include any mandatory principal payments required to the extent there are available Pledged Taxes), if any, for Junior Lien Notes and to determine the amount, if any, on deposit in and to the credit of the Junior Lien Note and Interest Subaccount. If upon any Accounting and such application of funds, there are Limited Incremental Property Taxes on deposit in the Junior Lien Note and Interest Subaccount in excess of the amount necessary or pledged to pay such Current Debt Service Requirement, such Limited Incremental Property Taxes shall first be transferred by the Trustee to the Junior Lien Debt Service Reserve and Redemption Subaccount as described below.

Except as hereinafter or in any Supplemental Indenture, Bond Ordinance or Bond Order provided, moneys to the credit of the Junior Lien Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Junior Lien Notes as the same become due upon maturity or mandatory redemption.

(f) *The Junior Lien Debt Service Reserve and Redemption Subaccount.* Whenever there are any Junior Lien Notes outstanding, the Trustee shall credit to and shall immediately transfer for deposit into the Junior Lien Debt Service Reserve and Redemption Subaccount any portion of the balance of the Limited Incremental Property Taxes in the Special Tax Allocation Fund pledged under a Bond Ordinance to a Series of Junior Lien Notes. The Trustee shall credit Limited Incremental Property Taxes to the Junior Lien Debt Service Reserve and Redemption Subaccount until the amount to the credit of the Junior Lien Debt Service Reserve and Redemption Subaccount aggregates the Junior Lien Debt Service Reserve Requirement, if any. Thereafter no such payments shall be made by the Trustee into the Junior Lien Debt Service Reserve and Redemption Subaccount, except that when any money is paid out of said Subaccount payments shall be resumed and continued until such account has been restored to an aggregate amount equal to the Junior Lien Debt Service Reserve Requirement. Monies on deposit in the Junior Lien Debt Service Reserve and Redemption Subaccount may be used at the written direction of the Village to redeem Junior Lien Notes. In addition, if there is not sufficient funds in the Junior Lien Note and Interest Subaccount after making any transfers from the Limited Incremental Sales Tax Fund, the Trustee shall transfer to the Junior Lien Note and Interest Subaccount amounts as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Junior Lien Notes. Amounts on deposit in the Junior Lien Debt Service Reserve and Redemption Subaccount may be pledged to pay principal of any specified Junior Lien Notes under a related Bond Ordinance.

Wherever the Trustee has credited to and deposited into the Junior Lien Note and Interest Subaccount and the Junior Lien Debt Service Reserve and Redemption

Subaccount all amounts required to be deposited therein, unless the amount is less than \$1,000 in which case the remaining Pledged Taxes should be deposited and credited to the 2019 Redevelopment Project Account of the Special Tax Allocation Fund in order to be used for deposits on the next Accounting, the Trustee shall remit remaining funds to the credit of the Special Tax Allocation Fund to the Treasurer for credit to the following Account:

(g) *The General Subaccount.* All moneys remaining, after crediting the required amounts to the respective accounts hereinabove provided for, shall be transmitted by the Trustee to the Treasurer for credit to the General Subaccount. Moneys on deposit in the General Subaccount shall be transferred by the Treasurer first, if necessary, to the Trustee to remedy any deficiencies in any prior accounts in the 2019 Redevelopment Project Account of the Special Tax Allocation Fund; second, to the hereinafter created Rebate Fund as needed to maintain the Tax Exempt status of any Bonds issued on a Tax Exempt basis; and thereafter, together with any moneys on deposit in and to the credit of the Municipal Account, at the further discretion of the Corporate Authorities, as follows, in any order of priority mentioned:

(i) for the purpose of paying any Redevelopment Project costs, including any expenses of the Trustee and any expenses of the Village relating specifically to the administration of, or provision of governmental services to, the Redevelopment Project Area and the Redevelopment Project;

(ii) for the purpose of redeeming any Bonds;

(iii) for the purpose of purchasing any Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase;

(iv) for the purpose of refunding, advance refunding or prepaying any Bonds;

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities;

(vi) for the purpose of paying principal of or premium or interest on any obligations of the Village issued to pay Redevelopment Project costs, whether or not secured by a pledge of monies on deposit in the Special Tax Allocation Fund;

(vii) for the purpose of reimbursing the Village for any transfers made from any lawfully available funds of the Village, including, specifically, the Limited Incremental Sales Taxes and/or Limited Incremental Sales Taxes, to the 2019 Redevelopment Project Account of the Special Tax Allocation Fund;

(viii) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with Section 11-74.4-7 of the TIF Act *provided, however*, that the Village expressly covenants and warrants that while any Senior Lien Bonds remain outstanding, no such distribution shall occur; or

(ix) for any other purpose related to the Redevelopment Project Area or the Redevelopment Project pursuant to the Act.

Bonds may be issued secured solely by Limited Incremental Property Taxes held in and to the credit of the General Subaccount, and such Bonds shall be in all respects subordinate in right of payment and lien and junior to Senior Lien Bonds and Junior Lien Notes. The Village hereby expressly reserves unto itself the unconditional power to issue any obligations, whether notes, bonds, contracts or otherwise, relating to the Redevelopment Project Area and the Redevelopment Project and payable from the Municipal Account, it being expressly agreed and understood that no moneys on deposit in the Municipal Account, regardless of source, comprise any portion of the Trust Estate pledged hereunder.

Except as otherwise provided in any Bond Ordinance or a related Bond Order, as of any Accounting, (i) funds to the credit of the Senior Lien Debt Service Reserve Subaccount in excess of the Senior Lien Debt Service Reserve Requirement shall be transferred by the Trustee to the Senior Lien Bond and Interest Subaccount, (ii) funds to the credit of the Junior Lien Debt Service Reserve and Redemption Subaccount in excess of the Junior Lien Debt Service Reserve Requirement shall be transferred by the Trustee to the Junior Lien Note and Interest Subaccount, and (iii) funds to the credit of the General Subaccount shall be transferred by the Treasurer to the Trustee to remedy any deficiency in a prior account on any date and as requested by the Trustee.

When all Bonds and related Redevelopment Project costs to be paid by the Bonds have been paid or provided for, all moneys remaining in the 2019 Redevelopment Project Account of the Special Tax Allocation Fund shall be transferred to the Village and may be used by the Village for any lawful purpose under the Act.

*Section 4.06.* [Reserved].

*Section 4.07.* Limited Incremental Sales Tax Fund. There is hereby created a separate and segregated account of the general corporate funds of the Village to be known as the "Limited Incremental Sales Tax Fund." Whenever the Treasurer receives any of the Incremental Sales Taxes he or she shall promptly transmit Limited Incremental Sales Taxes to the Trustee for deposit into the Limited Incremental Sales Tax Fund, which shall be held as a trust fund by the Trustee pursuant to this Indenture. The Trustee shall use moneys on deposit in and to the credit of the Limited Incremental Sales Tax Fund solely and only for the purpose of carrying out the terms of this Indenture and any Bond Ordinance or a relate Bond Order and in accordance with the Redevelopment Agreement. On any Accounting and as otherwise may be provided in any Bond Ordinance or a related Bond Order, after the Trustee makes the deposits of the Limited Incremental Property Taxes in accordance with Section 4.05 hereof, the Trustee shall transfer funds on deposit in and to the credit of the Limited Incremental Sales Tax Fund to the credit of and on deposit in, *first*, the Senior Lien Bond and Interest Subaccount to the extent necessary to pay the Current Debt Service Requirement for Senior Lien Bonds after taking into account the amounts already on deposit in such Subaccount, *second*, the Senior Lien Debt Service Reserve Account in an amount necessary to make the amounts to the credit of and on deposit in such account equal to the Senior Lien Debt Service Reserve Requirement, *third*, the Junior Lien Note and Interest Subaccount to the extent necessary to pay the Current Debt Service Requirement for Junior Lien Notes (and if

the Bond Ordinance or related Bond Order authorizing a Junior Lien Note provides that such Junior Lien Note shall be mandatorily redeemed to the extent there are available Pledged Taxes, then such mandatory redemption payments shall be included in the Current Debt Service Requirement) after taking into account the amounts already on deposit in such Subaccount, or *fifth*, the Junior Lien Debt Service Reserve and Redemption Account in an amount necessary to make the amounts to the credit of and on deposit in such account equal to the Junior Lien Debt Service Reserve Requirement, in each case, it being the express intent of the Village that the Limited Incremental Sales Taxes shall be used as necessary and are hereby expressly pledged, to the extent, in the amounts and as provided in any Bond Ordinance authorizing the issuance of a Series of Bonds, to pay the Principal Requirement and the Interest Requirement on the Bonds.

*Section 4.08. No Pledge of Certain Accounts.* It is hereby expressly covenanted, agreed and provided that no moneys on deposit in and to the credit of the Program Expenses Subaccount, School Payment Subaccount, the Municipal Account and the Rebate Fund have been encumbered by any provisions of this Indenture, are pledged or will be available to pay the principal of, applicable premium if any and interest on the Bonds.

## **ARTICLE V COVENANTS**

*Section 5.01. Payment of Bonds.* The Village will promptly pay the principal of applicable premium, if any, and interest on the Bonds on the dates and in the manner provided in the Bonds and any Bond Ordinance, but only from the sources and in the priority of lien as described herein and therein.

*Section 5.02. Further Assurances.* The Village will execute and deliver such supplemental indentures and such further instruments, and do such further acts, as the Trustee may reasonably require for the better assuring, assigning and confirming to the Trustee the amounts assigned under this Indenture for the payment of the principal of and applicable premium, if any, and interest on the Bonds.

*Section 5.03. Rebate Fund.*

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained under this Indenture designated as the “*Rebate Fund*”. Within the Rebate Fund, the Trustee, at the direction of the Village, shall maintain such accounts as shall be necessary in order to comply with the terms and requirements of the Tax Agreement. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required pursuant to any relevant Tax Agreement, for payment to the federal government of the United States of America, and neither the Village nor the owner of any Bonds shall have any rights or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 5.04 and by any relevant Tax Agreement.

(b) Upon the Village’s written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Village or from available investment earnings on amounts held under this Indenture and available for this purpose, if and to the



extent required, so that the balance of the amount on deposit thereto shall be equal to the amount required by any relevant Tax Agreement. Computations of the amount required to be deposited into the Rebate Fund shall be furnished by or on behalf of the Village in accordance with any relevant Tax Agreement.

(c) The Village shall have no obligation to direct the Trustee to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Village.

(d) The Trustee, upon direction from the Village, shall invest all amounts held in the Rebate Fund as set forth in any relevant Tax Agreement. Money shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) Upon receipt of the Village's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Village so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the Village's written directions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any amount required to be paid pursuant to any relevant Tax Agreement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Village upon the Village's written direction.

(f) Notwithstanding any other provision of this Indenture, including in particular Article VI, the obligation to remit the amounts required to be paid pursuant to any relevant Tax Agreement to the United States and to comply with all other requirements of this Section and Section 5.04 and the Tax Agreement shall survive the discharge of the lien of this Indenture or payment in full of the Bonds.

*Section 5.04. Tax Covenants.* The Village covenants for the benefit of the holders of any Bonds issued on a Tax Exempt basis that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the excludability of the interest on such Bonds from federal gross income.

Without limiting the generality of the foregoing, the Village agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to any Bonds issued on a Tax Exempt basis from time to time. This covenant shall survive payment in full of any Bonds issued on a Tax Exempt basis or the discharge of the lien of this Indenture. The Village specifically covenants to pay or cause to be paid to the United States at the times and in the amounts determined under Section 5.03 the amounts required under any relevant Tax Agreement.

The Village will comply with the yield restrictions of amounts held under this Indenture as set forth in any relevant Tax Agreement.

Notwithstanding any provision of this Section and Section 5.03, if the Village provides to the Trustee an Opinion of Tax Counsel to the effect that any action required under this

Section and Section 5.03 is no longer required, or to the effect that some further action is required, to maintain the excludability of interest on any Bonds issued on a Tax Exempt basis from federal gross income, the Trustee and the Village may conclusively rely on such opinion in complying with the provisions of this Indenture, and the covenants under this Indenture shall be deemed to be modified to that extent.

*Section 5.05. Discharge of Liens.* The Village will pay and discharge, or cause to be paid and discharged, from the 2019 Redevelopment Project Account of the Special Tax Allocation Fund and from the Limited Incremental Sales Tax Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

*Section 5.06. Records.* The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project and to the Pledged Taxes. The Village is further authorized pursuant to the Redevelopment Agreement to review, audit and copy certain books and records of the Developer (as provided to the Village, the “*Developer Records*”). The Village hereby covenants and agrees to make available such books of record and accounts and such Developer Records at all times during business hours for the inspection of the Underwriter and of the holders of not less than \$1,000,000 of principal amount of any Series of Bonds then outstanding, or their representatives authorized in writing.

*Section 5.07. Warranty and Defense.* The Village will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Village, the Bonds shall be incontestable by the Village.

*Section 5.08. Deposit of Limited Incremental Property Taxes and Limited Incremental Sales Taxes.* As long as any Bonds are outstanding, the Village will continue to deposit the Limited Incremental Property Taxes to the Special Tax Allocation Fund and will continue to deposit the Limited Incremental Sales Taxes to the Limited Incremental Sales Tax Fund. The Village covenants and agrees with the Bondholders that so long as any Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to allocate or collect such taxes. The Village and its officers will comply with the Act and with all present and future applicable laws in order to assure that such taxes may be collected and deposited as provided herein.

*Section 5.09. Reporting.* The Village covenants and agrees with the Bondholders that so long as any Bonds remain outstanding, it will timely comply with all notice, meeting and reporting requirements imposed under the Act and relating to the Special Tax Allocation Fund, the Redevelopment Project, the Redevelopment Project Area and the Incremental Property Taxes as are now or may be hereafter required by the laws of the State.

## ARTICLE VI DISCHARGE OF INDENTURE

*Section 6.01. Bonds Deemed Paid; Discharge of Indenture.* Any Bond will be deemed paid for all purposes of this Indenture when (a) payment of the principal of and interest on the Bond to the due date of such principal and interest (whether at maturity, upon redemption or otherwise) either (1) has been made in accordance with the terms of the Bonds or (2) has been provided for by depositing with the Trustee or with another institution having trust powers (A) moneys sufficient to make such payment and/or (B) U.S. Government Obligations maturing as to principal and interest in such amounts and at such times as will insure, without reinvestment, the availability of sufficient moneys to make such payment and/or (C) obligations (herein, "*Refunded Obligations*") of any state, territory or possession of the United States, or any political subdivision thereof, the timely payment of the principal of and interest on which is fully provided for by the deposit in trust or irrevocable escrow of cash or noncallable direct obligations of the United States, the principal of and interest on which Refunded Obligations will be sufficient timely to make such payment (and, as to A, B or C hereof, which shall be evidenced by a certificate, in form satisfactory to the Trustee, of a firm of independent certified public accountants acceptable to the Trustee) and (b) all compensation and expenses of the Trustee pertaining to each Bond in respect of which such deposit is made have been paid or provided for to the Trustee's satisfaction. When a Bond is deemed paid, it will no longer be secured by or entitled to the benefits of this Indenture or be an obligation of the Village, except for payment from moneys or U.S. Government Obligations under (a)(2) above and except that it may be transferred, exchanged, registered or replaced as provided in Article II.

"*U.S. Government Obligations*" means obligations which are not subject to redemption or prepayment prior to maturity and which are (i) direct obligations of the United States for which its full faith and credit are pledged, (ii) direct obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States, the full and timely payment of principal and interest on which is unconditionally guaranteed as a full faith and credit obligation of the United States, or (iii) certificates or receipts evidencing direct ownership interests in future principal and interest payments on obligations described in (i) and (ii).

Notwithstanding the foregoing, no deposit under clause (a)(2) of the first paragraph of this Section shall be made until the Village has furnished the Trustee an Opinion of Tax Counsel stating that the deposit of such cash or U.S. Government Obligations will not cause any Bonds issued on a Tax Exempt basis to become "arbitrage bonds" under Section 148 of the Code.

Also, if the Bond is to be redeemed prior to maturity, notice of redemption of the Bond must be given in accordance with a Bond Ordinance in order for such deposit to be deemed a payment of such Bond. If the Bond is not to be redeemed or paid within the next 60 days, the Village must give the Trustee, in form satisfactory to the Trustee, irrevocable instructions (i) to provide notice, as soon as practicable, in accordance with a Bond Ordinance, that the deposit required by (a)(2) above has been made with the Trustee and that the Bond is deemed to be paid under this Article and stating the maturity or redemption date upon which moneys

are to be available for the payment of the principal of the Bond, and, (ii) unless the Bond matures in 60 days or less, to give notice of redemption not less than 30 nor more than 60 days prior to the redemption date for such Bond.

When all outstanding Bonds (including Bonds held by the Village) are deemed paid under the foregoing provisions of this Section, the Trustee will upon request acknowledge the discharge of the lien of this Indenture, *provided, however*, that the obligations under Article II in respect of the transfer, exchange, registration, replacement and payment (from moneys or U.S. Government Obligations as described in the first paragraph of this Section) of Bonds shall survive the discharge of the lien of this Indenture.

No deposit will be made or accepted and no use made of any such deposit which would cause any Bonds issued on a Tax Exempt basis to be treated as “arbitrage bonds” within the meaning of Section 148 of the Code.

*Section 6.02. Application of Trust Money.* The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to the preceding Section and shall apply the deposited money and the money from the U.S. Government Obligations in accordance with this Indenture only to the payment of principal of and interest on the Bonds.

## ARTICLE VII TRUSTEE

### *Section 7.01. Duties of Trustee.*

(a) If any Event of Default under this Indenture shall have occurred and be continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person’s own affairs.

(b) The Trustee, prior to an Event of Default and after the curing of all Events of Default, undertakes to perform only those duties that are specifically set forth in this Indenture and no others. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(1) this paragraph does not limit the effect of paragraph (b) of this Section,

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts,

(3) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to all the paragraphs of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power, excluding, however, the duty to draw on any Credit Facility or to make any payment on any Bond to any holder of such Bond, unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any cash held by it except as the Trustee may agree with the Village.

(g) The Trustee will cooperate with the Village and its auditors in complying with provisions of the Act relating to reporting requirements with respect to Incremental Property Taxes and the Special Tax Allocation Fund and in complying with the provisions of any continuing disclosure undertaking hereafter executed by the Village in connection with a Series of Bonds.

(h) The Trustee hereby covenants and agrees to provide not less frequently than monthly, commencing the first Business Day following the delivery of any Series of Bonds, to the Treasurer, the Underwriter and the holders of not less than \$1,000,000 of principal amount of any Series of Bonds then outstanding, or their representatives authorized in writing, a statement itemizing all moneys received by it and all payments made by it under the provisions of this Indenture during the preceding calendar month. The Village hereby expressly agrees that (a) confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is tendered and (b) no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

*Section 7.02. Rights of Trustee. Subject to the foregoing Section:*

(a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require a certificate of an appropriate officer or officers of the Village or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the certificate or Opinion of Counsel.

(c) The Trustee may act through agents or co-trustees and shall not be responsible for the misconduct or negligence of any agent or co-trustee appointed with due care.

(d) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default.

(e) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except failure to pay debt service when due) unless the Trustee shall be specifically notified in writing of such default by the Village or by the owners of at least 25% in aggregate principal amount of all Bonds then outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(f) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Village elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's good faith understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's good faith reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Village agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

*Section 7.03. Individual Rights of Trustee.* The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Village with the same rights it would have if it were not Trustee. Any paying agent may do the same with like rights.

*Section 7.04. Trustee's Disclaimer.* The Trustee makes no representation as to the validity or adequacy of this Indenture or the Bonds; it shall not be accountable for the Village's use of the proceeds from the Bonds paid to the Village, and it shall not be responsible for any statement in the Bonds other than its certificate of authentication. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no

responsibility for compliance with any state or federal securities laws in connection with the Bonds.

*Section 7.05. Eligibility of Trustee.* This Indenture shall always have a Trustee that is a commercial bank with trust powers or a trust company organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized under such laws and the laws of the State to exercise corporate trust powers, has an office in the State, is subject to supervision or examination by United States or State authority, and has a combined capital and surplus of at least \$10,000,000 as set forth in its most recent published annual report of condition. If at any time the Trustee ceases to be eligible in accordance with this Section, the Trustee shall resign immediately as set forth in Section 7.06.

*Section 7.06. Replacement of Trustee.* The Trustee may resign with thirty (30) days written notice to the Village, effective upon the execution, acknowledgment and delivery by a successor Trustee to the Village of appropriate instruments of succession. Provided that no Event of Default shall have occurred and be continuing, the Village may remove the Trustee and appoint a successor Trustee at any time by an instrument or concurrent instruments in writing delivered to the Trustee; *provided, however,* that the holders of 55% in aggregate principal amount of Bonds outstanding at the time may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instrument in writing signed by such Bondholders, and further provided that any conflict between the Village and such holders regarding such removal and appointment shall be resolved in favor of such holders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States or of the State. Such successor Trustee shall in all respects meet the requirements set forth in Section 7.05 hereof.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Village shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Village. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee; the resignation or removal of the retiring Trustee shall then (but only then) become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Village or the holders of 55% in principal amount of the Bonds then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

*Section 7.07. Successor Trustee by Merger.* If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

*Section 7.08. Compensation and Indemnity.* The Village shall pay the Trustee reasonable compensation for its services hereunder including reasonable compensation for all attorneys or agents reasonably employed by it, and also its reasonable expenses and disbursements, and shall indemnify the Trustee including its officers, directors, employees and agents, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, except with respect to its own negligence or willful misconduct. If the Village defaults in respect of the foregoing obligations, the Trustee may deduct the amounts owing to it from any moneys coming into its hands and payable to the Village. No provisions of this Indenture shall require the Trustee to expend or to risk its own funds or otherwise to incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

## **ARTICLE VIII EVENTS OF DEFAULT; REMEDIES**

*Section 8.01. Definition of Events of Default; Remedies.* If one or more of the following events, herein called “Events of Default”, shall happen, that is to say, in case:

(i) except as may be otherwise provided in a Bond Ordinance, default shall be made in the payment of the principal of or redemption premium, if any, on any Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(ii) except as may be otherwise provided in a Bond Ordinance, default shall be made in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable; or

(iii) default shall be made by the Village in the performance of any obligation in respect of any Reserve Fund and such default shall continue for 30 days thereafter; or

(iv) the Village shall (1) commence 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 (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or have entered against it any order for relief in respect of 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 and such order continue in effect for a period of 60 days without stay or vacation; or

(v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Village, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Village under the



Federal bankruptcy laws or any other applicable Federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(vi) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Village or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control; or

(vii) the Village shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, or Bond Ordinance or in this Indenture on the part of the Village to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Village by the Trustee (which may give such notice whenever it determines that such a default is subsisting and shall give such notice at the written request of the holders of not less than a majority in principal amount of the Bonds then outstanding);

then in each and every such case the Trustee may, and upon the written request of the holders of 65% in principal amount of the Bonds affected by the Event of Default and then outstanding hereunder shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all monies received by the Trustee under this Indenture from the Village or from any other source shall be applied by the Trustee in accordance with the terms of paragraph 8.09 of this Indenture.

*Section 8.02.* Notices of Default under Indenture. Promptly after the occurrence of an Event of Default or the occurrence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default (and in any event with 5 days after the occurrence of an Event of Default or such event), the Trustee shall mail to the Bondholders at the address shown on the Bond Register and to the Developer notice of all Events of Default or such events known to the Trustee unless such defaults or prospective defaults shall have been cured before the giving of such notice.

*Section 8.03.* Termination of Proceedings by Trustee. In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Village, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

*Section 8.04. Right of Bondholders to Control Proceedings.* Anything in this Indenture to the contrary notwithstanding, the holders of 65% in principal amount of the Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Bonds; *provided* that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

*Section 8.05. Right of Bondholders to Institute Suit.* No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also the holder, or holders, of 65% in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Bonds.

Nothing in this Section contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest on his Bonds out of the Special Tax Allocation Fund or special funds and accounts provided for such payment, or the obligation of the Village to pay the same, out of said Special Tax Allocation Fund or special funds and accounts, at the time and place in the Bonds expressed.

*Section 8.06. Suits by Trustee.* All rights of action under this Indenture, or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds affected by such suit or proceeding, subject to the provisions of this Indenture.

*Section 8.07. Remedies Cumulative.* No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in

addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

*Section 8.08. Waiver of Default.* No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Section to the Trustee and the Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient.

*Section 8.09. Application of Monies After Default.* The Village covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article as follows:

(1) First, to the payment of all costs and expenses of collection, fees, and other amounts due to the Trustee hereunder; and thereafter,

(2) All such monies shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on Senior Lien Bonds then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal or then current compound accreted value, as the case may be, of any of the Senior Lien Bonds which shall have become due (other than Senior Lien Bonds called for redemption for the payment of which monies are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Senior Lien Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Senior Lien Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference;

(C) third, to the payment of the redemption premium, if any, on and the principal of any Senior Lien Bonds called for redemption pursuant to the provisions of this Indenture;

(D) fourth, to the payment to the persons entitled thereto of all installments of interest on Junior Lien Notes then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(E) fifth, to the payment to the persons entitled thereto of the unpaid principal or then current compound accreted value, as the case may be, of any of the Junior Lien Notes which shall have become due (other than Junior Lien Notes called for redemption for the payment of which monies are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Junior Lien Notes from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Junior Lien Notes due on any particular date, together with such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal due on such date, to the persons entitled thereto without any discrimination or preference;

(F) sixth, to the payment of the redemption premium, if any, on and the principal of any Junior Lien Notes called for redemption pursuant to the provisions of this Indenture; and

(G) seventh, to the payment of any Bonds payable solely from the General Subaccount in such order of priority as set forth in the related Bond Ordinance.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this paragraph, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Village, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Bond until such

Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

**ARTICLE IX**  
**AMENDMENTS OF AND SUPPLEMENTS TO INDENTURE**

*Section 9.01.* Without Consent of Bondholders. The Village and the Trustee may amend or supplement this Indenture or the Bonds without notice to or consent of any Bondholder:

- (a) to cure any ambiguity, inconsistency or formal defect or omission,
- (b) to grant to the Trustee for the benefit of the Bondholders additional rights, remedies, powers or authority,
- (c) to subject to this Indenture additional collateral or to add other agreements of the Village,
- (d) to modify this Indenture or the Bonds to permit qualification under the Trust Indenture Act of 1939 or any similar Federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States,
- (e) to evidence the succession of a new Trustee or the appointment by the Trustee or the Village of a co-trustee,
- (f) to make any change (including a change in Section 4.01 to reflect any amendment to the Code or interpretations by the Internal Revenue Service of the Code) that does not materially adversely affect the rights of any Bondholder, or
- (g) to make any change that the Village deems necessary or desirable in connection with the issuance and sale of any Junior Lien Notes.

Anything in this Indenture to the contrary notwithstanding, the provisions of Sections 4.02(c) and 4.02(d) of this Indenture may be amended by the Village without the consent of the Trustee or the consent of the owners of the Senior Lien Bonds; *provided* that no such amendment shall impair the security of the Senior Lien Bonds and the rights of the Senior Lien Bondholders; and *further provided* that notice of any such amendment shall be provided to the Trustee and the owners of the Senior Lien Bonds. Notwithstanding the foregoing, no amendment to this Indenture which expands or otherwise affects the duties of the Trustee hereunder shall be made except with the prior written approval of the Trustee.

*Section 9.02.* With Consent of Bondholders. If an amendment of or supplement to this Indenture or the Bonds without any consent of Bondholders is not permitted by the preceding Section, the Village and the Trustee may enter into such amendment or supplement upon not more than 60 and not less than 30 days' notice to Bondholders and with the consent of the holders of at least 65% in principal amount of the Senior Lien Bonds then outstanding, a majority in principal amount of the Junior Lien Notes then outstanding, and a majority in

principal amount of any subordinate lien Bonds then outstanding, but, in each case, only to the extent the rights of such class of Bondholders are affected by such amendment or supplement. However, without the consent of each Bondholder affected, no amendment or supplement may (a) extend the maturity of the principal of, or interest on, any Bond, (b) reduce the principal amount of, or rate of interest on, any Bond, (c) effect a privilege or priority of any Bond or Bonds of any Series over any other Bond or Bonds of such Series, (d) reduce the percentage of the principal amount or current compound accreted value of the Bonds required for consent to such amendment or supplement, (e) impair the exclusion of interest on the Bonds from the Federal gross income of the owner of any Bond issued on a Tax Exempt basis, (f) eliminate any mandatory redemption of the Bonds or call for mandatory redemption or reduce the redemption price of such Bonds, (g) create a lien ranking prior to or on a parity with the lien of this Indenture on the property described in the Granting Clause of this Indenture or (h) deprive any Bondholder of the lien created by this Indenture on such property. In addition, if moneys, U.S. Government Obligations or other obligations have been deposited or set aside with the Trustee pursuant to Article VI for the payment of Bonds and those Bonds shall not have in fact been actually paid in full, no amendment to the provisions of that Article shall be made without the consent of the holder of each of those Bonds affected.

*Section 9.03. Effect of Consents.* After an amendment or supplement becomes effective, it will bind every Bondholder. For purposes of determining the total number of Bondholders' consents, each Bondholder's consent will be effective with respect to the Bondholder who consented to it and each subsequent holder of a Bond or portion of a Bond evidencing the same debt as the consenting holder's Bond.

*Section 9.04. Notation on or Exchange of Bonds.* If an amendment or supplement changes the terms of a Bond, the Trustee may require the holder to deliver it to the Trustee. The Trustee may place an appropriate notation on the Bond about the changed terms and return it to the holder. Alternatively, if the Trustee and the Village determine, the Village in exchange for the Bond will issue and the Trustee will authenticate a new Bond that reflects the changed terms.

*Section 9.05. Signing by Trustee of Amendments and Supplements.* The Trustee will sign any amendment or supplement to the Indenture or the Bonds authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing an amendment or supplement, the Trustee will be entitled to receive and (subject to Section 7.01) will be fully protected in relying on an Opinion of Counsel stating that such amendment or supplement is authorized by this Indenture.

*Section 9.06. Supplemental Indentures.* Subject to the provisions of this Article IX, funds, accounts or subaccounts may be added to or deleted from the Special Tax Allocation Fund as provided in a supplement to this Indenture.

## **ARTICLE X MISCELLANEOUS**

*Section 10.01. Notices.*

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Indenture or the Bonds must be in writing except as expressly provided otherwise in this Indenture or the Bonds.

(b) Any notice or other communication shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, addressed as follows: if to the Village, to Village of Morton Grove, 6101 Capulina Avenue, Morton Grove, Illinois 60053, Attention: Village Clerk; if to the Trustee, to Amalgamated Bank of Chicago, 30 N. LaSalle Street, Chicago, Illinois 60602, Attention: Corporate Trust Administration. Any addressee may designate additional or different addresses for purposes of this Section.

*Section 10.02.* Bondholders' Consents. Any consent or other instrument required by this Indenture to be signed by Bondholders may be in any number of concurrent documents and may be signed by a Bondholder or by the holder's agent appointed in writing. Proof of the execution of such instrument or of the instrument appointing an agent and of the ownership of Bonds, if made in the following manner, shall be conclusive for any purposes of this Indenture with regard to any action taken by the Trustee under the instrument:

(a) The fact and date of a person's signing an instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within that jurisdiction that the person signing the writing acknowledged before the officer the execution of the writing, or by an affidavit of any witness to the signing.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of such Bonds and the date of holding shall be proved by the registration books kept pursuant to this Indenture.

Any action, consent or other instrument shall be irrevocable and shall bind any subsequent owner of such Bond or any Bond delivered in substitution therefor.

For purposes of determining consent under this Indenture of any holder of Bonds issued as Capital Appreciation Bonds (as defined in any Bond Ordinance), the percentage ownership of such holder shall be determined by the current compound accreted value of principal of such holder's Bond or Bonds as determined on the most recent compounding date for accrual of interest thereon.

*Section 10.03.* Limitation of Rights. Nothing expressed or implied in this Indenture or the Bonds shall give any person other than the Trustee, Village and the Bondholders any right, remedy or claim under or with respect to this Indenture.

*Section 10.04.* Severability. If any provision of this Indenture shall be determined to be unenforceable, that shall not affect any other provision of this Indenture.

*Section 10.05.* Payments Due on Non-Business Days. If a payment date is not a Business Day at the place of payment, then payment may be made at that place on the next Business Day, and no interest shall accrue for the intervening period.

*Section 10.06. Governing Law.* This Indenture shall be governed by and construed in accordance with the laws of the State.

*Section 10.07. Captions.* The captions in this Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Indenture.

*Section 10.08. No Recourse Against Village Officers.* No officer, agent, employee or member of the Village shall be individually or personally liable for any payment on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds, but this Section shall not relieve an officer, agent, employee or member of the Village from the performance of any official duty provided by law or this Indenture.

*Section 10.09. Counterparts.* This Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.



**EXECUTION COPY**

VILLAGE OF MORTON GROVE, COOK  
COUNTY, ILLINOIS

---

Daniel P. DiMaria  
Village President

(SEAL)

Attest:

---

Eileen Scanlon Harford  
Village Clerk

AMALGAMATED BANK OF CHICAGO,  
as Trustee

---

Its: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA**

THAT PART OF THE SOUTH HALF OF SECTION 18 AND THAT PART OF THE NORTH HALF OF SECTION 19 IN TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 1 IN DEMPSTER-WAUKEGAN ROAD SUBDIVISION, BEING A SUBDIVISION IN SAID SOUTH HALF OF SECTION 18, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 15, 1925 AS DOCUMENT NO. 9066534; THENCE NORTHERLY ALONG THE EAST LINE OF SAID DEMPSTER-WAUKEGAN ROAD SUBDIVISION TO THE NORTHEAST CORNER OF LOT 5 IN LOCHNER'S RESUBDIVISION, BEING A SUBDIVISION IN SAID SOUTH HALF OF SECTION 18, ACCORDING TO THE PLAT THEREOF RECORDED JULY 10, 1997 AS DOCUMENT NO. 97497619; THENCE WESTERLY ALONG THE NORTH LINE OF SAID LOT 5 AND THE WESTERLY EXTENSION THEREOF TO A POINT OF INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF NORMANDY AVENUE; THENCE SOUTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE TO A POINT ON THE SOUTH LINE OF THE NORTH 10 FEET OF LOT 18 IN SAID DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTH LINE TO A POINT ON THE WEST LINE OF SAID LOT 18; THENCE SOUTHERLY ALONG SAID WEST LINE TO THE SOUTHEAST CORNER OF LOT 28 IN SAID DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 28 TO THE SOUTHWEST CORNER OF SAID LOT 28; THENCE WESTERLY TO THE SOUTHEAST CORNER OF LOT 59 IN SAID DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 59 TO THE SOUTHWEST CORNER OF SAID LOT 59; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 59 AND ALONG THE WEST LINE OF LOTS 58 THRU 44 INCLUSIVE IN SAID DEMPSTER-WAUKEGAN ROAD SUBDIVISION TO THE NORTHWEST CORNER OF SAID LOT 44; THENCE NORTHERLY ALONG A LINE TO THE SOUTHEAST CORNER OF LOT 16 IN STEELE'S MORTON GROVE HIGHLANDS, BEING A SUBDIVISION IN SAID SOUTH HALF OF SECTION 18, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 6, 1924 AS DOCUMENT NO. 8540426; THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 16 AND ALONG THE EAST LINE OF SAID STEELE'S MORTON GROVE HIGHLANDS TO THE NORTHEAST CORNER OF SAID STEELE'S MORTON GROVE HIGHLANDS; THENCE WESTERLY ALONG THE NORTH LINE OF SAID STEELE'S MORTON GROVE HIGHLANDS TO THE EAST RIGHT-OF-WAY LINE OF THE PUBLIC ALLEY ADJOINING THE WEST LINE OF SAID STEELE'S MORTON GROVE HIGHLANDS; THENCE SOUTHERLY ALONG SAID EAST RIGHT-OF-WAY LINE TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID HAZEL STREET; THENCE SOUTHERLY ALONG A LINE TO A POINT OF

**EXECUTION COPY**

INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID HAZEL STREET AND SAID EAST RIGHT-OF-WAY LINE OF THE PUBLIC ALLEY ADJOINING THE WEST LINE OF SAID STEELE'S MORTON GROVE HIGHLANDS; THENCE SOUTHERLY ALONG SAID EAST RIGHT-OF-WAY LINE TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE CHURCHHILL STREET; THENCE WESTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENTION OF THE WEST RIGHT OF WAY LINE OF NEW ENGLAND AVENUE; THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENTION AND WEST RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 127 IN SAID DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE WESTERLY ALONG THE NORTH LINE OF SAID LOT 127 TO THE NORTHWEST CORNER OF SAID LOT 127; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 127 TO A POINT OF INTERSECTION WITH THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 170 IN SAID DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE WESTERLY ALONG SAID EASTERLY EXTENSION AND NORTH LINE TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF WAUKEGAN ROAD; THENCE SOUTHERLY ALONG SAID EAST RIGHT-OF-WAY LINE TO A POINT OF INTERSECTION WITH THE EASTERLY EXTENSION OF THE SOUTH RIGHT-OF-WAY LINE OF GREENWOOD AVENUE; THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE SOUTH RIGHT-OF-WAY LINE OF GREENWOOD AVENUE TO

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A POINT OF INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF THE NORTH-SOUTH PUBLIC ALLEY LYING WEST OF SAID WAUKEGAN ROAD; THENCE SOUTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 114 IN FOREST VIEW SUBDIVISION, BEING A SUBDIVISION IN SAID SOUTH HALF OF SECTION 18, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 23, 1925 AS DOCUMENT NO. 8824972; THENCE WESTERLY ALONG THE NORTH LINE OF SAID LOT 114 AND THE WESTERLY EXTENSION THEREOF TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF SAYRE AVENUE; THENCE SOUTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 31 IN SAID FOREST VIEW SUBDIVISION; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 31 TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF DEMPSTER STREET; THENCE WESTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 5 IN FINK AND OTHERS SUBDIVISION, BEING A SUBDIVISION IN SAID SOUTH HALF OF SECTION 18 AND NORTH HALF OF SECTION 19 ACCORDING TO THE PLAT THEREOF RECORDED APRIL 12, 1893 AS DOCUMENT NO. 1847465; THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND WEST LINE TO THE SOUTHWEST CORNER OF SAID LOT 5; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 5 TO THE NORTHWEST CORNER OF LOT 460 IN THE FIRST ADDITION TO DEMPSTER-WAUKEGAN ROAD SUBDIVISION, BEING A SUBDIVISION IN SAID NORTH HALF OF SECTION 19, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 11, 1927 AS DOCUMENT NO. 9576777; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 460 AND THE SOUTHERLY EXTENSION THEREOF TO THE NORTHWEST CORNER OF LOT 430 IN SAID FIRST ADDITION TO DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 430 AND THE SOUTHERLY EXTENSION THEREOF TO THE NORTHWEST CORNER OF LOT 401 IN SAID FIRST ADDITION TO DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 401 TO A POINT ON A LINE MEASURED PERPENDICULAR TO THE WEST RIGHT-OF-WAY LINE OF WAUKEGAN ROAD AT A POINT 355.29 FEET (AS MEASURED ALONG SAID WEST RIGHT-OF-WAY LINE) SOUTH OF THE NORTHEAST CORNER OF LOT 206 IN SAID FIRST ADDITION TO DEMPSTER-WAUKEGAN ROAD SUBDIVISION; THENCE EASTERLY ALONG SAID PERPENDICULAR LINE TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF WAUKEGAN ROAD; THENCE SOUTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE TO A POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF THE OF LOT 2 IN WHITE'S SUBDIVISION, BEING A SUBDIVISION IN SAID NORTH HALF OF SECTION 19, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 6, 1882 AS DOCUMENT NO. 368124; THENCE EASTERLY ALONG SAID WESTERLY EXTENSION AND NORTH LINE OF LOT 2 TO A POINT ON THE EAST LINE OF THE WEST 763 FEET OF THE EAST 26.31 ACRES OF LOT 1 IN SAID WHITE'S SUBDIVISION; THENCE NORTHERLY ALONG SAID EAST LINE AND THE NORTHERLY EXTENSION THEREOF TO A POINT ON THE NORTH RIGHT-OF-WAY

**EXECUTION COPY**

LINE OF DEMPSTER STREET; THENCE WESTERLY ALONG SAID NORTH RIGHT-  
OF-WAY LINE TO THE POINT OF BEGINNING.

**EXHIBIT B**

**FORM OF CERTIFICATION TO RELEASE ESCROWED BONDS**

To Amalgamated Bank of Chicago, Chicago, Illinois (the "Trustee"), as trustee under that certain Indenture of Trust dated as of October 1, 2019 (the "*Indenture*"), by and between the Village of Morton Grove, Cook County, Illinois (the "*Village*"), and the Trustee, relating to \$ \_\_\_\_\_ Bonds, Series 20[\_\_\_\_] ([\_\_\_\_\_] Redevelopment Project) (the "*Escrowed Bonds*"), of the Village:

Ladies and Gentlemen:

This Certification is to authorize you to release the Escrowed Bonds as provided in Section 2.08 of the Indenture. Please be advised of the following:

1. The purchase price or consideration for the issuance by the Village of the Escrowed Bonds has been received by the Village.
2. All necessary documentation, representations, certifications and covenants as have been required by the Village and Tax Counsel as a precondition to the authentication, release and delivery by the Trustee of the Escrowed Bonds have been executed or received.
3. The ordinance adopted by the President and Board of Trustees of the Village on \_\_\_\_\_, \_\_\_\_\_, is in full force and effect and has not been repealed or rescinded.
4. No Event of Default under the Indenture has occurred and is continuing, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an Event of Default under the Indenture.

As Trustee you are hereby specifically authorized to rely upon this Certification in determining to authenticate, deliver and release the Escrowed Bonds in accordance with the; Junior Lien Note Order attached hereto and incorporated herein by this reference.

VILLAGE OF MORTON GROVE, COOK  
COUNTY, ILLINOIS

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Clerk

[SEAL]

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**APPENDIX D**

**FINANCIAL FEASIBILITY STUDY**



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## **Financial Feasibility Study**

### **\$14.0 Million Net Tax Increment Financing Bond Proceeds Sawmill Station TIF Redevelopment Project Area Village of Morton Grove, Illinois**

September 26, 2019

Prepared For:  
The Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove, Illinois 60053

Prepared By:  
Johnson Research Group, Inc.  
914 South Wabash Avenue  
Chicago, Illinois 60605

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## EXECUTIVE SUMMARY

The Village of Morton Grove (the “Village”) engaged Johnson Research Group, Inc. (“JRG”) to prepare an independent financial feasibility study (the “Study”) related to the issuance and sale of an initial Tax Increment Financing (TIF) revenue bond (the “Revenue Bond”) for redevelopment of approximately 26 acres located at the southeast corner of Dempster Street and Waukegan Road in the Village. The Sawmill Station redevelopment project (the “Project”) is expected to be developed in two phases: (1) retail facilities comprised of approximately 233,025 square feet (“Retail Facilities”) and (2) residential facilities comprised of approximately 250 rental units (“Residential Facilities”). The Project will be constructed within the boundaries of the Sawmill Station TIF Redevelopment Project Area (the “Sawmill Station RPA”).

As part of the Study, the Village engaged JRG to develop an estimate of the incremental property taxes (“IPT”) that may be generated by the Project’s Retail Facilities as well as an estimate of the sales taxes generated by certain tenants of the Retail Facilities, a portion of which will be pledged to the payment of debt service on the initial Revenue Bond. A second TIF revenue bond in support of the Residential Facilities may be issued; however, an analysis of the Residential Facilities potential revenue to support a second bond issuance is not included in the scope of this Study. In addition, the scope of engagement includes preparation of sensitivity analyses that test key assumptions such as EAV growth, valuation changes to the Retail Facilities, and annual growth in retail sales.

This Study concludes that estimated incremental property taxes generated by the Project’s Retail Facilities over the 20-year period from 2019 through 2038 could total \$40.2 million. Over the same period, the amount of sales tax generated by the Retail Facilities and pledged to the repayment of the Revenue Bonds could total \$9.5 million. In total, \$49.7 million in pledged revenues of IPT and sales tax revenues would be available for debt service on the Revenue Bonds. Annual IPT is expected to increase from \$2.0 million at project stabilization (anticipated in 2022) to \$2.8 million by 2038. Over the same period, annual sales taxes pledged to the project are anticipated to increase from \$0.44 million per year to \$0.62 with combined annual pledged revenues increasing from \$2.4 million in 2022 to \$3.4 million in 2038.

## FEASIBILITY STUDY OVERVIEW -- SAWMILL STATION PROJECT

Johnson Research Group, Inc. (“JRG”) has prepared this Financial Feasibility Study (the “Study”) regarding incremental property taxes (“IPT”) derived from certain property and sales tax revenue for certain retailers located within the Sawmill Station TIF Redevelopment Project Area (the “Sawmill Station RPA”) for the Village of Morton Grove (the “Village”).

The purpose of the Study is to provide the Village, which is facilitating the sale of a \$14.0 million (net) Tax Increment Financing (“TIF”) Revenue Bond (the “Revenue Bond”) supported by the incremental property tax revenue (“IPT”) from the Project, with comprehensive estimates of the IPT and sales tax revenue to be generated and available for payments towards the principal and interest on the Revenue Bond and a Developer Note (the “Note”).

For this Study, JRG has prepared estimates of annual IPT revenue that may be generated by retail tenants on certain property within the Sawmill Station RPA for collection years 2019 through 2038, and sales tax revenue for certain retailers through 2038, collectively referred to hereafter as the “Estimates.” Estimates of IPT presented in this Study are limited to those years for which IPT from the Project has been pledged pay debt service on the Revenue Bonds although the RPA would be expected to generate incremental property tax revenue through its expiration in 2043. Sales tax estimates include State Sales Taxes and Home Rule Sales Taxes remitted to the Village by the Illinois Department of Revenue. For purposes of this Study, sales taxes do not include local food and beverage taxes, amusement taxes, business district taxes, or any other taxes the Village may impose on purchases of tangible personal property.

The Estimates of Incremental Property Taxes and pledged Sales Taxes have been prepared based upon information that the authors believe to be reliable but are not guaranteed in their accuracy. Any statements made herein involving matters of opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact, and no representation is made that any such estimate will be realized. Such statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected. JRG did not conduct a market feasibility study to determine real estate market values or conditions, nor did it conduct a retail impact study to determine if the tenant mix was reasonable for the Project and if the sales assumptions provided for the Study are accurate predictions of future sales.

### Sawmill Station Redevelopment Project

IM Kensington MG, LLC (the “Developer”) plans to redevelop a 26-acre parcel of improved property located at the southeast corner of Dempster Street and Waukegan Road, commonly known as 6711-6947 Dempster Street and 8745 Waukegan Road, with retail and residential facilities.

1. **Retail Facilities** will consist of one-story buildings, with a total of approximately 233,025 square feet of commercial and retail space, parking and related improvements. The Developer has executed leases with Bank of America, Coopers Hawk, Dollar Tree, Flix Brewhouse, Kohl's, LA Fitness (Signature Club), Raising Cane's, and a national brand grocery store. The Developer has executed letters of intent and is finalizing lease negotiations with Aspen Dental, Ross, and Starbucks.
2. **Residential Facilities** will consist of approximately 250 rental dwelling units. Incremental property tax revenue anticipated from the construction and occupancy of the residential portion has not been pledged as a source of repayment on the Revenue Bond; therefore, this Study does not include an analysis of the Residential Facilities development or incremental property tax revenue that the proposed Residential Facilities would generate.

### **Redevelopment Agreement with the Village**

On July 8, 2019 the Village adopted a resolution approving an economic incentive and TIF redevelopment agreement between the Developer and the Village (the "Sawmill Station RDA") that provides funding assistance to complete the Retail Facilities with the Village pledging net Revenue Bond proceeds not to exceed \$14.0 million and a tax-exempt TIF Note (the "Developer Note") with principal value of \$7.8 million.

1. **Sawmill Station RPA.** The Sawmill Station RPA was adopted by the Village of Morton Grove on July 8, 2019 and is scheduled to expire on December 31, 2043. The majority of the parcels in the RPA are situated along the north and south sides of Dempster Street, roughly between Sayre Avenue to the west and Birch Avenue to the east, and along the east and west sides of Waukegan Road, roughly between Greenwood Avenue and Davis Street to the north, and Crain Street to the south. Property in the Sawmill Station RPA consists largely of commercial, retail, and institutional uses.
2. **Redevelopment Activity in the Sawmill Station RPA.** No redevelopment activity has occurred in the Sawmill Station RPA, which was designated for the primary purpose of the Sawmill Station Project.
3. **Prior Obligations in the Sawmill Station RPA.** There are no prior obligations in the Sawmill Station RPA.

### **Assistance to the Project**

The Sawmill Station RDA pledges assistance to the project from a combination of Revenue Bond proceeds and the Developer Note. The maximum amount of assistance contemplated in the RDA is \$25.0 million, which will be provided from the following sources:

1. **Initial Revenue Bond Proceeds** not to exceed \$14.0 million (net), or such other amount from Initial Revenue Bond Proceeds net of amounts needed for the costs to issue the

Initial Revenue Bond and capitalized interest for a period not to exceed three years from the Initial Revenue Bond Issuance Date. For the purpose of this Study, the use of and reference to the “Revenue Bond” or “Revenue Bond Proceeds” refers to the Initial Revenue Bond and proceeds thereof under the terms of the Sawmill Station RDA.

2. **Second Revenue Bond Proceeds** in an amount not to exceed \$3.2 million (net); or such other amount from Second Revenue Bond Proceeds net of amounts needed for the costs to issue the Second Revenue Bond and capitalized interest for a period not to exceed three years from the Second Revenue Bond Issuance Date. While the Second Revenue Bonds may be issued to assist the Residential Facilities portion of the Project, this Study focuses on tax revenues generated by the Retail Facilities that have been pledged to debt service on the Initial Revenue Bonds.
3. **Developer TIF Note** in an amount not to exceed \$7.8 million or the difference between the final amount of assistance less the amount of Initial and Second (if issued) Revenue Bond Proceeds paid to the Developer. Payments on the Note are to be made annually beginning with January 1 in the year following substantial completion of the Retail Facilities. The Developer TIF Note is subordinate to the Initial and Second Revenue Bonds.

#### **Pledged Revenues for Bond Debt Service**

Revenue pledged for payments of principal and interest on the Revenue Bonds will come from the following sources:

1. **Incremental Property Taxes from Retail Facilities**, defined per the Sawmill Station RDA as: an amount equal to (i) the ad valorem taxes, if any, arising from the taxes levied upon a retail parcel, which taxes are attributable to the increases in the then current EAV over and above the total retail initial EAV of each such lot, block, tract, or parcel of real property, all as determined by the County Clerk of Cook County, Illinois, pursuant to and in accordance with the TIF Act, the TIF Ordinances and this Agreement, minus (ii) any required payments to other taxing districts, including those made pursuant to 65 ILCS 5/11-74.4-3(q)(7.5 and 7.7) and further minus (iii) any amounts returned to any owner of the retail parcel or part thereof pursuant to any appeal, objection or other proceeding that reduces the assessed valuation of the retail parcel or the amount of ad valorem taxes paid on the Property during the Revenue Bond term, and minus (iv) any other amounts required to be paid by law, when such taxes are collected and paid to and received by the Treasurer of the Village for deposit in the RPA Special Allocation Fund.
2. **Sales Taxes** includes 50% of the amount (over the Sales Tax Baseline Amount) of State Sales Taxes and Home Rule Sales Taxes actually received by the Village from the Illinois Department of Revenue (“IDOR”) generated from eligible sales of the Retail Facilities. The Sales Tax Baseline Amount is a predetermined amount of Sales Taxes generated by

the Project that will be retained by the Village before making allocations to the Revenue Bond debt service. The Sales Tax Baseline Amount starts at \$230,720 for 2020 and increases by 3% annually, reaching \$369,531 by 2038.

State Sales Taxes include tax revenue generated by sales from eligible stores through the imposition of the State's retailers' occupation tax (pursuant to 35 ILCS 120/1 et seq.) or the State's service occupation tax (pursuant to 35 ILCS 115/1 et seq.), or any tax in substitution therefor. Home Rule Sales Taxes include those generated by retail sales from eligible stores through the imposition of the Village's 1.25% home rule municipal retailers' occupation tax (pursuant to 65 ILCS 5/8-11-1 and municipal ordinance 1-10G-2) or the Village's 1.25% home rule municipal service occupation tax (pursuant to 65 ILCS 5/8-11-5 and municipal ordinance 1-10G-1) or any tax or legislation in substitution therefor. Sales Taxes pledged to the Project do not include food and beverage taxes, local amusement taxes, business district taxes or any other taxes.



## ESTIMATED REVENUE FOR THE PROJECT

### Methodology and Assumptions

#### 1. Incremental Property Tax from Retail Facilities

##### a. General Method for Calculating Incremental Property Tax Revenue

For the Estimates, JRG mirrors the Cook County Clerk's methodology for calculating incremental property tax revenues for each year. Each variable used in these calculations is identified in the "Assumptions" subsection below.

The Cook County Clerk calculates Incremental Property Taxes on an aggregate basis for each tax code within the RPA. For each such tax code, the tax code's "Incremental EAV" is calculated as the sum of the current year EAV ("Current EAV") for all tax parcels or property index numbers ("PINs") in the tax code minus the sum of the Base EAV for all PINs in the tax code.

e.g. A tax code's Incremental EAV = sum of Current EAV – sum of Base EAV

The Incremental Property Tax ("IPT") for each tax code is then calculated by multiplying each tax code's Incremental EAV by the aggregate tax rate ("Tax Rate") for that tax code.

Similar calculations are performed to calculate an individual PIN's Incremental EAV. However, the aggregate tax code's Incremental EAV must always be considered because of the possibility of individual PINs with Current EAV less than their Base EAV, creating negative Incremental EAV that will offset equal amounts of positive Incremental EAV from other PINs. Although an individual PIN's Incremental EAV may be negative, and one or more PINs may cause the tax code's EAV to fall below the Base EAV, a tax code's Incremental EAV cannot be negative, so the minimum value of a tax code's Incremental EAV is zero (0).

The Base EAV for each PIN is established by the Cook County Clerk's office at the time of the adoption of the RPA and remains the same throughout the life of the RPA. The Tax Rate is calculated annually by the Cook County Clerk's office based on each taxing district's planned levy for that year, subject to certain limitations.

##### b. Recent Changes in Assessment Practices and Processes

- 1) Cook County Assessment Practices: The new Cook County Assessor, elected in November 2018, has embarked on a significant effort to revise and reform the methods and accuracy of estimating real estate market values and assessed values. The preliminary results of the Assessor's efforts appear to shift a greater share of the burden of property taxes to commercial and

industrial property owners. It is too early to determine the full extent of any such shift in the allocation of tax burden, so the Estimates do not assume any such change. The effect of increased property taxes on the Project could increase the IPT, but could also cause a reduction in property values, offsetting or reducing IPT.

- 2) Cook County IPT Calculation Procedures: The Cook County Clerk has indicated plans, within the next 1-3 years, to change from calculating incremental EAV by tax code to calculation of incremental EAV for every PIN. This change would only enhance the total incremental EAV in any RPA utilizing TIF. For purposes of the Estimates, we assume calculations of incremental EAV by tax code will continue throughout the life of the Sawmill Station RPA.

**c. Assumptions Incorporated in the Estimates - Sawmill Station RPA**

This subsection presents the assumptions for the Sawmill Station RPA. A summary of the assumptions for calculating IPT Estimates and the derivation of the Project EAV for each year in the Sawmill Station RPA is presented in Table 1. Table 2 shows the estimated aggregate Current EAV, Base EAV, and Incremental EAV for the Project PINs for assessment years 2018 through 2037 (collection year 2038). Table 2 also shows the calculation of IPT available annually from the Retail Facilities Project PINs and available annually for Revenue Bond debt service payments.

- 1) Redevelopment Projects in Sawmill Station RPA: The RPA was created July 8, 2019. No redevelopment projects have occurred since that date.
- 2) Retail Facilities Site and Initial (Base) EAV: The Retail Facilities will be situated on three existing PINs, one of which is expected to be subdivided, separating the Retail Facilities site from the Residential Facilities site. The PINs associated with the Retail Facilities, and their 2018 EAV are as follows:

PIN	Tax Code	2018 Total EAV	Amount of Land Area Included
10-19-103-001-0000	24103	\$3,952,117	100.00%
10-19-200-007-0000	24103	\$1,444,496	100.00%
10-19-200-010-0000	24104	\$1,206,134	14.35%

The Initial EAV (or "Base EAV") for the Retail Facilities is calculated on the basis of 2018 land and improvement values. The anticipated subdivision of PIN 10-19-200-010-000 will subsequently require the reallocation of base EAV between two future PINs – one for the Retail Facilities Site and a

separate PIN for the Residential site. The Retail Facilities Base EAV attributable to PIN 10-19-200-010-0000 will be calculated as follows:

Allocation of Base EAV of PIN 10-19-200-010-0000

Component	Percentage of EAV	2018 EAV	Base EAV
Land	14.35%	\$1,128,343	\$161,917
Improvements	100.00%	\$77,791	\$77,791
Total		\$1,206,134	\$239,708

Thus, the total Base EAV of the Retail Facilities is as follows:

PIN	Tax Code	2018 EAV	Amount of Land Area Included
10-19-103-001-0000	24103	\$3,952,117	100.00%
10-19-200-007-0000	24103	\$1,444,496	100.00%
10-19-200-010-0000	24104	\$239,708	14.35%
Total Base EAV		\$5,636,321	

The two PINs with tax code 24103 are the only two parcels with tax code 24103. The Retail Facilities portion of Parcel 10-19-200-010-0000 is expected to be subdivided by the Developer and the Cook County Assessor will replace the existing tax codes of parcels within the RPA with new tax codes. The Village will need to follow up with the County in tax year 2020 to ensure that the retail portion of PIN 10-19-200-010-0000 is assigned its own unique tax code, thereby allowing isolation of the incremental EAV generated by the Retail Facilities.

- 3) Assessment Rate: The Retail Facilities' PINs will be classified by the Cook County Assessor under general class 5a pursuant to the Cook County Real Property Assessment Classification Ordinance. After the retail and commercial space is built and occupied (assessment year 2020), the Retail Facilities will be assessed at (see Table 1 for more detail) 25% of the Cook County Assessor's ("Assessor") estimated market value of the property.
- 4) Estimated Assessor's Market Value and Assessed Value of Sawmill Station: JRG's estimated market value for assessment purposes ("Assessor's FMV") of the Project is based on average assessed values of comparable properties. Each of the buildings' components were assigned distinct values, with JRG's estimated Assessor's FMV per square foot (in terms of assessment year 2019 values) shown below:

<b>Retail Component</b>	<b>Estimated Assessor's FMV per sq ft (2019 AY)</b>
Kohl's	\$105
Ross Dress For Less	\$105
Dollar Tree	\$105
LA Fitness	\$209
Flix Brewhouse - Theater/Bar/Restaurant	\$157
Grocery Store	\$136
Outlot-Bank of America	\$261
Outlot-Raising Cane's Restaurant	\$314
Outlot-Strip Retail w/Starbucks, Dental Office	\$209
Cooper's Hawk Restaurant	\$209

An alternative and common method of estimating the Assessor's FMV is to estimate the subject's market value using capitalized pro forma operating income and then applying a discount similar to prior Assessor discounts for the relevant property type.

As a secondary test of assumptions and Estimates, JRG performed this exercise using the Developer's pro forma operating income and capitalization rates, for each tenant/retail space, yielding market values ranging from \$167 per square foot to \$577 per square foot. In choosing a discount rate to apply to this, JRG reviewed Illinois Department of Revenue reports of assessment-to-sales ratios from 2006 to 2018, excluding the highest four ratios, averaged the remaining ratios, and arrived at an average ratio of 70% (discount of 30%).

The resulting estimated Assessor's FMVs ranged from \$117 to \$404, all higher than the General Method, by 10% to 70%.

- 5) **Equalization Factor and Tax Rate:** For purposes of estimating future EAV and IPT, JRG utilizes a constant Equalization Factor and tax rate based on the most recent finalized values. The most recent Cook County Equalization Factor, which is applied to all property in Cook County), was 2.9109 for assessment year 2018 (collection year 2019). The most recent aggregate tax rate for tax code 24103 was 9.992% for assessment year 2018. A very small portion of the Retail Facilities Site falls within tax code 24104, which has a higher tax rate of 10.84%. For purposes of the Estimates, the 9.992% tax rate is held constant through assessment year 2037.
- 6) **Construction Schedule, Occupancy Schedule, and Progress to Full Assessment:** Developer intends to begin the construction process as soon as September 2019, with completion by Summer 2020. Developer expects the

first retail occupancy will begin in summer 2020 and all Retail Facilities will be completed and fully occupied by January 2021. Accordingly, JRG estimates that there will be minimal level of assessed value in assessment year 2020, estimated at 20% of fully assessed value, which is below the Base EAV, and no IPT will be generated. The Estimates assume that in assessment year 2021 the Project will be assessed at full value, as well as in all subsequent years.

- 7) Growth in Assessed Values in Sawmill Station RPA: The long term historical average growth rate (last 15 years) in EAV in Cook County is approximately 2.3%. However, this statistic includes new property and is averaged over all property in the entire county. Based on data from CoStar.com and Loopnet.com, the recent average growth rate in values of retail property in the near north suburbs is between 1.5% (2006 to 2019) and 2.0% (2014 to 2019). For purposes of the Estimates, JRG conservatively assumes growth in EAV of the Project at 1.5% per year realized only in triennial reassessment years at 4.57% per reassessment. Over the life of the Sawmill Station RPA, reassessment years for the Project (in Niles Township) are assessment years 2019, 2022, 2025, 2028, 2031, 2034, 2037 and 2040.
- 8) Duration of the Sawmill Station RPA: The Sawmill Station RPA was adopted on July 8, 2019, and pursuant to Illinois statutes regarding redevelopment project areas, must be terminated and final collections received no later than December 31, 2043, which is the year that taxes levied in the 23<sup>rd</sup> year of the RPA are collected by Cook County and disbursed to the Village.
- 9) Collection Rate: The Estimates assume an average property tax collection rate of 100% of all property taxes due on the Sawmill Station retail facilities. This assumption relies on the notion that delinquent taxes, if any, will be paid at the annual "Tax Sale" at the latest, as the property values will vastly exceed the taxes due during the life of the Sawmill Station RPA.
- 10) Project Allocation of Revenue: Incremental Property Tax revenue generated by the Retail Facilities will be allocated as follows: (i) payments to the school districts as provided in Sections 3(q)(7.5) of the TIF Act if any, (ii) to pay the Village's RPA Administrative Costs, (iii) to the payments next due under the Revenue Bonds, (iv) to the payments due under the Developer Note until the Note is retired, and then (v) any excess deposited to a general fund of the RPA for excess IPT available after the payment of the above described payments.

11) Village Administration Costs: Village Administration costs are defined in the RDA as the lesser of \$25,000 annually or the cost incurred by the Village of Morton Gove to administer the Sawmill Station RPA.

**Table 1: Assumptions for Estimating Incremental Property Taxes**  
**Sawmill Station – Retail Facilities**  
**Village of Morton Grove, Illinois**

Redevelopment Component	Quantity	Assessor's FMV per Comps *	Annual Taxes per sq. ft.
1 Kohl's	55,000 sq ft	\$105 per sq ft	\$7.60
2 Ross Dress For Less	21,989 sq ft	\$105 per sq ft	\$7.60
3 Dollar Tree	11,993 sq ft	\$105 per sq ft	\$7.60
4 LA Fitness	37,000 sq ft	\$209 per sq ft	\$15.21
5 Theater/Bar/Restaurant	39,500 sq ft	\$157 per sq ft	\$11.41
6 Grocer	35,199 sq ft	\$136 per sq ft	\$9.88
7 Outlot-Bank of America	5,378 sq ft	\$261 per sq ft	\$19.01
8 Outlot-Raising Cane's Restaurant	3,316 sq ft	\$314 per sq ft	\$22.81
9 Outlot-Strip Retail w/Starbucks, Dental Office	11,700 sq ft	\$209 per sq ft	\$15.21
10 Cooper's Hawk Restaurant	11,950 sq ft	\$209 per sq ft	\$15.21
<b>TOTALS</b>	<b>233,025 square feet</b>		

\* Assessor's FMV per Comps: FMVs are based on most recent finalized assessed values of comparable developments. Assessed values are divided by the assessment rate to arrive at FMV. 2019 Basis: The comparable developments' latest reassessments were 2016, 2017, or 2018, so values were inflated to the 2019 assessment year.

### Other Key Assumptions

Construction expected to start in summer 2019 and be completed by summer 2020	
Occupancy is estimated to begin in summer of 2020 with full occupancy by January 2021.	
State Equalization Factor for Cook County (constant):	2.9109 same as most recent (2018 AY) value
Aggregate Tax Rate, tax code 24103 (constant):	9.992% same as most recent (2018 AY) value
Annual inflation rate:	1.50%
inflation realized per triennial reassessment:	4.57%
Collection Rate - Project PINs:	100.0%

Sources: Village of Morton Grove; IM Kensington MG, LLC (Project Developer).

**Table 2: Preliminary Estimated Incremental Property Taxes**  
**Sawmill Station – Retail Facilities**  
**Village of Morton Grove, Illinois**

TIF Year	Assessment Year	Collection Year		Total Estimated EAV	Base EAV [a]	Incremental EAV [a]	Admin. Fee [b]	Pledged IPT Revenue [c]
0	2019	2020	*	5,197,351	5,636,321	0	0	0
1	2020	2021		4,927,502	5,636,321	0	(25,000)	0
2	2021	2022		25,772,688	5,636,321	20,136,367	(25,000)	1,987,000
3	2022	2023	*	26,949,943	5,636,321	21,313,622	(25,000)	2,105,000
4	2023	2024		26,949,943	5,636,321	21,313,622	(25,000)	2,105,000
5	2024	2025		26,949,943	5,636,321	21,313,622	(25,000)	2,105,000
6	2025	2026	*	28,180,972	5,636,321	22,544,651	(25,000)	2,228,000
7	2026	2027		28,180,972	5,636,321	22,544,651	(25,000)	2,228,000
8	2027	2028		28,180,972	5,636,321	22,544,651	(25,000)	2,228,000
9	2028	2029	*	29,468,233	5,636,321	23,831,912	(25,000)	2,356,000
10	2029	2030		29,468,233	5,636,321	23,831,912	(25,000)	2,356,000
11	2030	2031		29,468,233	5,636,321	23,831,912	(25,000)	2,356,000
12	2031	2032	*	30,814,294	5,636,321	25,177,973	(25,000)	2,491,000
13	2032	2033		30,814,294	5,636,321	25,177,973	(25,000)	2,491,000
14	2033	2034		30,814,294	5,636,321	25,177,973	(25,000)	2,491,000
15	2034	2035	*	32,221,841	5,636,321	26,585,520	(25,000)	2,631,000
16	2035	2036		32,221,841	5,636,321	26,585,520	(25,000)	2,631,000
17	2036	2037		32,221,841	5,636,321	26,585,520	(25,000)	2,631,000
18	2037	2038	*	33,693,682	5,636,321	28,057,361	(25,000)	2,778,000
<b>Total</b>								<b>40,198,000</b>

\*Triennial reassessment year

- Base EAV is the estimated Initial Base EAV of the Project Site, within Sawmill Station Redevelopment Project Area.
- The incremental revenue collected and available for debt service is net of the administration fee, set at the lesser of \$25,000 or actual costs incurred. No inflation is assumed in this administrative cost.
- See Table 1 for detailed redevelopment description and other key assumptions.

## 2. Sales Tax from Retail Facilities

### a. General Method of Calculating Sales Tax Revenue

Sales tax estimates presented in this Study consider a number of factors including the amount of leased space dedicated to selling items subject to sales tax, the types of items for sale and the applicable sales tax rate applied to purchases of those items, the process in which retailers pay sales taxes to the State of Illinois and the manner in which the State in turn distributes sales tax revenues it receives to the municipality where the sale occurred. Before considering these factors it helps to have a basic understanding of what the term “sales tax” means under Illinois law and the nature of the revenues pledged for debt service on the Revenue Bond.

- 1) State Sales Taxes. The State of Illinois imposes retailers’ occupation tax on a retailer’s gross receipts resulting from the sale of tangible personal property. Retailers, in turn, have the ability to pass the tax onto the purchaser of the tangible personal property. Similar to the retailers’ occupation tax, the State imposes a service occupation tax on the sale of tangible personal property incidental to purchasing a service, despite there being no tax imposed on the service being provided. In the case automobile repairs, for example, the service occupation tax would be applied to the price of parts used in the repairs, but not the labor charged to replace the parts. The State rate for both taxes is 6.25% of the applicable gross receipts. The State distributes 16% of the sales tax collected, or 1.0% of the selling price, to the municipality where the sale took place.
- 2) Home Rule Sales Taxes. A municipality may impose a local retailer’s occupation tax and service occupation tax subject to certain limitations. The rate depends on, among other things, if the municipality has home rule authority under the Illinois Municipal Code. A home rule municipality may impose a local retailers’ occupation tax and service occupation tax each at a rate of at least 0.25% with no statutory limit on the rate, but the rate must be in increments of 0.25%. The Village of Morton Grove is a home rule municipality and imposes a retailers’ occupation tax and a service occupation tax each at the rate of 1.25%. This rate has been in effect since January 1, 2016.
- 3) Taxation of Groceries and Drugs. The State of Illinois imposes a lower retailers’ occupation tax of 1.0% on the sale of groceries and drugs with all the revenue going to the municipality where the purchase took place and the State keeping nothing. Municipalities, regardless of home rule status, may not impose a retailers’ occupation tax on the sale of groceries and drugs.



- 4) Discounts and Fees Impacting Sales Tax Revenues. IDOR collects the Village's home rule sales taxes from retailers and remits revenue to the Village net of certain deductions. A retailer is allowed a discount up to 1.75% of its sales tax liability for the timely payment of its sales tax liability. The discount applies to both the State sales taxes and the Village's home rule sales taxes. In addition, IDOR charges a 1.5% administrative fee on receipts of Home Rule Sales Taxes it administers for municipalities.
- 5) Collection Cycle. The time it takes for sales taxes collected on the sale of an item to pass from the purchaser, to the retailer, from the retailer to the State, and from the State back to the municipality where the sale occurred is generally three months. This means that sales tax paid on purchases in one calendar quarter will be disbursed to the municipality in the next calendar quarter. This is particularly relevant with regard to purchases in the fourth quarter of the calendar year which includes the holiday shopping season. Sales taxes paid for October and December of one year are remitted to the municipality by March of the next calendar year.
- 6) Reliance of the Estimates and Available Information. The Sales Tax Estimates in this Study take into consideration: (1) tenants that have sales of eligible merchandise subject to both State and local retailers' occupation tax and service occupation tax as well as sales of groceries and drugs that are subject only to the State retailers occupation tax of 1.0%; (2) the amount of annual gross sales for each tenant subject to sales tax; (3) the 1.75% discount to retailers for timely payment of taxes owed; (4) the 1.5% fee charged by the Department of Revenue for administration of the Villages home rule sales taxes; (5) the time it takes for sales taxes to be processed, including payment by retailers, processing by the State, and remittance to the municipality.

This study relies on certain estimates furnished by the Developer or future tenants as they relate to either annual gross sales per square foot of general leased area ("GLA") or gross annual sales for a tenant's GLA as a whole. To the extent possible JRG sought to determine if the sales figures and underlying assumptions were reasonable. In some instances, the estimate for a particular tenant relies on figures provided by either the Developer or the tenant. In other instances, the Estimates rely on other sources such as national averages for annual sales per square foot and percent of sales subject only to State sales tax, as is the case with the sale of groceries and prescription drugs.

- 7) Other Local Taxes: The Village imposes separate taxes on amusements, food and beverage purchases at restaurants, and an additional sales tax within the boundaries of the Dempster/Waukegan Business District. The Sales Tax

Estimates in this Study do not include revenue from local food and beverage taxes, local amusement taxes, business district taxes or any other local taxes.

**b. Assumptions in Sales Tax Calculations**

Listed below are a set of assumptions incorporated into the methodology that produced the Sales Tax Estimates.

- 1) State Retailers' Occupation Tax: The State of Illinois imposes a retailers' occupation tax on retailers' gross receipts from the sale of tangible personal property in the state. The rate is 6.25%. The State distributes 16% of the revenue, or 1.0% of the selling price, to the municipality where the sale took place.
- 2) State Service Occupation Tax: The State of Illinois imposes a service occupation tax on the sale of tangible personal property incidental to purchasing a service, which is itself not subject to taxation. The rate is 6.25%. The State distributes 16% of the revenue, or 1.0% of the selling price, to the municipality where the sale took place. The Study assumes there will be no State Service Occupation Tax revenue generated by the Retail Facilities given the anticipated tenant mix.
- 3) Home Rule Retailers' Occupation Tax: The Village of Morton Grove imposes a home rule retailers' occupation tax on retailers' gross receipts from the sale of tangible personal property in the Village. The rate is 1.25% which went into effect on January 1, 2016.
- 4) Home Rule Service Occupation Tax: The Village of Morton Grove imposes a home rule service occupation tax on the sale of personal property incidental to purchasing a service, which is not subject to the tax. The rate is 1.25% which went into effect on January 1, 2016. The Study assumes there will be no Home Rule Service Occupation Tax revenue generated by the Retail Facilities given the anticipated tenant mix.
- 5) Retailer Discount: Retailers are allowed a discount up to 1.75% on total sales tax liability for timely payment of sales taxes owed. The discount applies to both the State's sales tax and home rule sales taxes. This Study assumes that timely payment will be made by all retailers with eligible sales and that 100% of pledged sales tax revenues are subject to the Retailer Discount.
- 6) State Administrative Fee: The IDOR administers the Village's home rule retailers' occupation and service occupation taxes and charges a 1.5% administrative fee on home rule tax receipts and remits the net amount to the Village. This Study assumes that all home rule sales taxes, net of the Retailer Discount are subject to the 2.0% State Administrative Fee.

- 7) Sales Tax Collection Cycle: The sales tax collection cycle is three months. Sales tax from purchases in a given month are remitted to the Village within three months of the month during which the purchase occurred. Generally speaking, this means sales taxes collected for purchases in a given calendar quarter will be remitted to the municipality in the next calendar quarter. This time lag is accounted for in the Estimates. Although sales tax revenues are subject to seasonal variation with fourth quarter calendar year sales generally being the highest of four quarters, the Estimates do not account for seasonal variation. Rather the fourth quarter carryover to the next calendar year is 25% of the prior year sales tax total.
- 8) Eligible Sales: Sales by certain tenants that are subject to State Retailers' Occupation Tax or the State Service Occupation Tax as well as those subject to the Home Rule Retailers' Occupation Tax and Home Rule Service Occupation Tax.
- 9) Sales Tax Baseline Amount: The Village will retain the first \$230,720 of Sales Taxes generated by the Project in 2020 increasing by 3% annually.
- 10) Pledged Revenues: 50% of the net Sales Taxes above the Sales Tax Baseline Amount.
- 11) Exclusion of Certain Tenants from Calculations: Certain tenants provide services that are not subject to State and local sales taxes. This study excludes the square footage of tenants that provides services not subject to sales taxes. This includes tenants Aspen Dental and Bank of America. Although gym memberships sold by LA Fitness are currently not subject to State and local taxes, LA Fitness does sell a small amount of general merchandise as well as food and beverages at some locations. Potential sales tax revenue is expected to be negligible and has not been pledged under the terms of the redevelopment agreement.
- 12) Grocery and Drug Sales: The Village's retailers' occupation and service occupation taxes do not apply to sales of groceries or drugs. However, 1.0% of the sale price of groceries is remitted to the Village as part of the State's Retailers' Occupation Tax.
- 13) Grocery Store Tenant: The retail component is expected to include a grocery store. JRG has used a national average for all grocery stores, estimating the amount of general merchandise sold and subject to the home rule retailers' occupation tax. Based on that, the Study assumes that 12% of total sales by the grocery store will be general merchandise.

- 14) Other Grocery Sales: Discount retailer Dollar Tree, although not a full-service grocery store, typically sells certain grocery items. The study assumes that two-thirds of store sales are for general merchandise.
- 15) Movie Theater / Restaurant Tenant: Two-thirds of gross revenue is assumed to come from purchases of food and beverages and is subject to both Sales Taxes. The price of admission accounts for the remaining one-third of gross revenue and is subject to the Village's Local Amusement Tax ("LAT") of 5%; however, the LAT is not included among the sources of Pledged Revenue and therefore has not been included in the Study.
- 16) Annual Sales Growth: Growth of eligible sales is assumed to inflate at an annually rate of 2%.

**Table 3: Assumptions for Estimating Sales Tax Revenue**  
**Sawmill Station - Retail Development**  
**Village of Morton Grove, Illinois**

<b>Retailer Assumptions</b>	<b>Gross Leased Area (sq. ft.)</b>	<b>Sales per sq. ft., 2021 Dollars</b>	<b>Sales Subject to State Sales Tax</b>	<b>Sales Subject to Home Rule Sales Tax</b>
1 Kohl's	55,000	\$225	100.0%	100.0%
2 Ross Dress For Less	21,989	\$432	100.0%	100.0%
3 Dollar Tree	11,993	\$425	100.0%	66.7%
4 LA Fitness	37,000	\$0	0.0%	0.0%
5 Theater/Bar/Restaurant	39,500	\$203	66.7%	66.7%
6 Grocer	35,199	\$500	100.0%	12.0%
7 Outlot-Bank of America	5,378	\$0	0.0%	0.0%
8 Outlot-Raising Cane's Restaurant	3,316	\$600	100.0%	100.0%
Outlot-Retail w/Starbucks, Dental				
9 Office	11,700	\$400	19.5%	19.5%
10 Cooper's Hawk Restaurant	11,950	\$850	100.0%	100.0%

**Other Key Assumptions**

1 State Sales Tax Rate	1.00%
2 Home Rule Sales Tax Rate	1.25%
3 Retailer's Discount for Timely Payment	1.75%
IL. Dept. of Revenue Administrative	
4 Fee	1.50%
5 Annual Sales Growth Rate	2.00%
6 Sales Tax Baseline Amount	\$230,720
7 Sales Tax Baseline Annual Growth Rate	3.00%
8 Percentage of full sales volume 2020	10.00%
9 Percentage of full sales volume 2021	80.00%
10 Percentage of full sales volume 2022	100.00%

**Table 4: Sales Taxes Generated and Pledged to the Project**  
**Sawmill Station - Retail Development**  
**Village of Morton Grove, Illinois**

Bond Year	Payment Year	Sales Tax Revenue [a]	Retailer's Discount [b]	IDOR Admin. Fee [c]	Baseline Sales Tax Amount [d]	Net Sales Tax Above Baseline [e = a - b - c - d]	Amount Pledged to Project [f = e / 2 ]
1	2019	\$0	\$0	\$0	(\$112,000)	\$0	\$0
2	2020	\$90,166	(\$1,578)	(\$644)	(\$230,720)	\$0	\$0
3	2021	\$751,383	(\$13,149)	(\$5,366)	(\$237,640)	\$495,228	\$247,614
4	2022	\$1,160,135	(\$20,302)	(\$8,286)	(\$244,769)	\$886,778	\$443,389
5	2023	\$1,244,651	(\$21,781)	(\$8,889)	(\$252,112)	\$961,869	\$480,935
6	2024	\$1,269,543	(\$22,217)	(\$9,067)	(\$259,675)	\$978,584	\$489,292
7	2025	\$1,294,934	(\$22,661)	(\$9,249)	(\$267,465)	\$995,559	\$497,780
8	2026	\$1,320,833	(\$23,115)	(\$9,434)	(\$275,489)	\$1,012,795	\$506,398
9	2027	\$1,347,250	(\$23,577)	(\$9,622)	(\$283,754)	\$1,030,297	\$515,149
10	2028	\$1,374,194	(\$24,048)	(\$9,815)	(\$292,267)	\$1,048,064	\$524,032
11	2029	\$1,401,679	(\$24,529)	(\$10,011)	(\$301,035)	\$1,066,104	\$533,052
12	2030	\$1,429,713	(\$25,020)	(\$10,211)	(\$310,066)	\$1,084,416	\$542,208
13	2031	\$1,458,307	(\$25,520)	(\$10,415)	(\$319,368)	\$1,103,004	\$551,502
14	2032	\$1,487,473	(\$26,031)	(\$10,624)	(\$328,949)	\$1,121,869	\$560,935
15	2033	\$1,517,222	(\$26,551)	(\$10,836)	(\$338,817)	\$1,141,018	\$570,509
16	2034	\$1,547,566	(\$27,082)	(\$11,053)	(\$348,982)	\$1,160,449	\$580,225
17	2035	\$1,578,518	(\$27,624)	(\$11,274)	(\$359,451)	\$1,180,169	\$590,085
18	2036	\$1,610,088	(\$28,177)	(\$11,499)	(\$370,235)	\$1,200,177	\$600,089
19	2037	\$1,642,290	(\$28,740)	(\$11,729)	(\$381,342)	\$1,220,479	\$610,240
20	2038	\$1,675,136	(\$29,315)	(\$11,964)	(\$392,782)	\$1,241,075	\$620,538
Total		\$25,201,081	(\$441,017)	(\$179,988)	(\$5,906,918)	\$18,927,934	\$9,463,972

### Summary of Estimated Tax Revenues

Table 5 below summarizes the Estimated IPT and pledged Sales Tax revenue that will be available to support debt service payments on the Revenue Bond. Over the 20-year period from 2019 through 2038, the Retail Facilities are estimated to generate \$40.2 million in incremental property tax revenue and \$9.5 million in pledged Sales Tax revenue for total revenues of \$49.7 million. Annual IPT is expected to increase from \$2.0 million at project stabilization (anticipated in 2022) to \$2.8 million by 2038. Over the same period, pledged Sales Taxes are anticipated to increase from \$0.44 million in 2022 to \$0.62 million in 2038. Overall annual revenues range from \$2.4 million in 2022 to \$3.4 million in 2038.

**Table 5: Summary of Estimated Taxes Available for Debt Service by Year**  
**Sawmill Station - Retail Development**  
**Village of Morton Grove, Illinois**

Assessment Year	Collection Year	Property Taxes	Sales Taxes	Total
2018	2019	\$0	\$0	\$0
2019	2020	\$0	\$0	\$0
2020	2021	\$0	\$247,614	\$247,614
2021	2022	\$1,987,000	\$443,389	\$2,430,389
2022	2023	\$2,105,000	\$480,935	\$2,585,935
2023	2024	\$2,105,000	\$489,292	\$2,594,292
2024	2025	\$2,105,000	\$497,780	\$2,602,780
2025	2026	\$2,228,000	\$506,398	\$2,734,398
2026	2027	\$2,228,000	\$515,149	\$2,743,149
2027	2028	\$2,228,000	\$524,032	\$2,752,032
2028	2029	\$2,356,000	\$533,052	\$2,889,052
2029	2030	\$2,356,000	\$542,208	\$2,898,208
2030	2031	\$2,356,000	\$551,502	\$2,907,502
2031	2032	\$2,491,000	\$560,935	\$3,051,935
2032	2033	\$2,491,000	\$570,509	\$3,061,509
2033	2034	\$2,491,000	\$580,225	\$3,071,225
2034	2035	\$2,631,000	\$590,085	\$3,221,085
2035	2036	\$2,631,000	\$600,089	\$3,231,089
2036	2037	\$2,631,000	\$610,240	\$3,241,240
2037	2038	\$2,778,000	\$620,538	\$3,398,538
Totals		\$40,198,000	\$9,463,972	\$49,661,972

## Sensitivity Analysis

Two sensitivity analyses were performed to assess the vulnerability of the Estimates to potential deviations from the assumptions. These analyses are described below and summarized in Tables 6 and 7.

### 1. Scenario A – Zero Growth of Incremental Property Taxes / Zero Growth in Retail Sales

This scenario is intended to test an otherwise stable and healthy shopping center development within the context of a stagnant economic climate. Table 6 shows the estimated IPT and Sales Tax available to the Project under a scenario where the property tax rate remains constant, and there is zero growth in both AV and retail sales among the Retail Facilities. Under this scenario, IPT over the 20-year period from 2019 through 2038 will generate \$31.9 million and pledged Sales Taxes will total \$7.5 million, for a combined total of \$39.4 million available for debt service. This is approximately \$10.3 million less than the Base Case Estimates.

**Table 6: Sensitivity Scenario A - Estimated Taxes Available for Debt Service by Year**  
**Sawmill Station - Retail Development**  
**Village of Morton Grove, Illinois**

Assessment Year	Collection Year	Property Taxes	Sales Taxes	Total
2018	2019	\$0	\$0	\$0
2019	2020	\$0	\$0	\$0
2020	2021	\$0	\$247,614	\$247,614
2021	2022	\$1,875,000	\$434,595	\$2,309,595
2022	2023	\$1,875,000	\$460,238	\$2,335,238
2023	2024	\$1,875,000	\$456,456	\$2,331,456
2024	2025	\$1,875,000	\$452,561	\$2,327,561
2025	2026	\$1,875,000	\$448,549	\$2,323,549
2026	2027	\$1,875,000	\$444,417	\$2,319,417
2027	2028	\$1,875,000	\$440,160	\$2,315,160
2028	2029	\$1,875,000	\$435,776	\$2,310,776
2029	2030	\$1,875,000	\$431,261	\$2,306,261
2030	2031	\$1,875,000	\$426,610	\$2,301,610
2031	2032	\$1,875,000	\$421,819	\$2,296,819
2032	2033	\$1,875,000	\$416,885	\$2,291,885
2033	2034	\$1,875,000	\$411,803	\$2,286,803
2034	2035	\$1,875,000	\$406,568	\$2,281,568
2035	2036	\$1,875,000	\$401,176	\$2,276,176
2036	2037	\$1,875,000	\$395,623	\$2,270,623
2037	2038	\$1,875,000	\$389,903	\$2,264,903
Totals		\$31,875,000	\$7,522,014	\$39,397,014



The annual total amount of Pledged Revenues in this scenario increases from \$2.31 million in 2022 to \$2.34 million in 2023 and declines thereafter, reaching \$2.26 million in 2038. Annual IPT reaches \$1.87 million at stabilization in 2022 and remains flat through 2038. Pledged Sales Taxes increase from \$0.43 million at stabilization in 2022 to \$0.46 million in 2023 but steadily decline after that, reaching \$0.39 million by 2038. Although there is an assumption of flat sales in this scenario, the Sales Tax Baseline Amount retained by the Village follows a scheduled annual increase of 3.0%, which is why Sales Tax Revenue and Pledged Revenues as a whole decline through 2038.

**2. Sensitivity Scenario B – 1% Growth in Assessed Values / 10% Reduction in Fair Market Value / 25% Lower Retail Sales Expectations**

Table 7 shows the estimated IPT and Sales Tax available to the Project under a scenario where there is modest growth in AV of 1.0% per year, fair market value is 10.0% lower than JRG's base-case estimates and sales volumes are 25.0% less than JRG's base-case estimates. Under this scenario, total IPT over the 20-year period from 2019 through 2038 totals \$32.5 million while pledged Sales Taxes total \$6.4 million for a combined total of \$38.9 million available for debt service. This is approximately \$10.8 million less than the Base Case Estimates.

The annual total amount of Pledged Revenues in this scenario increases from \$2.0 million in 2022 to \$2.6 million in 2038. Annual IPT reaches \$1.7 million at stabilization in 2022 and increases to \$2.1 million by 2038. Pledged Sales Taxes increase from \$0.30 million at stabilization in 2022 to \$0.42 million in 2038. Unlike Scenario A, sales are assumed to grow at 2.0% annual, albeit from a smaller starting base. The Sales Tax Baseline Amount retained by the Village follows a scheduled annual increase of 3.0% as it does in the Base Case Estimates and Scenario A.

**Table 7: Sensitivity Scenario B - Estimated Taxes Available for Debt Service by Year**  
**Sawmill Station - Retail Development**  
**Village of Morton Grove, Illinois**

Assessment Year	Collection Year	Property Taxes	Sales Taxes	Total
2018	2019	\$0	\$0	\$0
2019	2020	\$0	\$0	\$0
2020	2021	\$0	\$156,112	\$156,112
2021	2022	\$1,695,000	\$302,111	\$1,997,111
2022	2023	\$1,765,000	\$329,364	\$2,094,364
2023	2024	\$1,765,000	\$334,690	\$2,099,690
2024	2025	\$1,765,000	\$340,086	\$2,105,086
2025	2026	\$1,836,000	\$345,550	\$2,181,550
2026	2027	\$1,836,000	\$351,083	\$2,187,083
2027	2028	\$1,836,000	\$356,687	\$2,192,687
2028	2029	\$1,909,000	\$362,359	\$2,271,359
2029	2030	\$1,909,000	\$368,101	\$2,277,101
2030	2031	\$1,909,000	\$373,912	\$2,282,912
2031	2032	\$1,985,000	\$379,794	\$2,364,794
2032	2033	\$1,985,000	\$385,745	\$2,370,745
2033	2034	\$1,985,000	\$391,766	\$2,376,766
2034	2035	\$2,063,000	\$397,857	\$2,460,857
2035	2036	\$2,063,000	\$404,016	\$2,467,016
2036	2037	\$2,063,000	\$410,245	\$2,473,245
2037	2038	\$2,143,000	\$416,543	\$2,559,543
Totals		\$32,512,000	\$6,406,021	\$38,918,021

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## Summary and Conditions of Findings

JRG was engaged by the Village to prepare these Estimates for the purpose of generating a comprehensive and thorough analysis of the potential IPT and Sales Tax available in the Sawmill Station RPA for the Project. In the course of preparing the Estimates, JRG contacted various parties, including the Village, County, Developer, and other professionals that may have information and data pertinent to this assignment. JRG reviewed and analyzed the data for the purpose of the Estimates. JRG has relied on this information and data to derive the key assumptions outlined above. JRG assumes the information collected to prepare the Estimates is accurate, complete, from reliable sources, and was provided in good faith, and nothing has come to the attention of JRG that would call into question such assumptions.

The receipt of IPT revenue and Sales Tax revenue may be adversely impacted by future economic conditions, as well as other factors not considered in this Study. The assessment of the likelihood and/or effect of such risks, conditions, or matters is outside of the scope of this Study. Because the actual payment and collection of IPT and Sales Tax revenue may be affected by future economic conditions, as well as other factors, not all of which are considered in this Study, JRG cannot assure that the receipt of IPT and Sales Tax revenue will be realized at the levels estimated in this Study. Furthermore, JRG has not conducted any market feasibility studies to determine real estate market values and conditions that may exist in the Sawmill Station RPA and surrounding parts of the Village and nearby municipalities. Consideration of market values and conditions are not within the scope of these Estimates.

The receipt of IPT revenue is dependent upon the continuing validity of the assumptions contained in this Study, including the assumption that none of the potential risks contained in the section of this Study entitled "Risks and Conditions of Findings" will occur and that the conditions of findings hold true. This Study presents JRG's best estimate of future IPT revenue and Sales Tax the Village may receive, based on the assumptions described herein.

## RISKS AND CONDITIONS OF FINDINGS

Although not exhaustive, JRG has compiled a list of potential risk factors and conditions that could occur and thus affect the level of IPT revenue and Sales Tax revenue collected and distributed to the Village of Morton Grove. Further, the receipt of IPT and Sales Tax revenue may be affected by future economic conditions or changes in legislation and laws that, because they have not yet occurred, cannot be considered in this Study. Also listed are conditions of findings that are assumed to hold true. Since the risks and conditions are outside the control of JRG and their occurrence and magnitude cannot be predicted with certainty, JRG has only identified them, but cannot determine the effect they may have on the Estimates made in this Study and offers no opinion regarding possible outcomes or their likelihood of occurrence.

### Possible future actions by the State of Illinois

- ❑ Changes in the State Equalization Factor caused by a change in the County assessment practices or the method by which the State calculates this factor.
- ❑ Legislative changes in the level and method of providing assistance to local governments, which may affect local government reliance upon property tax revenues.
- ❑ Changes in the Tax Limitation Act that would further limit the ability of local governments to extend or increase property tax rates or levies.
- ❑ Changes in property tax laws that may affect or delay the timing or distribution of property taxes.
- ❑ Legislative changes or court decisions affecting the County's ability to assess property pursuant to the assessment rates defined in the County's Real Property Assessment Classification Ordinance.
- ❑ Amendment or repeal of the TIF Act resulting in reduction or elimination of incremental property taxes.
- ❑ Changes in the way homeowner or other property tax exemptions are applied to EAV, which could affect incremental property tax calculations.
- ❑ Limitations to home rule authority with regard to imposing a local sales tax and setting the tax rate.
- ❑ An increase in the administrative fee that the Department of Revenue charges for administering local sales taxes; the rate applied to Morton Grove is currently 1.5%.
- ❑ Delays by the Department of Revenue in collecting sales taxes from retailers or delays in processing retailer payments and remitting sales taxes to local units of government.

- ❑ Exempting certain organizations from paying state or local sales taxes.
- ❑ Exempting certain categories of general merchandise from state or local sales taxes.
- ❑ Restricting local governments' ability to impose sales tax on certain categories of general merchandise.
- ❑ Imposing a sales tax holiday on the collection of State Sales tax.
- ❑ Changes in the Municipal Retailers' Occupation Tax rate and the amount of that is allocated to the municipality and county where the purchase took place.
- ❑ Limitations on the ability of home rule municipalities to rebate sales taxes to retailers as an incentive for generating economic development.
- ❑ Failure to pass a state budget or other legislation to keep the Department of Revenue operating.

#### **Possible future actions by Cook County**

- ❑ Changes in the method of estimating the fair market value (FMV) of property in the County.
- ❑ Changes in the manner in which property tax exemptions, including value amounts, are administered.
- ❑ Changes in the assessment rates or in the incentive class program criteria specified in the County Real Property Assessment Classification Ordinance that are applied to the estimated FMV.
- ❑ Failure to administer assessment and tax extension practices and procedures of the County.
- ❑ Changes in the Certified Initial EAV, resulting in possible reductions of incremental property taxes.
- ❑ Amendments to the County Property Tax Relief Ordinance, or the enactment of any additional ordinances that may further restrict the ability of the County to extend or increase property tax levies.
- ❑ A change in the way the County Clerk calculates incremental EAV or incremental property taxes, resulting in possible reductions of incremental property taxes.
- ❑ Failure of the County Treasurer to collect and/or distribute incremental property taxes in a timely manner to the Village or its designated trustee, and/or failure of the Village to make payment on TIF Notes in a timely manner.

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### **Possible future actions by the Village of Morton Grove**

- ❑ Failure of the Village to make payment on the Revenue Bonds or TIF Note in a timely manner.
- ❑ Reducing the rate of the Home Rule Retailers' Occupation Tax or Home Rule Municipal Service Occupation Tax.
- ❑ Excluding certain types of general merchandise from local sales tax.
- ❑ Increasing other local taxes or business district tax rates which would increase the aggregate sales tax rate relative nearby municipalities and retail centers.
- ❑ Failing to maintain infrastructure to allow for continued access to the Project or disrupting vehicular and pedestrian traffic to the project area.
- ❑ Failing to address severe weather conditions that could impact safe travel to and access to the project area.
- ❑ Changes to the municipal code that reduce the number of hours or days certain types of merchandise are available for sale.
- ❑ Changes in land use types in the RPA or zoning changes that restrict the types of allowable uses in the Retail Facilities.

### **Possible future actions by other taxing agencies**

- ❑ Reductions in a taxing agency's property tax levy for whatever reason, which may result in a reduction in the property tax rate and incremental property taxes.
- ❑ Claims against past or future incremental property taxes as a result of administrative actions by the County in assigning Tax Codes and calculating the Certified Initial EAV.

### **Possible future matters related to the Redevelopment Project Area**

- ❑ Failure of the EAV of the tax codes in the subject Redevelopment Project Area to remain at or above the Certified Initial EAV.

### **Possible future actions by the taxpayers, property owners or tenants**

- ❑ Failure of the current or future owners and their managers, leasing agents or other professionals to maintain the economic viability of their property and to act promptly to replace tenants, or sell their property to new occupants, once the premises are vacated.

- ❑ Filing bankruptcy petitions, which may result in the non-payment of real estate taxes and may prevent unpaid taxes from being offered at the County's annual tax sale.
- ❑ Successful application by one or more owners for the reduction of AV of a property below the levels estimated in this Study.
- ❑ Successful application by one or more owners for the reduction of AV through any of the County's special assessment classifications designed to stimulate investment, the collective result of which may be a reduction in incremental property taxes.
- ❑ Failure of property owners to pay property taxes in a timely manner.
- ❑ Conveyance of property by one or more owners to tax-exempt entities, the collective result of which may be a reduction in incremental property taxes.
- ❑ Tenants may change which could impact the value of the Project as well as the amount of sales that are subject to State and local sales taxes.

#### **General economic conditions**

- ❑ Lower than historic inflationary growth in property values of the Project and other property in the Redevelopment Project Area included in this Study.
- ❑ Real estate and market conditions, neighborhood changes, rezoning, federal, state or local economic conditions, that may prevent or delay the sale or lease of property or reduce the value of real estate within the Redevelopment Project Areas below the values assumed in this Study.
- ❑ Significantly greater increases in EAV outside the Sawmill Station RPA than within, that could result in lower tax levies and reduced IPT within the RPA.

#### **Force majeure conditions**

- ❑ Riots, civil disturbances, vandalism, fires, various natural disasters or other "acts of God" affecting the conditions and viability of properties, which may reduce or eliminate the receipt of incremental property taxes.
- ❑ Labor strikes, or shortages in materials or labor that may reduce incremental property taxes.
- ❑ Adverse environmental conditions, which may render all or a portion of the Project or other property in the Redevelopment Project Areas unusable.

## APPENDIX

### Property Tax Limits

*State of Illinois.* The Property Tax Code limits (a) the amount of property taxes that can be extended for non-home rule units of local government located in Cook County, five counties adjacent thereto, and certain other downstate counties, and (b) the ability of those entities to issue general obligation bonds without voter approval (the “State Tax Cap”). Generally, the extension of property taxes for a unit of local government subject to the State Tax Cap may increase in any year by 5% or the percent increase in the Consumer Price Index, whichever is less, or the amount approved by referendum. The State Tax Cap does not apply to the issuance of “limited bonds” payable from a Unit’s “debt service extension base” or “double-barreled alternate bonds” issued pursuant to Section 15 of the Local Government Debt Reform Act.

As a home rule unit of government, the Village is not subject to the State Tax Cap. However, from time to time, various public officials have stated that the State Tax Cap also should be made applicable to the Village and other home rule municipalities. In addition, an advisory referendum posing the question “should the Illinois General Assembly limit annual property tax extension increases to a maximum of 5% or as provided by the Consumer Price Index, whichever is less,” was considered by County voters at the November 1994 general election. This advisory question was approved by approximately 83% of County voters who cast ballots on the question. No such advisory referendum has been held since November 1994.

Under the Illinois Constitution of 1970, the enactment of legislation applying the State Tax Cap to the Village and other home rule municipalities would require a law approved by a vote of three-fifths of the members elected to each house of the Illinois General Assembly. It is not possible to predict whether, or in what form, any property tax limitations applicable to the Village would be enacted by the Illinois General Assembly. The adoption of any limits on the extension of real property taxes by the Illinois General Assembly may, in future years, adversely affect the Village’s ability to levy property taxes to finance operations at current levels and the Village’s power to issue additional general obligation debt without the prior approval of voters.

State law imposes certain notice and public hearing requirements on non-home rule Units of local government that propose to issue general obligation debt that is not approved by the voters. These requirements do not apply to the Village.

### County Real Property Assessment Classification Ordinance

Except for farmland and certain railroad property, which are assessed by the State, the County assesses all taxable real estate within Cook County. The County assesses all real property by (a) estimating its FMV, (b) classifying the real property or improvement by its type of use pursuant to the County Real Property Assessment Classification Ordinance, and (c) multiplying its FMV by the rates established in that ordinance. From time-to-time the Assessor amends the County Real Property Assessment Classification Ordinance, and such future amendments may alter assessment classifications, assessment rates, assessment incentive programs, and other similar



aspects of assessments. The last revision approved assessment level reductions for all types of property to 10% or 25% in assessment year 2009, with Class 3 property being more gradually reduced to 10% by 2011. Listed below are the major assessment classifications for property in Cook County as of assessment year 2019.

### Cook County Major Property Classifications

<u>Class</u>	<u>Description</u>	<u>2019 Assessment Rate</u>
1	Vacant Land	10%
2	Residential (6 units or less) <sup>1</sup>	10%
3	Residential (more than 6 units)	10%
4	Not-for-profit	10%
5a	Commercial	25%
5b	Industrial	25%
6b	Industrial Incentive	10-25% <sup>2</sup>
C	Commercial/Industrial Incentive (recently remediated)	10%-25% <sup>3</sup>
7a/7b	Commercial Incentive (areas in need of commercial development)	10%-25% <sup>4</sup>
8	Industrial/Commercial Incentive (in severely depressed areas)	10%-25% <sup>5</sup>
9	Multi-family Residential Incentive (7 or more units)	10% <sup>6</sup>
S	Multi-family Residential Incentive (Section 8 housing)	10%
L	Landmark Incentive	10%

1. As of April 2000 includes buildings with both residential and commercial uses.
2. Qualifying properties are assessed for an initial 12-year period at 10% for the first 10 years, 15% in year 11 and 20% in year 12. These properties may also be eligible to renew this incentive for additional 10-year periods at 10% during the 10<sup>th</sup> year of the original or extension reduction period, per Village Council approval, consistent with the requirements of the Classification Ordinance (as defined herein).
3. Qualifying properties are assessed for an initial 12-year period at 10% for the first 10 years, 15% in year 11 and 20% in year 12. Industrial properties may renew as long as the property continues to apply and qualify for Class C. Commercial properties may not renew after the original 12-year period.
4. Qualifying properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12.
5. Industrial properties: assessed at 10% for first 10 years and any subsequent 10-year renewal period. If not renewed, 15% in year 11 and 20% in year 12. Commercial properties: assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12.
6. Qualified properties are assessed 10% for an initial 10-year period, renewable upon application for additional 10-year periods.

For purposes of this Study, it is assumed that any possible future amendment to the Cook County Real Property Assessment Classification Ordinance (the “Classification Ordinance”) will not affect property classifications or rates to an extent that would have a material impact on the IPT Estimates contained in this Study.

## **APPENDIX E**

### **SENSITIVITY ANALYSIS**

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**Sawmill Station - Retail Development**  
**Village of Morton Grove**

**Appendix E**

**SENSITIVITY - ZERO GROWTH**

Revenue Year Ending	Bond Year Ending	Available Revenues			Debt Service					
		Limited Incremental Property	Limited Incremental	Total Projected	Principal	Interest	Capitalized Interest	Debt Service Reserve <sup>2</sup>	Net Debt Service	Net Debt Service Coverage
		<u>Taxes<sup>1</sup></u>	<u>Sales Taxes<sup>1</sup></u>	<u>Revenues</u>						
12/31	7/1									
2019	2020	-	-	\$0	-	\$666,389	(\$666,389)	-	-	N/A
2020	2021	-	-	-	-	895,150	(\$895,150)	-	-	N/A
2021	2022	-	\$ 247,614	\$ 247,614	-	895,150	(\$895,150)	-	-	N/A
2022	2023	\$ 1,875,000	434,595	2,309,595	\$495,000	884,631		\$1,379,631		1.67
2023	2024	1,875,000	460,238	2,335,238	610,000	861,150		1,471,150		1.59
2024	2025	1,875,000	456,456	2,331,456	640,000	834,588		1,474,588		1.58
2025	2026	1,875,000	452,561	2,327,561	675,000	806,644		1,481,644		1.57
2026	2027	1,875,000	448,549	2,323,549	780,000	775,725		1,555,725		1.49
2027	2028	1,875,000	444,417	2,319,417	820,000	741,725		1,561,725		1.49
2028	2029	1,875,000	440,160	2,315,160	860,000	706,025		1,566,025		1.48
2029	2030	1,875,000	435,776	2,310,776	980,000	663,250		1,643,250		1.41
2030	2031	1,875,000	431,261	2,306,261	1,035,000	612,875		1,647,875		1.40
2031	2032	1,875,000	426,610	2,301,610	1,095,000	559,625		1,654,625		1.39
2032	2033	1,875,000	421,819	2,296,819	1,235,000	501,375		1,736,375		1.32
2033	2034	1,875,000	416,885	2,291,885	1,300,000	438,000		1,738,000		1.32
2034	2035	1,875,000	411,803	2,286,803	1,375,000	371,125		1,746,125		1.31
2035	2036	1,875,000	406,568	2,281,568	1,530,000	298,500		1,828,500		1.25
2036	2037	1,875,000	401,176	2,276,176	1,615,000	219,875		1,834,875		1.24
2037	2038	1,875,000	395,623	2,270,623	1,705,000	136,875		1,841,875		1.23
2038	2039	1,875,000	389,903	2,264,903	1,885,000	47,125		(\$1,863,500)	68,625	33.00
					<u>\$18,635,000</u>	<u>\$11,915,802</u>			<u>\$26,230,613</u>	

1. Per Table 6 in the JRG Feasibility Study attached as Exhibit D.

2. Debt Service Reserve Fund is used in the final debt service payment

**Sawmill Station - Retail Development  
Village of Morton Grove**

**Appendix E**

**SENSITIVITY - 1% GROWTH/10% REDUCTION IN ASSESSED VALUES/25% LOWER SALES TAX**

Revenue Year Ending	Bond Year Ending	Available Revenues			Debt Service					
		Limited Incremental Property Taxes <sup>1</sup>	Limited Incremental Sales Taxes <sup>1</sup>	Total Projected Revenues	Principal	Interest	Capitalized Interest	Debt Service Reserve <sup>2</sup>	Net Debt Service	Net Debt Service Coverage
12/31	7/1									
2019	2020	-	-	\$0	-	\$666,389	(\$666,389)	-	-	N/A
2020	2021	-	-	-	-	895,150	(\$895,150)	-	-	N/A
2021	2022	-	\$156,112	\$ 156,112	-	895,150	(\$895,150)	-	-	N/A
2022	2023	\$1,695,000	302,111	1,997,111	\$495,000	884,631			1,379,631	1.45
2023	2024	1,765,000	329,364	2,094,364	610,000	861,150			1,471,150	1.42
2024	2025	1,765,000	334,690	2,099,690	640,000	834,588			1,474,588	1.42
2025	2026	1,765,000	340,086	2,105,086	675,000	806,644			1,481,644	1.42
2026	2027	1,836,000	345,550	2,181,550	780,000	775,725			1,555,725	1.40
2027	2028	1,836,000	351,083	2,187,083	820,000	741,725			1,561,725	1.40
2028	2029	1,836,000	356,687	2,192,687	860,000	706,025			1,566,025	1.40
2029	2030	1,909,000	362,359	2,271,359	980,000	663,250			1,643,250	1.38
2030	2031	1,909,000	368,101	2,277,101	1,035,000	612,875			1,647,875	1.38
2031	2032	1,909,000	373,912	2,282,912	1,095,000	559,625			1,654,625	1.38
2032	2033	1,985,000	379,794	2,364,794	1,235,000	501,375			1,736,375	1.36
2033	2034	1,985,000	385,745	2,370,745	1,300,000	438,000			1,738,000	1.36
2034	2035	1,985,000	391,766	2,376,766	1,375,000	371,125			1,746,125	1.36
2035	2036	2,063,000	397,857	2,460,857	1,530,000	298,500			1,828,500	1.35
2036	2037	2,063,000	404,016	2,467,016	1,615,000	219,875			1,834,875	1.34
2037	2038	2,063,000	410,245	2,473,245	1,705,000	136,875			1,841,875	1.34
2038	2039	2,143,000	416,543	2,559,543	1,885,000	47,125		(\$1,863,500)	68,625	37.30
					<u>\$18,635,000</u>	<u>\$11,915,802</u>			<u>\$26,230,613</u>	

1. Per Table 7 in the JRG Feasibility Study attached as Exhibit 7.

2. Debt Service Reserve Fund is used in the final debt service payment

**APPENDIX F**

**CONTINUING DISCLOSURE AGREEMENT**

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## **CONTINUING DISCLOSURE AGREEMENT**

This CONTINUING DISCLOSURE AGREEMENT (this “*Agreement*”) is dated as of October 3, 2019, by and among AMALGAMATED BANK OF CHICAGO, as Dissemination Agent (the “*Dissemination Agent*”), the VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS (the “*Village*”), and IM KENSINGTON MG, LLC, a Delaware limited liability company (the “*Developer*”), in connection with the issuance of the Village’s \$18,635,000 aggregate principal amount Senior Lien Tax Increment Revenue Bonds, Series 2019 (the “*Bonds*”). The Bonds are issued pursuant to the Indenture of Trust dated as of October 1, 2019 (the “*Trust Indenture*”) between the Village and the Trustee, and the bond ordinance adopted by the President and Board of Trustees of the Village on July 8, 2019 (the “*Bond Ordinance*”).

The Bonds are payable from Limited Incremental Property Taxes and Limited Incremental Sales Taxes, as said terms are defined in the Limited Offering Memorandum dated September 26, 2019 (the “*LOM*”) related to the Bonds and as further set forth in the Trust Indenture. The Bonds are issued pursuant to the Constitution and the laws of the State of Illinois, particularly the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, the Bond Ordinance and the Trust Indenture.

1. **Purpose of this Agreement.** This Agreement is executed and delivered by the Dissemination Agent, the Village and the Developer as of the date set forth above, for the benefit of the beneficial owner or owners of the Bonds in order to provide certain information and to provide notice of certain events to the MSRB (as defined below) pursuant to the requirements of Section (b)(5) of the Rule (as defined below) and in order to assist the Underwriter (as hereinafter defined) in complying with the requirements of the Rule (as hereinafter defined).

2. **Definitions.** Initially capitalized terms used but not otherwise defined in this Agreement have the same meanings given them in the Limited Offering Memorandum, unless otherwise stated herein. In addition, the following terms shall have the meaning set forth below:

“*Annual Financial Information*” means the financial information and operating data described in *Exhibit I a.* attached hereto.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 5 hereof.

“*Annual Reports Filing Date*” means the date specified in *Exhibit I* for providing the Annual Financial Information and the Audited Financial Statements to the MSRB.

“*Audited Financial Statements*” means the audited financial statements of the Village prepared pursuant to the standards and as described in *Exhibit I b* attached hereto.

“*Commission*” means the Securities and Exchange Commission.

“*Developer Financial Information*” means the information described in *Exhibit II* attached hereto.



*“Dissemination Agent”* means the Dissemination Agent hereunder or any other agent designated as such in writing by the Village and which has filed with the Village a written acceptance of such designation, and such agent’s successors and assigns.

*“EMMA”* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*“Event”* means the occurrence of any of the events with respect to the Bonds set forth in *Exhibit III* attached hereto.

*“Exchange Act”* means the Securities Exchange Act of 1934, as amended.

*“Fiscal Year End”* means December 31 of each year, which is the last day the Village’s fiscal year.

*“Limited Offering Memorandum”* means the Limited Offering Memorandum dated September 26, 2019 of the Village relating to the Bonds.

*“MSRB”* means the Municipal Securities Rulemaking Board.

*“Participating Underwriter”* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*“Redevelopment Agreement”* means the Economic Incentive and Tax Increment Allocation Financing Development Agreement dated July 8, 2019 between the Village and the Developer.

*“Reportable Event”* means any Event which is subject to a Reportable Events Disclosure pursuant to Section 7.

*“Reportable Events Disclosure”* means dissemination of a notice of a Reportable Event as set forth in Section 7.

*“Rule”* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*“State”* means the State of Illinois.

*“Trustee”* means Amalgamated Bank of Chicago, as trustee under the Trust Indenture.

*“Undertaking”* means the obligations of the Village pursuant to Sections 5 and 6.

3. **Representations of the Village.** The Village represents that:

(a) it will be the only “obligated person” (within the meaning of paragraph f(10) of the Rule) with respect to the Bonds at the time the Bonds are delivered to the beneficial owner thereof and that no other person is expected to become so committed at any time after issuance of the Bonds; and

(b) the Village is currently in compliance with all previous undertakings pursuant to the Rule that are still in effect.

4. **CUSIP Numbers.** The CUSIP Numbers of the Bonds are set forth in *Exhibit IV*. The Village will include the CUSIP Numbers in all disclosure materials described in Sections 5 and 6 of this Agreement.

5. **Annual Financial Information and Audited Financial Statements Disclosure.**

(a) Subject to Section 9 of this Agreement, the Village hereby covenants that it will disseminate, or cause the Dissemination Agent to disseminate, its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

(b) If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Village will, or cause the Dissemination Agent to, disseminate to the MSRB a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

(c) If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

(d) If the Village changes its Fiscal Year End, it shall give notice of such change in the same manner as for a Reportable Event under Section 7 below.

(e) By no later than fifteen (15) business days prior to the applicable Annual Financial Information Filing Date (as defined in Exhibit I), the Village shall provide its Annual Financial Information and, if applicable, its Audited Financial Statements, to the Dissemination Agent for filing with the MSRB through EMMA by no later than the Annual Reports Filing Date. If, by such 15<sup>th</sup> business day prior to the Annual Reports Filing Date, the Dissemination Agent has not received copies of the Annual Financial Information and the Audited Financial

Statements from the Village, the Dissemination Agent shall contact the Village to determine if the Village is in compliance with its obligations hereunder.

(f) If the Dissemination Agent is unable to verify that the Village has provided the Annual Financial Information and the Audited Financial Statements to the MSRB by the Annual Reports Filing Date, the Dissemination Agent shall promptly send a notice to the MSRB through EMMA in substantially the form attached hereto as *Exhibit V*.

(g) The Dissemination Agent shall:

- (i) determine each year, prior to the Annual Reports Filing Date, the applicable electronic format for filings through EMMA;
- (ii) file the Annual Financial Information and the Audited Financial Statements (if timely received from the Village) with the MSRB through EMMA by the Annual Reports Filing Date; and
- (iii) file a report with the Village certifying that the Annual Financial Information and the Audited Financial Statements have been provided to the MSRB pursuant to this Agreement and stating the date that such Annual Financial Information and Audited Financial Statements were provided to the MSRB; and
- (iv) file such other Annual Financial Information with the MSRB upon receipt of same from the Village.

6. **Developer Financial Information Disclosure.** The Developer shall provide quarterly reports setting forth the Developer Financial Information to the Dissemination Agent, the Village, the Underwriter and the Consultant until such time as the Retail Facilities are substantially complete (ninety percent (90%) of the total rentable square footage of the Development) and is 90% occupied by third party tenants. Such quarterly reports shall be made available within thirty (30) days after the end of each calendar quarter, commencing with the calendar quarter ending December 31, 2019. Promptly upon its receipt thereof, the Dissemination Agent shall disseminate the Developer Financial Information to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

7. **Reportable Events Disclosure.**

(a) Subject to Section 9 of this Agreement, the Village hereby covenants that it will, or cause the Dissemination Agent to, disseminate in a timely manner (not in excess of ten (10) business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

(b) The Village may from time to time choose to provide notice of the occurrence of certain other events, in addition to the Reportable Events, if, in the judgment of the Village, such other event is material with respect to the Bonds, but the Village does not undertake any commitment to provide such notice of any event except for the Reportable Events.

(c) MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Trust Indenture and the Bond Ordinance.

(d) In connection with providing a notice of the occurrence of a Reportable Event, the Dissemination Agent, solely in its capacity as such, is not obligated or responsible under this Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The Dissemination Agent shall, promptly upon obtaining actual knowledge at its office specified in Section 13 below of the occurrence of any of the Events, contact the Village to inform the appropriate person at the Village of the occurrence of such Event and request that the Village promptly notify the Dissemination Agent in writing whether or not to report such Event to the MSRB as a Reportable Event pursuant to Section 7(h) below; provided, however, that the failure by the Dissemination Agent to so notify the Village and make such request shall not relieve the Village of its duty to report Reportable Events as required by this Agreement.

(f) Whenever the Village obtains knowledge of the occurrence of an Event, whether because of notice from the Dissemination Agent pursuant to Section 7(e) above or otherwise, the Village shall determine as soon as possible (but in no event in excess of ten (10) business days after the occurrence of the Event giving rise to the Reportable Event) if such Event is a Reportable Event which is required to be reported to the MSRB pursuant to the Rule and this Section 7. In the event the Village determines that such Event is not a Reportable Event, the Village shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to not report such Event.

(g) If, however, the Village determines that an Event is a Reportable Event required to be reported to the MSRB pursuant to the Rule and this Section 7, the Village shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report such Reportable Event, in which event the Dissemination Agent shall file a notice of such Reportable Event with the MSRB through EMMA in an electronic format and accompanied by such identifying information as is prescribed by the MSRB. Such notice shall in no event be filed later than ten (10) business days after the occurrence of the Event giving rise to the Reportable Event.

(h) The Dissemination Agent may conclusively rely on an opinion of counsel that the Village's instructions to the Dissemination Agent under this Section 7 comply with the requirements of the Rule.

8. **Consequences of Failure of the Village to Provide Information.** The Village shall give, or cause the Dissemination Agent to give, notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure and Audited Financial Statements when the same are due hereunder.

In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Trust Indenture or the Bond Ordinance, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

9. **Amendments; Waiver.** Notwithstanding any other provision of this Agreement, the Village by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel) at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Village or the Dissemination Agent shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

10. **Termination of Undertaking.** The Undertaking of the Village, and the obligations of the Dissemination Agent hereunder, shall be terminated hereunder if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds (including defeasance of the Bonds) under the Trust Indenture and the Bond Ordinance. The Village shall, or cause the Dissemination Agent to, give notice to the MSRB through EMMA in a timely manner if this Section is applicable.

11. **Dissemination Agent.** The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Village hereby appoints Amalgamated Bank of Chicago as the Dissemination Agent, to act as Dissemination Agent with respect to the Village's obligations under the Undertaking.

The Dissemination Agent, including its officers, directors, employees and agents, shall: (a) not be liable for any action taken or omitted with respect to this Agreement so long as it shall have acted in good faith and without gross negligence; (b) be entitled to compensation for its services hereunder as provided in a separate written agreement with the Village, which is made a part hereof, and for reimbursement of its out-of-pocket expenses including, but not by way of limitation, the fees and costs of attorneys or agents which it may find necessary to engage in performance of its duties hereunder, all to be paid by the Village; (c) have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for the Village; IN NO EVENT SHALL THE DISSEMINATION AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH RESULT FROM THE DISSEMINATION AGENT'S FAILURE TO ACT IN ACCORDANCE WITH THE STANDARDS SET FORTH IN THIS AGREEMENT, OR (ii) SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, EVEN IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; (d) have the right, but not the obligation, to consult with counsel of choice and shall not be liable for action taken or omitted to be taken by Dissemination Agent either in accordance with the advice of such counsel or in accordance with any opinion of counsel to the Village addressed and delivered to the Dissemination Agent; and (e) have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees, and shall not be responsible for the misconduct or negligence of such agents, attorneys, custodians and nominees appointed by it with due care. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach of this Agreement. The sole remedy for failure of the Dissemination Agent to perform hereunder is specific performance.

It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Village. The Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided to it under this Agreement, and has no liability to any person, including any holder of Bonds, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Village shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Village.

The Dissemination Agent may at any time resign by giving 30 days written notice of resignation to the Village. Upon receiving such notice of resignation, the Village shall promptly appoint a successor or assume the duties of the Dissemination Agent hereunder. Any bank, corporation or association into which the Dissemination Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any

merger, conversion or consolidation to which the Dissemination Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Dissemination Agent shall be the successor of the Dissemination Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The Dissemination Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Dissemination Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel.

12. **Additional Information.** Nothing in this Agreement shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or Audited Financial Statements, or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Village shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

13. **Notices.** Any notices or communications to or among any of the parties to this Agreement may be given as follows:

To the Issuer: Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove, IL 60053  
Attention: Village Administrator  
Email: rczerwinski@mortongroveil.org

To the Developer: IM Kensington MG, LLC  
c/o IM Property Investments (USA) LLC  
77 West Wacker Drive, Suite 4025  
Chicago, IL 60601  
Attention: Chad Jones  
Email: chad@kensingtondev.com

To the Dissemination Agent: Amalgamated Bank of Chicago  
30 N LaSalle St.  
Chicago, IL 60602

Attention: Pamela Sumerall  
Phone: 312-822-8545  
Email: psumerall@aboc.com

14. **Beneficiaries.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Village, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

15. **Recordkeeping.** The Village shall, or shall cause the Dissemination Agent to, maintain records of all Annual Financial Information Disclosure, Audited Financial Statements and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

16. **Beneficiaries.** This Agreement shall inure solely to the benefit of the Trustee, the Village, the Bondholders and the Beneficial Owners and shall create no rights in any other person or entity.

17. **Assignment.** The Village shall not transfer its obligations under the Bond Ordinance unless the transferee agrees to assume all obligations of the Village under this Agreement or to execute an Undertaking under the Rule.

18. **Indemnification.** The Village hereby agrees to indemnify and hold harmless the Dissemination Agent from and against any and all costs, claims, liabilities, losses or damages whatsoever (including reasonable costs and fees of counsel, auditors or other experts), asserted or arising out of or in connection with the execution of this Agreement or the exercise or performance of its duties hereunder, except costs, claims, liabilities, losses or damages resulting from the negligence or willful misconduct of the Dissemination Agent, including the reasonable costs and expenses (including the reasonable fees and expenses of its counsel) of defending itself against any such claim or liability in connection with its exercise or performance of any of its duties hereunder and of enforcing this indemnification provision. The indemnifications set forth herein shall survive the termination of this Agreement and/or the resignation or removal of the Dissemination Agent.

19. **Governing Law.** This Agreement shall be governed by the laws of the State of Illinois applicable to contracts performed wholly therein and without reference to its conflict of laws principles, provided that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

(signature page follows)



VILLAGE OF MORTON GROVE, ILLINOIS

By: \_\_\_\_\_

Its: \_\_\_\_\_

AMALGAMATED BANK OF CHICAGO

By: \_\_\_\_\_

Its: \_\_\_\_\_

IM KENSINGTON MG, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

Continuing Disclosure Agreement  
*Signature Page*

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AUDITED**  
**FINANCIAL STATEMENTS AND TIMING**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents, including other official statements (subject to the following sentence), which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a final Official Statement, the final Official Statement must be available on EMMA; the final Official Statement need not be available from the Commission. The Village shall clearly identify each such item of information included by reference.

**a. Annual Financial Information:**

1. *“Annual Financial Information”* means information and data for each Parcel Index Number as follows: Taxpayer of Record, Equalized Assessed Values, Frozen Valuation, Tax Rate and Incremental Taxes in the form attached hereto as Exhibit VI. In addition the Village shall provide the amount of Limited Incremental Sales Taxes generated annually within the First Stage TIF Project through the Annual Reports Filing Date set forth below.
2. Annual Financial Information (exclusive of Audited Financial Statements) will be submitted to EMMA on or before November 1 of each calendar year commencing on November 1, 2021 (the “Annual Financial Information Filing Date”).

**b. Audited Financial Statements:**

1. *“Audited Financial Statements”* means the general purpose financial statements of the Village prepared in accordance with generally accepted auditing standards and “Government Auditing Standards” issued by the Comptroller of the United States.
2. Audited Financial Statements will be submitted to EMMA in such format and manner and accompanied by identifying information as is prescribed by the MSRB, at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.
3. Within ten (10) business days of receipt thereof, and not later than 240 days after the Village’s Fiscal Year End, commencing December 31, 2020, the Village shall provide the Annual Financial Statements to the Dissemination Agent. The Dissemination Agent shall notify the Village in the event it does not receive such report.

**EXHIBIT I**

If any change is made to the Annual Financial Information as permitted by Section 5 of the Agreement, the Village will disseminate a notice of such change as required by Section 5.

**EXHIBIT II**  
**DEVELOPER FINANCIAL INFORMATION**

Developer Financial Information means any information concerning the Development on a quarterly basis, including:

**(i) the commencement of construction, completion, opening, or commencement of rent of the following Developer structures;**

Grocery Store Commencement: Date: \_\_\_\_\_

Grocery Store Completion: Date: \_\_\_\_\_

Grocery Store Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

*Construction Notes:* \_\_\_\_\_

Ross Commencement: Date: \_\_\_\_\_

Ross Completion: Date: \_\_\_\_\_

Ross Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

*Construction Notes:* \_\_\_\_\_

Dollar Tree Commencement: Date: \_\_\_\_\_

Dollar Tree Completion: Date: \_\_\_\_\_

Dollar Tree Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

*Construction Notes:* \_\_\_\_\_

Flix Brewhouse Commencement: Date: \_\_\_\_\_

Flix Brewhouse Completion: Date: \_\_\_\_\_

Flix Brewhouse Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

EXHIBIT II

*Construction Notes:* \_\_\_\_\_

Strip Center Commencement: Date: \_\_\_\_\_

Strip Center Completion: Date: \_\_\_\_\_

Strip Center 1<sup>st</sup> Store Opening: Date: \_\_\_\_\_

Commencement of 1<sup>st</sup> Store Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

*Construction Notes:* \_\_\_\_\_

**(ii) the commencement of construction, completion, opening, or commencement of rent of the following third party structures;**

Kohl's Commencement: Date: \_\_\_\_\_

Kohl's Completion: Date: \_\_\_\_\_

Kohl's Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

*Construction Notes:* \_\_\_\_\_

LA Fitness Commencement: Date: \_\_\_\_\_

LA Fitness Completion: Date: \_\_\_\_\_

LA Fitness Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

*Construction Notes:* \_\_\_\_\_

Cooper's Hawk Commencement: Date: \_\_\_\_\_

Cooper's Hawk Completion: Date: \_\_\_\_\_

Cooper's Hawk Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes\_\_\_\_\_ No\_\_\_\_\_

Construction Notes: \_\_\_\_\_

Raising Cane's Commencement: Date: \_\_\_\_\_

Raising Cane's Completion: Date: \_\_\_\_\_

Raising Cane's Opening: Date: \_\_\_\_\_

Commencement of Rent: Yes \_\_\_\_\_ No \_\_\_\_\_

Construction Notes: \_\_\_\_\_

**(iii) the total square footage under lease;**

Leased Square Footage: \_\_\_\_\_

**(iv) the entering into of any letter of intent to lease, actual lease or contract to sell or the actual sale of any portion of the Development;**

New Letter of Intent: Yes: \_\_\_\_\_ No \_\_\_\_\_

New Lease: Yes: \_\_\_\_\_ No \_\_\_\_\_

New Sale: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(v) any pending litigation which would adversely affect the ability of the Developer to complete the Development;**

Pending Litigation: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(vi) any material change in the structure or ownership of the Developer;**

Ownership Structure Change: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(vii) any failure of the Developer or any affiliate, sharing the same or similar ownership as the Developer, to pay by the date due general ad valorem property taxes on the Development or any other governmental charge on the Development;**

Property Taxes Paid Current: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(viii) any denial or termination of credit which is likely to have a material adverse effect on the ability of the Developer to complete the Development;**

Termination of Credit: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(ix) any denial or termination of, or default under, any letter of credit, line of credit or loan or any other loss of a source of funds that the Developer requires for the completion of the development of the Development;**

Default on Letter/Line/Loan: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(x) the occurrence of any event of bankruptcy with respect to the Developer or any affiliate thereof which is likely to have a material adverse effect on the ability of the Developer to complete the Development;**

Developer/Affiliate Bankruptcy: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(xi) any significant amendments to land use entitlements for the Development if such amendments are likely to prevent or delay the development of the Development;**

Amendments to Land Use Entitlement: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(xii) any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development of the Development if such preconditions are likely to prevent or delay the development of the Development;**

Previously Undisclosed Preconditions: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(xii) any previously undisclosed legislative, administrative or judicial challenges to construction of the Development;**

Previously Undisclosed Legal/Legislative: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(xiv) any changes of which the Developer is aware, if material, in the alignment, design or likelihood of completion of significant improvements affecting the Development, including major thoroughfares, sewers, water conveyance systems and similar facilities; and**

Material Changes to Project Design: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_

**(xv) any update to the information set forth in the Limited Offering Memorandum to the extent not already addressed in circumstances (i) through (xv) above.**

Any other Material Updates: Yes: \_\_\_\_\_ No \_\_\_\_\_

Notes: \_\_\_\_\_



**EXHIBIT III**  
**EVENTS WITH RESPECT TO THE BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds
7. Modifications to the rights of Bondholders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the Bonds, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village<sup>1</sup>
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a financial obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect security holders, if material<sup>2</sup>

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<sup>1</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

<sup>2</sup> “Financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as a security or a source of payment for, an existing or planned debt obligation, (iii) a guarantee of any of the foregoing. Financial obligation does not include municipal securities as to which a final official statement has been provided to the MSRB.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties

**EXHIBIT IV**  
**CUSIP NUMBERS**

**SENIOR LIEN TAX INCREMENT REVENUE BONDS, SERIES 2019**

<u>Year of Maturity</u>	<u>CUSIP</u>
2029	619295 AA6
2039	619295 AB4

**EXHIBIT V**

**FORM OF NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Village: Village of Morton Grove, Cook County, Illinois  
Name of Issue: Senior Lien Tax Increment Revenue Bonds, Series 2019  
Date of Issuance: \_\_\_\_\_, 2019

NOTICE IS HEREBY GIVEN that the Village of Morton Grove, Cook County, Illinois (the "Village") has not provided its Annual Financial Information and/or its Audited Financial Statements with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated \_\_\_\_\_, 2019 by the Village and accepted by Amalgamated Bank of Chicago, as Dissemination Agent. [The Village anticipates that the Annual Financial Information and/or Audited Financial Statements will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

**AMALGAMATED BANK OF CHICAGO, AS**  
DISSEMINATION AGENT

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT VI**  
**FORM OF ANNUAL FINANCIAL INFORMATION**

Levy Year: 2020  
Collection Year: 2021

<u>Parcel Index Number</u>	<u>Taxpayer of Record</u>	<u>EAV</u>	<u>Frozen Valuation</u>	<u>Tax Rate</u>	<u>Incremental Taxes</u>
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Total Limited Incremental Property Taxes

Less: Program Expenses

Limited Incremental Sales Taxes

Total Pledged Taxes

Debt Service (1/1/2022 & 7/1/2022)

Debt Service Coverage

## SOURCES AND USES OF FUNDS

Village of Morton Grove, Illinois  
Tax Increment Revenue Bonds  
\*\*Proposed Final Pricing Numbers\*\*

Dated Date 10/03/2019  
Delivery Date 10/03/2019

## Sources:

Bond Proceeds:	
Par Amount	18,635,000.00
Premium	182,803.95
	<hr/>
	18,817,803.95

## Uses:

Project Fund Deposits:	
Project Fund	14,000,000.00
Other Fund Deposits:	
Senior Lien Reserve Fund	1,863,500.00
Capitalized Interest Fund	<hr/>
	2,456,689.44
	4,320,189.44
Delivery Date Expenses:	
Cost of Issuance	<hr/>
	497,614.51
	<hr/>
	18,817,803.95



## BOND SUMMARY STATISTICS

Village of Morton Grove, Illinois  
Tax Increment Revenue Bonds  
\*\*Proposed Final Pricing Numbers\*\*

Dated Date	10/03/2019
Delivery Date	10/03/2019
Last Maturity	01/01/2039
Arbitrage Yield	4.779521%
True Interest Cost (TIC)	4.779521%
Net Interest Cost (NIC)	4.825709%
All-In TIC	5.067881%
Average Coupon	4.900895%
Average Life (years)	13.047
Weighted Average Maturity (years)	13.070
Duration of Issue (years)	9.564
Par Amount	18,635,000.00
Bond Proceeds	18,817,803.95
Total Interest	11,915,801.94
Net Interest	11,732,997.99
Total Debt Service	30,550,801.94
Maximum Annual Debt Service	1,932,125.00
Average Annual Debt Service	1,587,512.80
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.980971

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Term Bond Maturing 2029	4,880,000.00	100.000	4.250%	6.584	05/03/2026
Term Bond Maturing 2039	13,755,000.00	101.329	5.000%	15.340	02/04/2035
	18,635,000.00			13.047	

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,635,000.00	18,635,000.00	18,635,000.00
+ Accrued Interest			
+ Premium (Discount)	182,803.95	182,803.95	182,803.95
- Underwriter's Discount			
- Cost of Issuance Expense		-497,614.51	
- Other Amounts			
Target Value	18,817,803.95	18,320,189.44	18,817,803.95
Target Date	10/03/2019	10/03/2019	10/03/2019
Yield	4.779521%	5.067881%	4.779521%



## BOND PRICING

Village of Morton Grove, Illinois  
Tax Increment Revenue Bonds  
\*\*Proposed Final Pricing Numbers\*\*

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Term Bond Maturing 2029:								
	01/01/2023	495,000	4.250%	4.250%	100.000			
	01/01/2024	610,000	4.250%	4.250%	100.000			
	01/01/2025	640,000	4.250%	4.250%	100.000			
	01/01/2026	675,000	4.250%	4.250%	100.000			
	01/01/2027	780,000	4.250%	4.250%	100.000			
	01/01/2028	820,000	4.250%	4.250%	100.000			
	01/01/2029	860,000	4.250%	4.250%	100.000			
		<u>4,880,000</u>						
Term Bond Maturing 2039:								
	01/01/2030	980,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2031	1,035,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2032	1,095,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2033	1,235,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2034	1,300,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2035	1,375,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2036	1,530,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2037	1,615,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2038	1,705,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
	01/01/2039	1,885,000	5.000%	4.750%	101.329 C	4.892%	01/01/2026	100.000
		<u>13,755,000</u>						
		18,635,000						

Dated Date	10/03/2019	
Delivery Date	10/03/2019	
First Coupon	01/01/2020	
Par Amount	18,635,000.00	
Premium	182,803.95	
Production	18,817,803.95	100.980971%
Underwriter's Discount		
Purchase Price	18,817,803.95	100.980971%
Accrued Interest		
Net Proceeds	18,817,803.95	





## BOND DEBT SERVICE

Village of Morton Grove, Illinois  
Tax Increment Revenue Bonds  
\*\*Proposed Final Pricing Numbers\*\*

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2020			218,814.44	218,814.44	
07/01/2020			447,575.00	447,575.00	666,389.44
01/01/2021			447,575.00	447,575.00	
07/01/2021			447,575.00	447,575.00	895,150.00
01/01/2022			447,575.00	447,575.00	
07/01/2022			447,575.00	447,575.00	895,150.00
01/01/2023	495,000	4.250%	447,575.00	942,575.00	
07/01/2023			437,056.25	437,056.25	1,379,631.25
01/01/2024	610,000	4.250%	437,056.25	1,047,056.25	
07/01/2024			424,093.75	424,093.75	1,471,150.00
01/01/2025	640,000	4.250%	424,093.75	1,064,093.75	
07/01/2025			410,493.75	410,493.75	1,474,587.50
01/01/2026	675,000	4.250%	410,493.75	1,085,493.75	
07/01/2026			396,150.00	396,150.00	1,481,643.75
01/01/2027	780,000	4.250%	396,150.00	1,176,150.00	
07/01/2027			379,575.00	379,575.00	1,555,725.00
01/01/2028	820,000	4.250%	379,575.00	1,199,575.00	
07/01/2028			362,150.00	362,150.00	1,561,725.00
01/01/2029	860,000	4.250%	362,150.00	1,222,150.00	
07/01/2029			343,875.00	343,875.00	1,566,025.00
01/01/2030	980,000	5.000%	343,875.00	1,323,875.00	
07/01/2030			319,375.00	319,375.00	1,643,250.00
01/01/2031	1,035,000	5.000%	319,375.00	1,354,375.00	
07/01/2031			293,500.00	293,500.00	1,647,875.00
01/01/2032	1,095,000	5.000%	293,500.00	1,388,500.00	
07/01/2032			266,125.00	266,125.00	1,654,625.00
01/01/2033	1,235,000	5.000%	266,125.00	1,501,125.00	
07/01/2033			235,250.00	235,250.00	1,736,375.00
01/01/2034	1,300,000	5.000%	235,250.00	1,535,250.00	
07/01/2034			202,750.00	202,750.00	1,738,000.00
01/01/2035	1,375,000	5.000%	202,750.00	1,577,750.00	
07/01/2035			168,375.00	168,375.00	1,746,125.00
01/01/2036	1,530,000	5.000%	168,375.00	1,698,375.00	
07/01/2036			130,125.00	130,125.00	1,828,500.00
01/01/2037	1,615,000	5.000%	130,125.00	1,745,125.00	
07/01/2037			89,750.00	89,750.00	1,834,875.00
01/01/2038	1,705,000	5.000%	89,750.00	1,794,750.00	
07/01/2038			47,125.00	47,125.00	1,841,875.00
01/01/2039	1,885,000	5.000%	47,125.00	1,932,125.00	
07/01/2039					1,932,125.00
	18,635,000		11,915,801.94	30,550,801.94	30,550,801.94



## BOND DEBT SERVICE

Village of Morton Grove, Illinois  
Tax Increment Revenue Bonds  
\*\*Proposed Final Pricing Numbers\*\*

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2020			666,389.44	666,389.44
07/01/2021			895,150.00	895,150.00
07/01/2022			895,150.00	895,150.00
07/01/2023	495,000	4.250%	884,631.25	1,379,631.25
07/01/2024	610,000	4.250%	861,150.00	1,471,150.00
07/01/2025	640,000	4.250%	834,587.50	1,474,587.50
07/01/2026	675,000	4.250%	806,643.75	1,481,643.75
07/01/2027	780,000	4.250%	775,725.00	1,555,725.00
07/01/2028	820,000	4.250%	741,725.00	1,561,725.00
07/01/2029	860,000	4.250%	706,025.00	1,566,025.00
07/01/2030	980,000	5.000%	663,250.00	1,643,250.00
07/01/2031	1,035,000	5.000%	612,875.00	1,647,875.00
07/01/2032	1,095,000	5.000%	559,625.00	1,654,625.00
07/01/2033	1,235,000	5.000%	501,375.00	1,736,375.00
07/01/2034	1,300,000	5.000%	438,000.00	1,738,000.00
07/01/2035	1,375,000	5.000%	371,125.00	1,746,125.00
07/01/2036	1,530,000	5.000%	298,500.00	1,828,500.00
07/01/2037	1,615,000	5.000%	219,875.00	1,834,875.00
07/01/2038	1,705,000	5.000%	136,875.00	1,841,875.00
07/01/2039	1,885,000	5.000%	47,125.00	1,932,125.00
	18,635,000		11,915,801.94	30,550,801.94



# **Sawmill Station Tax Increment Financing Redevelopment District**

## **LIST OF INTERGOVERNMENTAL AGREEMENTS (Attachment M)**

Golf School District 67

\$0.00