



CITY OF AURORA, ILLINOIS

RESOLUTION NO. R19-330
DATE OF PASSAGE September 24, 2019

A Resolution Authorizing a Redevelopment Agreement (RDA) between the City of Aurora and JH Real Estate Partners, LLC (JH) for the redevelopment of the 2-4 North River Street, commonly known as the Hobbs Building and 6-12 North River Street.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, et seq., as from time to time amended (the "TIF Act"), the Mayor and Aldermen of the City (collectively, the "Corporate Authorities") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "conservation area," as such term is defined in the TIF Act; and

WHEREAS, the City intends to extract portions of Tax Increment Financing District No. 1 Downtown TIF ("TIF District No. 1") to induce redevelopment of the City's downtown area (the "Downtown Area"); and

WHEREAS, the City is pursuing various economic development strategies to encourage development within the Downtown Area; and

WHEREAS, the Corporate Authorities have determined that blighting factors in the Downtown Area are detrimental to the public and impair development and growth in the Downtown Area, with the result that it is necessary to incur extraordinary costs in order to redevelop the Downtown Area; and

WHEREAS, the blighting factors in the Downtown Area will continue to impair growth and development but for the use of tax increment allocation financing to pay certain costs of the redevelopment; and

RESOLUTION NO. B19-330
DATE OF PASSAGE September 24, 2019

WHEREAS, the real property located at 2-4 and 6-10 N River St (collectively "Subject Property") is located within the Downtown Area and is in need of redevelopment; and

WHEREAS, the City has negotiated a redevelopment agreement with JH Real Estate Partners, LLC, an Illinois limited liability company, to be guaranteed by Harish Ananthapadmanabhan and Jay Punukollu, consistent with Illinois law for the redevelopment of said property (Redevelopment Agreement), and that said Redevelopment Agreement is attached to and made a part of this resolution as if fully set forth herein; and

WHEREAS, approval of the Redevelopment Agreement and the redevelopment of the Subject Property is in the best interest of the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that the attached Redevelopment Agreement shall be and hereby is approved, and further

BE IT RESOLVED, that the respective City Officers and employees named in the attached Redevelopment Agreement shall be and hereby are empowered and directed to take all actions necessary, appropriate, and proper to carry into effect the intent and purpose of the Redevelopment Agreement.

RESOLUTION NO. R19-330
DATE OF PASSAGE September 24, 2019

PASSED AND APPROVED ON September 24, 2019

AYES 10 NAYS 0 NOT VOTING 0 ABSENT 2

[Signature]
Alderman Llamas, Ward 1

[Signature]
Alderman Mesiazos, Ward 3

[Signature]
Alderman Franco, Ward 5

[Signature]
Alderman Hart-Burns, Ward 7

[Signature]
Alderman Bugg, Ward 9

[Signature]
Alderman Jenkins, At Large

[Signature]
Alderman Garza, Ward 2

[Signature]
Alderman Donnell, Ward 4

[Signature]
Alderman Saville, Ward 6

[Signature]
Alderman Smith, Ward 8

[Signature]
Alderman Lofchiel, Ward 10

[Signature]
Alderman O'Connor, At Large

ATTEST:

[Signature]
City Clerk

[Signature]
Mayor

RECOMMENDATION

TO: THE COMMITTEE OF THE WHOLE

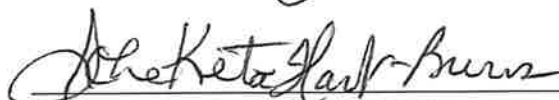
FROM: THE FINANCE COMMITTEE

The Finance Committee at the regular scheduled meeting on **Thursday, September 12, 2019** Recommended **APPROVAL** of a Resolution Authorizing a Redevelopment Agreement (RDA) between the City of Aurora and JH Real Estate Partners, LLC (JH) for the redevelopment of the 2-4 North River Street, commonly known as the Hobbs building and the 6-12 North River Street.

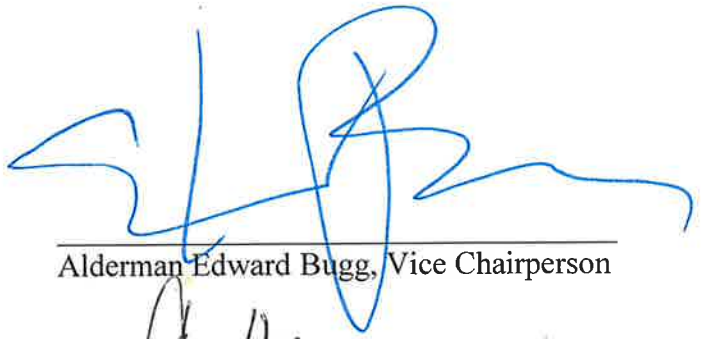
Vote 5-0

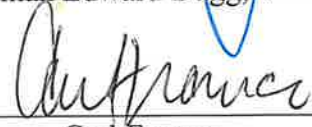
Submitted By:


Alderman Robert O'Connor, Chairperson


Alderman Scheketa Hart-Burns


Alderman Emmanuel Llamas


Alderman Edward Bugg, Vice Chairperson


Alderman Carl Franco

Dated this 12th day of September, 2019

REDEVELOPMENT AGREEMENT
2-12 N. River Street

THIS REDEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this ____ day of _____, 2019, by and between the CITY OF AURORA, ILLINOIS, an Illinois municipal corporation (the "City"), and JH Real Estate Partners, LLC, an Illinois limited liability company (the "Developer"), and HARISH ANANTHAPADMANABHAN and JAY PUNUKOLLU (each a "Guarantor", and collectively the "Guarantors", and with the Developer and the City, the "Parties").

PREAMBLES

WHEREAS, the City is a home rule unit of government in accordance with Article VII, Section 6 of the Constitution of the State of Illinois, 1970.

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, et seq., as from time to time amended (the "TIF Act"), the Mayor and Aldermen of the City (collectively, the "Corporate Authorities") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "conservation area," as such term is defined in the TIF Act; and

WHEREAS, the City intends to extract portions of Tax Increment Financing District No. 1 Downtown TIF ("TIF District No. 1") to induce redevelopment of the City's downtown area (the "Downtown Area"); and

WHEREAS, the City is pursuing various economic development strategies to encourage development within the Downtown Area; and

WHEREAS, the Corporate Authorities have determined that blighting factors in the Downtown Area are detrimental to the public and impair development and growth in the Downtown Area, with the result that it is necessary to incur extraordinary costs in order to redevelop the Downtown Area; and

WHEREAS, the blighting factors in the Downtown Area will continue to impair growth and development but for the use of tax increment allocation financing to pay Redevelopment Project Costs, as that term is defined in Section 3(d) of this Agreement; and

WHEREAS, the Developer is the fee simple title holder to real estate, which said real estate is depicted on Exhibit A and legally described on Exhibit B (the "Developer Properties"); and

WHEREAS, the City is the fee simple title holder to certain real estate which consists of a certain building commonly known as the "Hobbs Building", which said real estate is depicted on Exhibit C and legally described on Exhibit D (the "City Property"); and

WHEREAS, the Developer has requested that the City donate the City Property to the Developer, and the City desires to donate the City Property, appraised at a value of \$300,000, to the Developer on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, Developer proposes to redevelop the Developer Properties and City Property (together the "Properties"), renovating the existing structures of the Properties to include approximately 29,797 square feet of residential space, which shall consist of approximately 31 market rate residential units, and approximately 12,626 square feet of retail space, not including any basement space (generally, the "Project"); and

WHEREAS, the proposal of the Developer is to undertake the following in connection with the Project: (i) undertake and pay for the costs of all plans and specifications, professional fees and apply for all required plan review approvals and permits; (ii) commence and successfully complete the processes required to have the Properties listed on the National Register of Historic Places and (iii) commence, undertake and complete the Project in compliance with the approved plans and permits, the standards required for the Project to qualify as a "certified rehabilitation" eligible for rehabilitation tax credits as determined by the National Park Service and city codes and other applicable Legal Requirements as defined below; and

WHEREAS, the Developer submitted a preliminary project plan, including a preliminary site plan, a proforma contractor estimate of the construction costs (completed by the Contractor, as hereinafter defined), a proforma project budget, return on investment projections, the "capital stack" and general description of the scope of the Project (the "Preliminary Project Plan") (Exhibit E), and the Project Timeline, as defined below, to the City to provide the City with details of the Project; and

WHEREAS, the Preliminary Project Plan is consistent with the mutual goals of the Developer and the City; and

WHEREAS, upon substantial completion, the Project shall represent (i) a capital investment on the part of the Developer of no less than \$6,314,689 (exclusive of incentives provided hereunder), \$1,723,162 of which is Developer equity, and a total project budget of \$12,977,521 (inclusive of all incentives provided hereunder), as set forth in the Preliminary Project Plan; and

WHEREAS, the Developer and Guarantors have provided the City with, and the City has reviewed, financial statements which indicate that the Developer and Guarantors, as reasonably determined by the City, have the financial resources, including net liquid assets, necessary to fulfill the Developer's obligations set forth in this Agreement; and

WHEREAS, the Developer agrees to provide the City with (i) a copy of an executed agreement by and between the Developer and Bush Construction Company, Inc., an Iowa corporation authorized to conduct business in the State of Illinois, (the "Contractor"), who will act as the general contractor for the Project (the "Bush Agreement"), and (ii) a copy of an executed agreement by and between the Developer and Gary W. Anderson & Associates, Inc., an Illinois limited liability company, d/b/a Gary W. Anderson Architects (the "Architect"), who will act as

the architect for minimally the historic preservation portion of the Project (the "Gary Anderson Agreement"); and

WHEREAS, the Project is located within TIF District No. 1; and

WHEREAS, the City intends to provide incentives to the Developer which may necessitate an extraction of parts of TIF District No. 1; and

WHEREAS, the City is authorized under the TIF Act to create redevelopment plans and redevelopment project areas and enter into redevelopment agreements and to reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and which are further designated by law as eligible costs as defined by the TIF Act; and

WHEREAS, in order to induce the Developer to complete the Project, the Corporate Authorities have determined that it is in the best interests of the City and the health, safety, morals and welfare of the residents of the City, on the terms and subject to the conditions set forth in this Agreement, to establish a new redevelopment plan (the "Redevelopment Plan" or the "TIF Redevelopment Plan") and a new redevelopment project area (the "Redevelopment Project Area" or the "TIF District"), a depiction of which is attached hereto as Exhibit F, and to reimburse the Developer for eligible Redevelopment Project Costs (as defined below) in an amount not to exceed the TIF eligible expenses incurred by the Developer at a rate of eighty percent (80%) of the Incremental Taxes, as hereinafter defined, generated by the Project each year for the initial thirteen (13) years of the life of the TIF District and at a rate of either (1) eighty percent (80%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District or (2) at a rate of seventy percent (70%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District if such decreased rate results in a return on investment to the Developer of not less than fifteen percent (15%) on an annual basis as determined by Exhibit G; and

WHEREAS, the Parties desire that all subsidies paid pursuant to the TIF Act under this Agreement shall be paid in a "pay-as-you-go" manner; and

WHEREAS, the City has further authorized expenditures and disbursements as further set forth in the Agreement in order to induce the Developer to complete the Project; and

WHEREAS, the Corporate Authorities have determined that the rights and obligations of the City and Developer as described herein and the completion of the Project by the Developer pursuant to this Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents and taxpayers and will be in furtherance of the Redevelopment Plan, thereby providing for economic development, enhancing the tax base of the City and other taxing districts and adding to the welfare and prosperity of the City and its inhabitants; and

WHEREAS, the Parties acknowledge that this Agreement is conditioned on the City establishing a new TIF District and that any expenses incurred by the Developer prior to the adoption of the TIF District are incurred at the Developer's risk and may not be reimbursable from any other City sources except as provided in this Agreement;

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

The recitals contained in the Preambles to this Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully set forth in this Section 1.

Section 2. Development of the Project and Disbursements from the City to Developer.

(a) As a condition precedent to the obligations of the City set forth herein, the Developer shall deposit with the City executed copies of the Bush Agreement and the Gary Anderson Agreement.

(b) Attached hereto are the Preliminary Project Plan and the Project Timeline. The Developer agrees to and shall commence, undertake, and complete the Project in accordance with the Preliminary Project Plan and Project Timeline. Subject to the prior consent and approval of the City, the Developer may modify the Preliminary Project Plan to the extent such amendments do not constitute material changes to the scope, design, or overall nature or intent of the Project.

(c) The Developer has an opportunity to revitalize the area by renovating the existing structures of the Properties to include approximately 29,797 square feet of residential space, which shall consist of approximately 31 market rate residential units, and approximately 12,626 square feet of retail space, not including any basement space.

(d) Prior to commencing construction, the Developer shall apply to the City for necessary building permits for the improvements to be made imminently by the Developer by submitting all plans and specifications required pursuant to the City Code of Ordinances (the "City Code"). The Developer shall be responsible for and promptly pay when due all building permit fees. The City shall review the building permit application as provided in the City Code. The plans and specifications and all other required submissions shall also comply with all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders relating in any way to the development of the Project (collectively, the "Legal Requirements").

(e) The Hobbs Building requires stabilization and masonry work. The Contractor and the City's Chief Development Services Officer shall, in good faith, cooperate to determine the reasonable costs and expenses needed in construction work to stabilize the Hobbs Building and to complete masonry work on the Hobbs Building (the "Stabilization and Masonry Costs"). Based on the Stabilization and Masonry Costs determined by the Contractor and the City's Chief Development Services Officer, the Developer shall enter into a contract with the Contractor, which shall be approved by the City's Chief Development Services Officer, for the completion of stabilization and masonry work on the Hobbs Building with a start date of no later than October 1, 2019 (the "Stabilization and Masonry Contract"), an executed copy of which shall be deposited with the City. The Developer shall be responsible for the timely payment of all costs incurred under the Stabilization and Masonry Contract and providing proof of all payments to the City. In completing the Stabilization and Masonry Contract, Contractor shall subcontract with Otto Baum

Company, Inc., an Illinois corporation "Otto Baum"), and such other entities as approved by the City's Chief Development Services Officer in his or her reasonable discretion.

(f) The Developer Properties contains certain vaults in the right-of-way (the "Vaults"). As a condition precedent to receiving certificates of occupancy for the Project, Developer, at its sole and cost and expense, shall cause the Vaults to be filled. In filling the Vaults, all required utilities shall be re-located, interior walls under the Developer Properties exterior walls shall be constructed, and the right-of-way shall be filled in and restored. Prior to commencing work to fill in the Vaults, the Developer shall submit the construction plans regarding the same to the City for review by the City's Department of Development Services. The City shall approve said construction plans or propose revisions within a reasonable amount of time and in accordance with the City Code.

(g) The Developer shall make all necessary applications (including paying all required fees, costs and expenses) for any and all land use adjustments and/or entitlements required for the successful completion of the Project (the "Land Use Application(s).") Upon receipt of a Land Use Application(s) the City shall process the same in accordance with all applicable laws, including and without limitation, the City Code. Nothing set forth herein provides the Developer with a guarantee of the successful approval of any Land Use Application applied for regarding the Project.

(h) The Developer shall be authorized, upon the Effective Date, to apply for all applicable building permits and to submit all applicable Land Use Applications pertaining to the City Property.

(i) Subject to the terms and conditions of this Agreement, the City shall provide the following incentive(s) to the Developer provided the Developer is not in default (uncured) of this Agreement:

(i) a forgivable loan from the City to the Developer in the amount of \$1,500,000 (the "Forgivable Loan"), with no interest accruing thereon. The City shall disburse the Forgivable Loan as follows:

(1) \$500,000 of the Forgivable Loan shall be placed in a construction escrow account (the "Construction Escrow") at a mutually agreed upon title company or other escrowee (the "Construction Escrowee") and shall be made available to the Developer through loan draws upon (i) the Developer taking title to the City Property; (ii) the City issuing building permits for the work to be completed under the Stabilization and Masonry Contract and (iii) receipt of an email communication, which shall be incorporated into this Agreement, from the State Historic Preservation Officer (SHPO) indicating that the work to be performed under the Stabilization and Masonry Contract will meet the Secretary of the Interior's Standards for Rehabilitation.

The City shall direct the Construction Escrowee to disburse funds from the Construction Escrow upon the Developer providing sufficient proof, as determined by the City, of the direct costs incurred by the Developer towards the completion

of the work under the Stabilization and Masonry Contract. Upon payment by the Developer to Otto Baum for work completed under the Stabilization and Masonry Contract, the Developer shall provide the City with copies of all lien waivers. The City acknowledges the importance of construction mobilization and the need to pre-order materials and shall consider, in good faith, requests from the Developer to disburse funds from the Construction Escrow to assist the Developer in paying for such costs. Notwithstanding the foregoing, the decision to direct the Construction Escrowee to disburse funds from the Construction Escrow to assist Developer in paying for construction mobilization costs and material pre-orders shall be made in the City's absolute sole discretion.

As a condition of the initial \$500,000 of the Forgivable Loan being placed into the Construction Escrow, the Developer agrees to (i) maintain the schedule for the nomination by SHPO for the Developer Properties to be listed on the National Register of Historic Places to occur no later than October 31, 2019 and for the nomination by SHPO for the City Property to be listed on the National Register of Historic Places to occur no later than February 28, 2020; and (ii) provide the City with monthly updates of the status and progress made towards the listing of the Properties on the National Register of Historic Places.

In the event direct costs incurred towards the completion of the Stabilization and Masonry Contract are less than \$500,000, the remaining funds shall be used to pay for the direct Stabilization and Masonry Costs and the City will direct the Construction Escrowee to release funds from the Construction Escrow upon the Developer providing sufficient proof, as determined by the City, of the Stabilization and Masonry Costs. Upon payment by the Developer of the Stabilization and Masonry Costs, the Developer shall provide the City with copies of all lien waivers.

(2) \$500,000 of the Forgivable Loan shall be disbursed to Developer upon the completion by the Developer and approval by the City's Chief Development Services Officer of the first rough-in building inspections for the Project.

(3) \$500,000 of the Forgivable Loan shall be disbursed to Developer upon the issuance of the Certificate of Project Completion (as defined later herein).

So long as Developer is making substantial progress on the Project and ultimately completes the Project within a reasonable time, but no later than the four (4) year anniversary date of the City issuing the initial building permits for the Project, no payment shall be due on the Forgivable Loan, and the City shall forgive all amounts due on the Forgivable Loan in accordance with the schedule provided on Exhibit H (the "Loan Forgiveness Schedule"). In the event the Project is not completed by the four (4) year anniversary date of the City issuing the initial building permits for the Project, the entire Forgivable Loan shall be due and payable to the City immediately. The Forgivable Loan will be forgiven in ten (10) installments of \$150,000 with the first installment to occur on the five (5) year anniversary of the Completion Date (the "Initial Forgiveness Date"), as defined below, and each subsequent installment to occur on the yearly anniversary of the

Initial Forgiveness Date, as further detailed on the attached Loan Forgiveness Schedule.

Upon the event of an uncured default of any term set forth in this Agreement, the Developer shall be obligated to immediately repay the City all unforgiven amounts of the Forgivable Loan which have been disbursed to the Developer and Developer shall additionally be required to pay all costs of recovery including, but not limited to, legal fees and filing fees.

(ii) a bridge loan in the amount of \$1,500,000 to be disbursed by the City to the Developer (the "Bridge Loan") as follows:

(1) \$1,000,000 of the Bridge Loan shall be made available to the Developer through loan draws after the Developer has provided the City with sufficient proof, as determined by the City, that the initial disbursement amount of the Forgivable Loan has been used to pay for direct costs incurred towards the completion of the work under the Stabilization and Masonry Contract and lien waivers have been received for the work then completed under the Stabilization and Masonry Contract. Draws shall be made on the Bridge Loan in the aggregate amount of \$1,000,000 upon the Developer providing sufficient proof, as determined by the City, of the direct costs incurred by the Developer towards the completion of the work under the Stabilization and Masonry Contract. The City shall disburse Bridge Loan funds within thirty (30) days of receipt of sufficient proof, as determined by the City, that direct costs have been incurred by the Developer towards the completion of the Stabilization and Masonry Contract. Upon payment by the Developer to Contractor for work completed under the Stabilization and Masonry Contract, the Developer shall provide the City with copies of all lien waivers.

(2) The remaining \$500,000 of the Bridge Loan amount shall be disbursed to Developer at the time of closing and initial funding of Developer's construction loan for the Project from a third-party lender, in an amount no less than the amount provided in the Preliminary Project Plan (unless agreed otherwise by the City in its sole, absolute and reasonable discretion), as evidenced by executed loan documents, so long as the Developer has provided sufficient proof, as reasonably determined by the City, that the City Property has been listed on the National Register of Historic Places.

The Bridge Loan shall accrue interest at the rate of five percent (5%) per annum. Interest shall be prorated on a 360-day calendar based on the draw dates made by the Developer, compared to June 30 and December 31 of each year for which Bridge Loan amounts are outstanding. For example, if \$500,000 is drawn on July 1, 2020 and the Bridge Loan is not repaid via the sources outlined in this Agreement, the Developer will owe 5% on \$500,000 for 180 days or \$12,500 in interest. Each draw combined with the amount of Bridge Loan funds disbursed at the time of closing and initial funding of Developer's construction loan for the Project from a third-party lender will be compiled to determine the total amount of interest payable on the Bridge Loan. Developer shall repay the Bridge

Loan in full, including interest thereon, upon Developer's receipt of Tax Credit Funds, as hereinafter defined, for the Project, estimated to be no more than twenty-seven (27) months from the first draw date of the Bridge Loan, with no payment due from Developer to City on the Bridge Loan until such time. The Developer hereby pledges the Tax Credit Funds to the City for the repayment of the Bridge Loan. In the event that the Bridge Loan remains unpaid after twenty-seven (27) months, the Bridge Loan and interest accrued thereon shall then be immediately due and payable in full, from any and all sources available to the Developer.

(iii) the TIF Payments set forth in Section 3, below;

(iv) the donation of the City Property, as set forth in Section 5 below.

(j) It is expressly understood between the City and the Developer that the Developer will utilize federal historic tax credits and state historic tax credits (the "Tax Credit Funds") to finance a portion of the Project. The City will have no liability with respect to the Developer's use or compliance with the aforementioned programs, or funding gaps associated with not securing said funds, and sole risk belongs to the Developer.

(k) The Parties agree that in the event a TIF District, as contemplated above is not established pursuant to the terms of this Agreement, this Agreement shall be null and void with the exception of Section 12, Section 19, and Section 28 which shall survive for a period of three hundred sixty-five (365) days after the Parties acknowledge that a TIF District shall not be established pursuant to the terms of this Agreement and at such time the entire Agreement shall be deemed null and void. Notwithstanding the foregoing, if any portion of the Forgivable Loan or the Bridge Loan remains due to the City on the date this Agreement is terminated, Section 12, Section 19, and Section 28, along with Developer's obligations of repayment set forth in Section 2(i)(i) and 2(i)(ii) shall remain in full force and effect until said obligations have been fulfilled and at such time the entire Agreement shall be deemed null and void.

(l) Notwithstanding the foregoing provisions of this Section, in the event the TIF Redevelopment Plan and TIF District are not created the City shall not be obligated to make any TIF Payments (as defined below).

(m) The scope of the incentives provided by the City to the Developer shall be limited to the express terms of this Agreement and the City shall have no obligations to complete or cause to be completed any improvements to, or remediation of, the City Property. All incentives provided by the City to the Developer shall be used to pay for the direct costs incurred towards completing the Project and all draw and reimbursement requests must be accompanied by sufficient proof, as determined by the City, of the direct costs incurred by the Developer towards the completion of the Project.

Section 3. TIF Payments to Developer.

(a) The City, provided that no event of (uncured) default by the Developer under this Agreement shall have occurred and be continuing, shall reimburse the Developer for the Redevelopment Project Costs incurred by the Developer set forth in Exhibit I (the "Eligible

Redevelopment Project Cost Schedule”). The City agrees to provide the Developer with eighty percent (80%) of the Incremental Taxes generated by the Project and collected, which payment stream shall commence annually on the year after the Certificate of Project Completion, as hereinafter defined, is issued for the initial thirteen (13) years of the life of the TIF District and at a rate of either (1) eighty percent (80%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District or (2) at a rate of seventy percent (70%) of the Incremental Taxes for the remaining ten (10) years of the TIF District or until the closure of the TIF District if such decreased rate results in a return on investment to the Developer of not less than fifteen percent (15%) on an annual basis as determined by Exhibit G. (each and all such payments, generally, “TIF Payment(s)”). No TIF Payment shall be made until after the TIF Obligation Date, as hereinafter defined. The City shall retain the residual Incremental Taxes generated by the Project for use in accordance with the TIF Act. All payments made to the Developer hereunder shall be paid in a “pay-as-you- go” manner.

(b) The TIF Payments provided by the City, as described herein and subject to the terms and conditions of this Agreement, shall be disbursed to Developer each year following the receipt of property taxes from the County and a receipt of paid taxes from the Developer for the Properties. The Developer shall provide proof of the Redevelopment Project Costs only upon completion of the Project. These Redevelopment Project Costs shall include those expenses described in Exhibit H. Developer shall submit to the City a written request for reimbursement of the Redevelopment Project Costs along with the documentation of the property tax payment by October 1st of each year. The City shall only be obliged to reimburse Developer for Redevelopment Project Costs actually incurred.

(c) In connection with the TIF Payments, the Developer shall provide such evidence as the City shall reasonably request to establish that the Developer has incurred the costs for the work identified in Exhibit I and has completed or caused to be completed the work in a lien free manner. Such evidence shall include but not be limited to bills, paid receipts, contracts, invoices, lien waivers or other similar evidence. All bills and receipts shall contain the date of service, type of service, location of service, amount paid, name/address/telephone number of the service provider and other information as necessary to establish the identity of the provider, type of service and amount invoiced / paid.

(d) “Redevelopment Project Costs” for purposes of this Agreement shall mean and include all costs defined as “redevelopment project costs” in Section 11-74.4-3(q) of the TIF Act which are eligible for reimbursement under the TIF Act and this Agreement.

(e) Notwithstanding anything to the contrary contained herein, Developer shall have the right to designate a different entity to whom payments under this Section 3 shall be made subject to the terms of Section 17 below. Developer’s initial designated entity is JH Real Estate Partners, LLC. The City shall be relieved of any liability and held harmless, defended and indemnified by the Developer from any cost, expense or liability in the event a designation made hereunder results in a dispute between any designee and designer.

(f) THE CITY’S OBLIGATION TO PAY THE DEVELOPER THE TAX INCREMENT AMOUNTS (TIF PAYMENTS) AND OTHER INCENTIVES TO BE

PROVIDED UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE SPECIAL TAX ALLOCATION FUND OF THE CITY CREATED WITH RESPECT TO THE PROJECT, (THE "STAF") AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. INSUFFICIENCY OF THE STAF TO PAY THE INCENTIVES WHEN DUE SHALL NOT BE AN EVENT OF DEFAULT THEREON, AND NO HOLDER OF THE RIGHT TO RECEIVE ANY INCENTIVE SHALL HAVE ANY RECOURSE WHATSOEVER AGAINST THE CITY IN THE EVENT THAT THERE ARE INSUFFICIENT INCREMENTAL TAXES. THE AMOUNT OF THE TIF PAYMENTS SHALL BE LIMITED TO AND NOT TO EXCEED THE ACTUAL REDEVELOPMENT PROJECT COSTS INCURRED AND EVIDENCED BY THE DEVELOPER TO THE CITY. "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the TIF District and improvements therein which is attributable to the increase in the equalized assessed value of the TIF District and its improvements over the initial equalized assessed value of the TIF District, as calculated in accordance with the TIF Act. Notwithstanding anything herein to the contrary, the City agrees that it will not take action to cause a termination of the TIF District earlier than the maximum statutory period, provided (i) approvals are obtained by the City to create the TIF District for the maximum statutory period and (ii) there is no legally binding judicial order, state executive order, federal executive order or state or federal legislative mandate requiring dissolution of the TIF District.

(g) Within fifteen (15) business days after written request from the Developer, which shall minimally include a certificate of occupancy from the City and evidence that the Developer has completed each item listed on Exhibit J (the "Project Checklist"), and provided that Developer has not received any notice of default under this Agreement or notice of non-compliance with the City Code with respect to Developer's construction obligations, any of which have not been cured, and after the City has confirmed that the proposed improvements on the Developer Properties and the City Property have been constructed in compliance with the City Code and this Agreement, the City shall deliver a certificate of completion and satisfaction of all construction terms, covenants and conditions contained in this Agreement (the "Certificate of Project Completion") or, if not complete or satisfied, a written statement as to what deficiencies exist. The date the Certificate of Project Completion is issued shall be the "Completion Date."

Section 4. Creation of a Redevelopment Plan and Redevelopment Project Area.

The City, within ninety (90) days after the Effective Date, shall commence procedures to establish the TIF Redevelopment Plan and the TIF District and to approve tax increment financing for the purpose of implementing the TIF Redevelopment Plan for the TIF District in accordance with the requirements of the TIF Act and subject to the terms and conditions of this Agreement, and shall thereafter continuously and diligently pursue such procedures to establish and approve the foregoing. The City's obligations under this Agreement shall cease in the event the TIF Act is abolished, repealed or revoked. In the event the TIF Act is amended or modified (the "Legislative Changes"), provided such Legislative Changes would serve to modify the terms of this Agreement, the terms of this Agreement shall be amended or modified to be read in accordance with the Legislative Changes. In the event the TIF Redevelopment Plan and TIF District, despite the City's reasonable and good faith efforts, are not established by the date provided on the Project Timeline, (1) the City shall not be deemed to be in default of this Agreement and (2) this Agreement shall be

deemed null and void and the parties shall have no further obligations under this Agreement. Notwithstanding the foregoing, if any portion of the Forgivable Loan or the Bridge Loan remains due to the City on the date this Agreement is terminated, Section 12, Section 19, and Section 28, along with Developer's obligations of repayment set forth in Section 2(i)(i) and 2(i)(ii) shall remain in full force and effect until said obligations have been fulfilled and at such time the entire Agreement shall be deemed null and void.

Section 5. Transfer of Title of City Property to Developer.

The City shall, on the later of (i) the Effective Date and (ii) the execution and deposit with the City of the Bush Agreement, the Gary Anderson Agreement and Stabilization and Masonry Contract, execute and deliver to the Developer a special warranty deed transferring fee simple title for the City Property to the Developer (the "Deed"). Concurrent with the recording of the Deed, (i) a document evidencing the Reversionary Interest, as defined below, shall also be recorded and (ii) the Developer shall execute and deliver a special warranty deed (the "Second Deed") transferring fee simple title for the City Property back to the City into an escrow account at a mutually agreed upon title company or other escrowee (the "Escrowee"), along with mutually acceptable instructions regarding the disposition of said Second Deed (the "Instructions") substantially in the form attached hereto as Exhibit K. The Instructions shall direct Escrowee to record the Second Deed and deliver the same to the City only upon the Developer's failure to complete the Project by March 31, 2021, subject to Force Majeure, provided, as evidenced by Developer's receipt of a Certificate of Project Completion, that the Deed shall be returned to the Developer upon the Developer's receipt of a Certificate of Project Completion.

If the Developer has not completed the Project pursuant to the terms of this Agreement by March 31, 2021, subject to Force Majeure, as evidenced by Developer's receipt of a Certificate of Project Completion, (i) the Developer shall take all necessary steps to convey and otherwise transfer ownership of the Property back to the City (the "Reversionary Interest") including, but not limited to, directing the Escrowee to record the Second Deed, and (ii) the City may terminate this Agreement and upon such termination, this Agreement shall be null and void with the exception of Section 12, Section 19, and Section 28 which shall survive for a period of three hundred sixty-five (365) days and at such time the entire Agreement shall be deemed null and void. Notwithstanding the foregoing, if any portion of the Forgivable Loan or the Bridge Loan remains due to the City on the date this Agreement is terminated, Section 12, Section 19, and Section 28, along with Developer's obligations of repayment set forth in Section 2(i)(i) and 2(i)(ii) shall remain in full force and effect until said obligations have been fulfilled and at such time the entire Agreement shall be deemed null and void. The Developer shall be responsible for any and all associated costs in transferring ownership of the City Property back to the City. Upon receipt of a Certificate of Project Completion, the Reversionary Interest shall be released, and the Second Deed shall be returned to the Developer.

Developer shall be responsible for the cost of any survey(s), environmental studies, owner's and lender's title insurance policies, transfer taxes and other standard and customary closing fees.

The City makes no representations as to the condition of the City Property. The Parties agree and acknowledge that the City Property is being conveyed from the City to the Developer in an "as-is, where is, with all faults" manner, subject only to those specifically enumerated representations and warranties set forth herein. The Developer is solely relying on its investigations and shall not rely upon information, documents or materials provided to it by the City in making its decision to acquire the City Property. The City shall not be responsible for any damage caused to the Developer Properties in the event the Hobbs Building collapses.

Section 6. Parking.

The City and Developer have determined that the availability of additional parking beyond the nine parking spaces available on the City Property is material to the success of the Project. In light of the foregoing, the Parties shall enter into a separate agreement regarding the use of a certain City owned parking lot substantially in the form attached hereto and incorporated herein as Exhibit L.

Section 7. Term; Time of the Essence.

The term of this Agreement, unless earlier terminated pursuant to the terms of this Agreement, shall commence on the Effective Date and end upon the termination of the Redevelopment Project Area, with the final TIF Payment to follow from the City to Developer in the subsequent year or earlier as provided in this Agreement. Time is of the essence in the performance of all the terms of this Agreement. Notwithstanding the foregoing, any and all obligations pertaining to the payment of TIF Payments shall not be enforceable prior to the date the TIF Redevelopment Plan and TIF District are approved by the Corporate Authorities in accordance with the TIF Act ("TIF Obligation Date").

Section 8. Timing of Project.

The Project shall be completed in reasonable accordance, as determined by the City, with the Project Timeline as set forth in Exhibit M (the "Project Timeline"). Failure by the Developer to abide by the Project Timeline, subject to Force Majeure, as hereinafter defined, shall be an event of default of this Agreement. Developer shall diligently undertake the work to complete the Project in accordance with the Preliminary Project Plan, the City Code, all Legal Requirements and in an otherwise legal and lien free manner until completion. The "completion of the Project" or any derivative terms carrying equal means shall be evidenced by the City issuing the Developer certificates of occupancy for the Project.

Section 9. No Liability of City to Others for Developer's Expenses.

The City shall have no obligations to pay costs of the Project or to make any payments to any person other than the Developer, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the development of the Project.

Section 10. Representations and Warranties.

(a) Developer's Representations and Warranties.

The Developer agrees, represents and warrants to the City as follows:

(i) Existence and Authority of the Developer.

The Developer and Guarantors are entities or individuals authorized to do business under the laws of the State of Illinois, and are authorized to and have the power to enter into, and by proper action have been duly authorized to execute, deliver and perform, this Agreement. The Developer and the Guarantors are solvent, able to pay their debts as they mature and financially able to perform all the terms of this Agreement. To Developer's and Guarantors' knowledge, there are no actions at law or similar proceedings which are pending or threatened against Developer or either Guarantor which would result in any material and adverse change to Developer's or Guarantors' financial condition, or which would materially and adversely affect the level of Developer's or Guarantors' assets as of the date of this Agreement or that would materially and adversely affect the ability of Developer or Guarantors to proceed with the construction and development of the Project.

(ii) No Conflict by Developer.

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.

(iii) Adequate Resources of Developer.

The Developer and/or the Guarantors have, and shall maintain throughout the course of the Project, sufficient financial and economic resources, including net liquid assets, to implement and complete the Developer's obligations contained in this Agreement. The Developer shall provide the City with annual audited financial statements and inform the City if any material changes occur regarding the Developer's financial and economic resources.

(iv) Experience of Developer.

The Developer, and its respective principals, are skilled in the development of real property and have received input from other experts and consultants regarding the construction of this Project or to the extent the Developer lacks such expertise the Developer has retained professionals that are skilled in the development of real property, including, but not limited to, the Contractor, the Architect and Otto Baum, and have received input from other experts and consultants regarding the construction of this Project.

(v) Payment of Real Estate Taxes.

Developer and successor owners agree to pay, or cause the Developer or its successor owner-obligees to pay, all general and special real estate taxes levied during their respective period of ownership against their respective interest in the Developer Properties, the City Property and/or the Project on or prior to the date same is due and said taxes shall not become delinquent. Developer and successor owners shall deliver, or cause Developer and successor owner-obligees to deliver, evidence of payment of such taxes to the City upon request. The obligations of the Developer under this subsection of the Agreement shall survive and remain in full force and effect after the issuance of the Certificate of Project Completion by the City to the Developer, and Developer's failure to adhere to the same shall be deemed an Event of Default under this Agreement.

(vi) No Tax-Exempt Status.

Consistent with its covenant in Subsection (v) above, the Developer, and/or its respective owners and successors shall not assert a tax-exempt status during their respective periods of ownership of, or having an interest in, the Developer Properties and/or the City Property, or the Project. This prohibition shall run with the land and shall expire on the date the Redevelopment Project Area expires or an earlier date if agreed by the City and the Developer in writing.

(vii) Assessed Valuation Challenges

The Developer and/or its respective owners and successors shall not challenge, contest or seek a reduction in the assessed valuation of the Developer Properties or the City Property during the term of this Agreement.

(viii) Litigation.

To the best of Developer's knowledge, there is no litigation, proceeding or investigation pending or threatened against Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by Developer of the terms and provisions of this Agreement.

(ix) Compliance with Legal Requirements.

To the best of Developer's knowledge, Developer is in compliance in all material respects with the Legal Requirements as defined in Section 2(d).

(x) Developer Properties.

The Developer is the fee simple owner of the Developer Properties and title to the property is free of all liens and encumbrances with the exception of the permitted encumbrances listed on Exhibit N.

(b) Representations and Warranties of the City.

The City represents, warrants and agrees to the Developer as follows:

(i) Existence.

The City is an Illinois home rule municipal corporation duly organized and validly existing under the laws of the State of Illinois and has all requisite corporate power and authority to enter into this Agreement.

(ii) Authority.

The execution, delivery and the performance of this Agreement and the consummation by the City of the transactions provided for herein and the compliance with the provisions of this Agreement (1) have been duly authorized by all necessary corporate action on the part of the City; (2) require no other consents, approvals or authorizations on the part of the City in connection with the City's execution and delivery of this Agreement, with the exception of the approval of the Redevelopment Project Area and the Redevelopment Plan; and (3) 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 City is subject.

Section 11. Guaranty.

(a) Guaranty.

Guarantors, jointly and severally, hereby absolutely, irrevocably and unconditionally guaranty to the benefit of the City: (a) the full and prompt payment of each and all payments required by the Developer under this Agreement, when the same shall become due and payable in accordance with their terms; and (b) the full and timely performance and discharge of all the obligations of the Developer under this Agreement, (collectively, the "Guaranty").

(b) City's Right Against Guarantors.

This Guaranty shall constitute a guaranty of payment and performance when due, and not of collection. Guarantors specifically agree that, in the event of a failure by the Developer to timely pay or perform any of its obligations, the City shall have the right from time to time to proceed first and directly against Guarantors under this Guaranty, and without proceeding against the Developer or exhausting any other remedies against the Developer. Without limiting the

foregoing, Guarantors agree that it shall not be necessary, and Guarantors shall not have the right, and specifically waives any right it may have, to require, as a condition of enforcing this Guaranty, that the City: (a) file suit or proceed to obtain a personal judgment against the Developer or any other person that may be liable for the obligations or any part of the obligations; (b) make any other effort to obtain payment or performance of the obligations from Developer other than providing Developer with any notice of such nonpayment or nonperformance as may be required under the terms of the Agreement; (c) foreclose against or seek to realize upon any security for the outstanding obligations; or (d) exercise any other right or remedy that the City is or may be entitled in connection with the outstanding obligations or any security therefor or any other guarantee thereof. Notwithstanding the right of City to proceed immediately and directly against Guarantors, the City shall not be entitled to more than a single full performance of the obligations regarding any breach or non-performance thereof. Subject to the foregoing, at the City's election, which may be made in its sole judgement, the City may, following demand upon Guarantors hereunder, perform or cause to be performed the outstanding obligations on the Developer's behalf. The City shall not be obligated to undertake any of the foregoing actions, and shall not incur any liability to Guarantors, the Developer or any other person because of taking or not taking any of the foregoing actions. No such actions or inactions by the City shall release or limit the liability of Guarantors hereunder, and shall not serve as a waiver of any of the rights of the City pursuant to this Section of this Agreement. The liability of Guarantors shall be effective, and the obligations shall immediately be paid and performed, only upon any failure by Developer in the timely payment or performance of any obligation and the giving of such notice or demand, if any, to Developer as may be required under this Agreement, and the failure to cure the same. The Guarantors shall maintain sufficient funds and remain free of any conflicting obligations to prohibit the Guarantors from discharging its obligations under this Agreement. Guarantors specifically reaffirm the representations and warranties of the Developer as set forth in Section 10 of this Agreement.

(c) Guaranty Absolute and Unconditional.

The obligations of Guarantors hereunder are absolute, irrevocable and unconditional and shall remain in full force and effect until the Developer's obligations have been fully discharged in accordance with their respective terms and not subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, the obligations or any other defense that Developer may have) based on any claim that Guarantors may have against the Developer, the City, or any other person. Without limiting the foregoing, the obligations of Guarantors hereunder shall not be released, discharged or in any way modified, except as follows. If Developer has a bona fide offer for purchase of the Property and presents evidence that a substitute guarantor has sufficient financial resources and is willing to undertake Guarantors' obligations hereunder, Guarantors' rights and obligations hereunder may be assigned to and undertaken by such substitute guarantor upon approval by the City, which approval shall not be unreasonably withheld. Notwithstanding any provision to the contrary, nothing in this Section limits or waives the City's rights under this Agreement.

(d) Guarantors' Financial Resources.

The Guarantors have provided the City with adequate proof, as reasonably determined by the City, that the Guarantors have sufficient assets, including available liquid assets, to Complete

the Project and shall maintain such assets until the Completion Date.

(e) Collateral

Both the City and the Developer agree that time is of the essence for this Project. As such, the City has agreed to provide certain incentives, as outlined above, before the TIF District is formally approved and before the Properties are listed on the National Register of Historic Places, which is a prerequisite to the Developer's receipt of Tax Credit Funds. In recognition of the additional risks taken on by the City, all real property located within the corporate limits of the City owned by a Guarantor, or jointly by the Guarantors, shall serve as collateral for the Forgivable Loan and the Bridge Loan. Upon confirmation of the Developer's receipt of the Tax Credit Funds and repayment of the Bridge Loan (or repayment of the Bridge Loan if the Tax Credit Funds are not received), this collateral will be released by the City.

Section 12. Indemnification, Hold Harmless and Release Provisions.

(a) Release.

The Developer releases the City, its governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") from liability, and covenants and agrees that the Indemnified Parties shall not be liable for, and agree to defend, indemnify and hold harmless the Indemnified 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 Project or the Developer Properties and/or the City Property or arising under this Agreement or actions in furtherance thereof, to the extent not attributable to the gross negligence or willful misconduct of the Indemnified Parties.

(b) Indemnification.

Developer agrees to defend, protect, and indemnify the Indemnified Parties, agrees to hold the aforesaid harmless from any claims, demands, suits, costs, expenses (including reasonable attorney's fees), actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of Developer (or other Persons acting on its behalf or under their direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement. The provisions of this Section shall be applicable only prior to the Completion Date.

(c) Environmental Disclaimer.

The City makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Developer Properties, the City Property, or anywhere within the Redevelopment Project Area of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation,

asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 9601-9657, as amended) (collectively, the "Hazardous Substances"). The foregoing disclaimer relates to any Hazardous Substance allegedly generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on or in the vicinity of the Developer Properties, the City Property, or within the Redevelopment Project Area, as well as any activity claimed to have been undertaken on or in the vicinity of the Developer Properties and/or the City Property, that would cause or contribute to causing (1) the Developer Properties and/or the City Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Developer Properties and/or the City Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §6901 et seq., or any similar State law or local ordinance, (2) a release or threatened release of toxic or hazardous wastes or substances, pollutants or contaminants, from the Developer Properties and/or the City Property, within the meaning of, or otherwise bring the Developer Properties and/or the City Property within the ambit of, CERCLA, or any similar State law or local ordinance, or (3) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., or any similar State law or local ordinance. Further, the City makes no warranties or representations regarding, nor does the City indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Project, or anywhere within the Developer Properties and/or the City Property or the Redevelopment Project Area, of any substances or conditions in or on the Developer Properties and/or the City Property, that may support a claim or cause of action under RCRA, CERCLA, or any other federal, State or local environmental statutes, regulations, ordinances or other environmental regulatory requirements. The City makes no representations or warranties regarding the existence of any above ground or underground tanks in or about the Developer Properties and/or the City Property, or whether any above or underground tanks have been located under, in or about the Developer Properties and/or the City Property have subsequently been removed or filled.

(d) Waiver.

The Developer waives any claims against the Indemnified Parties for indemnification, contribution, reimbursement or other payments arising under federal, State and common law or relating to the environmental condition of the land which is part of the Developer Properties and/or the City Property.

(e) No Personal Liability.

No liability, right or claim at law or in equity shall attach to or shall be incurred by the City's Mayor, aldermen, officers, officials, attorneys, agents and/or employees, and any such rights or claims of the Developer against the City's Mayor, aldermen, officers, officials, attorneys, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of the Agreement by the City.

Section 13. Insurance.

Developer shall procure and maintain at Developer's sole cost and expense, or cause to be provided and maintained, until the Certificate of Project Completion is granted, the types and limits of insurance specified below, covering all operations under the Agreement, whether performed by Developer or by Developer's agent:

(a) During Construction.

From the commencement of any construction of the Project until the Completion Date, Developer shall procure and maintain:

(i) Worker's Compensation Insurance, in accordance with the laws of the State of Illinois, with statutory limits covering all employees providing services under this Agreement and Employer's Liability Insurance with limits not less than \$1,000,000.00 for each accident or illness. The City is to be named as an additional insured on a primary, non-contributory basis with regard to the Employer's Liability Insurance.

(ii) Commercial General Liability Insurance with not less than \$2,000,000.00 combined single limits per occurrence and aggregate for bodily injury, property damage, and personal injury, including, but not limited to, coverage for premises/operations, products/completed operations, broad form property damage, independent contractors, contractual liability, and explosion/collapse/underground hazards for occurrences on the Property. The City is to be named as an additional insured on a primary, noncontributory basis.

(iii) Commercial Automobile Liability Insurance covering all owned, non-owned, and hired vehicles, including the loading and unloading thereof, with limits not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage for occurrences relating to the Property or the Project. The City is to be named as an additional insured on a primary, non-contributory basis.

(iv) When any architects, engineers, construction managers, or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000.00, including contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(v) When Developer undertakes any construction on the Property, Developer must provide or cause to be provided All Risk/Builders Risk Insurance at replacement costs for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. The City is to be named as an additional insured and loss payee if applicable.

(vi) When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in

an amount sufficient to pay for the recreation, reconstruction, or restoration of any and all records related to the Project.

(vii) Developer shall require all independent contractors and subcontractors to procure and maintain insurance as required and submit documentation of the maintenance of such insurance from time to time as required herein.

(b) General Insurance Requirements.

Unless otherwise provided above, all insurance policies required pursuant to this Agreement shall:

(i) Provide that the insurance policy may not be suspended, voided, canceled, non-renewed, or reduced in coverage or in limits without sixty (60) days' prior written notice by certified mail, return receipt requested, to the City;

(ii) Be issued by a company or companies authorized to do business in the State of Illinois with a Best's rating of no less than A:VII;

(iii) Waive all rights of subrogation of insurers against the City, its employees, elected officials, and agents; and

(iv) Specifically name the City as a named insured.

(c) Certificates.

Within ten (10) days of the Effective Date (as defined below) and by December 31 of each calendar year thereafter until the Completion Date, Developer shall furnish the City with a certificate(s) of insurance effecting coverage as required under this Section. In addition, Developer shall annually furnish the City copies of receipts for payments of premiums regarding such policies. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the Agreement. The failure of the City to obtain certificates or other insurance evidence is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Non-conforming insurance constitutes an event of default.

Section 14. No Discrimination.

The Developer for itself and its successors and assigns agrees that, in the construction and completion of the development of the Project, the Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The 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. The Developer agrees to post

in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause. Notwithstanding the foregoing, the Developer may employ union labor hereunder pursuant to the rules, regulations and practices of applicable unions and shall comply with all Legal Requirements regarding the subject of this Section of this Agreement.

Section 15. Prevailing Wage.

The Developer acknowledges the adoption of Public Act 96-0058, effective January 1, 2010 which provides that under the Prevailing Wage Act, 820 ILCS 130/01 et seq. (the "PWA"), the term "public works" includes all projects funded in whole or in part through bonds, grants, loans or other funds made available by or through the State or any of its political subdivisions. To the extent improvements relative to the Project are constructed after the Effective Date, the PWA requires contractors and subcontractors hired by the Developer to pay laborers, workers and mechanics performing services on public works projects such as the Project no less than the "prevailing rate of wages" (hourly cash wages plus fringe benefits) in the county where the work is performed. Information regarding current prevailing wage rates, is provided on the Illinois Department of Labor's website. All contractors and subcontractors rendering services under this Agreement must comply with all requirements of the PWA, *including but not limited to*, all wage, notice and record keeping duties.

Section 16. Waiver.

Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that such waiver shall be in writing. No such waiver shall obligate such party to waive any right or remedy hereunder or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

Section 17. Assignment.

This Agreement may not be assigned by the Developer without the prior written consent of the City, which shall be requested by the Developer (and any successor transferee) no less than thirty (30) days prior to the proposed date of assignment. Any such consideration or consent to an assignment shall be at the sole discretion of the City. No such assignment shall be deemed to release the Developer of its obligation to the City unless the City specifically consents to such release in writing, which it is under no obligation to do. In the event the terms of this Agreement are assigned or otherwise transferred, no such transfer shall be effective unless (a) such transfer is undertaken in accordance with the terms of this Agreement and (b) the transferor provides the City with the name, mailing and email addresses, and fax and telephone numbers of the (proposed) transferee prior to the transfer in a manner consistent with Section 19 below. Notwithstanding the foregoing, no transfer shall be made hereunder to any proposed transferee that is prohibited from engaging in business with the City or any other body of government.

The Developer shall not be permitted to discontinue or limit the services of the Contractor or the Architect without the written approval of the City, with such approval not to be unreasonably withheld.

Section 18. Severability.

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 19. Notices.

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

If to the Developer:

JH Real Estate Partners, LLC
105 E Galena Blvd, Suite 804
Aurora, Illinois 60505

With a copy to:

Drendal and Jansons Law Group
Attn: Lawrence Lobb, Esq.
111 Flinn Street
Batavia, Illinois 60510

If to the City:

Richard J. Veenstra, Esq.
Corporation Counsel
City of Aurora, Illinois
44 East Downer Place
Aurora, Illinois 60507

With a copy to:

David Dibo
Executive Director, Economic Development
City of Aurora
44 East Downer Place
Aurora, Illinois 60507

and:

Martin S. Lyons
Chief Financial Officer
City of Aurora
44 East Downer Place
Aurora, Illinois 60507

and:

Del Galdo Law Group, LLC
Attn: James Vasselli, Esq.
1441 South Harlem Ave.

Section 20. 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 City and the Developer and shall run with the land. Any person or entity now or hereafter owning legal title to all or any portion of the Developer Properties or the City Property, including the Developer, shall be bound to this Agreement only during the period such person or entity is the legal titleholder of the Developer Properties or the City Property or a portion thereof, however, that all such legal title holders shall remain liable after their ownership interest in the Developer Properties of City 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. A memorandum of this Agreement shall be recorded against the Developer Properties and the City Property.

Section 21. 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.

Section 22. Default; Remedies – Liability.

(a) If the Developer is in default of this Agreement or any other Agreement by and between the City and the Developer, the City shall provide the Developer with a written statement setting forth the default of the Developer. Default is defined as Developer's lack of fulfillment of any obligation under this Agreement or any other Agreement by and between the City and the Developer including but limited to the following:

(i) The Developer fails to discharge (by act or omission) any obligation under this Agreement, including, and without limitation, complying with the Preliminary Project Plan or the Project Timeline as set forth in this Agreement.

(ii) If any representation or warranty made by Developer in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to the City 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.

(iii) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Developer, as the case may be, 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.

(iv) The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or the consent by Developer, as the case may be, to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer, as the case may be, 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 Developer, as the case may be, generally to pay such entity's debts as such debts become due or the taking of action by Developer, as the case may be, in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others.

(v) Failure to have funds to meet Developer's obligations or failure to invest at least \$1,723,162 of Developer equity into the Project.

(vi) The use of Bridge Loan or Forgivable Loan funds for any purpose other than to pay for those costs directly associated with the completion of the Project. For purposes of this Section, the costs associated with the repayment of the Bridge Loan or the Forgivable Loan shall not be considered costs associated with the completion of the Project.

(vii) A sale, assignment, or transfer of the Property, except in accordance with this Agreement; or the abandonment of the Project on the Property. Abandonment shall be deemed to have occurred when work stops on the Property for more than thirty (30) days for any reason other than uncontrollable circumstances.

(viii) Change in the Developer, except in accordance with this Agreement.

(ix) Developer fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the Project contemplated by this Agreement. The maintenance requirement of this provision shall not be covered by and shall survive any certificate of occupancy of any kind issued during the term of this Agreement.

Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with a charged default until thirty (30) days after providing written notice of the same. If such default cannot be cured within such thirty (30) day period, said thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, as long as the Developer is diligently proceeding to cure such default, as determined by the City in its reasonable discretion. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(b) If the Developer shall fail to cure any default after the expiration of the cure period described in subparagraph (a), the City may elect to terminate this Agreement or exercise any other right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading

under any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the debts of the Developer, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law, but is not required, with or without notice of such election and with or without entry or other action by the City, to terminate this Agreement.

(c) In addition to any other rights or remedies, the City may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance.

(d) The rights and remedies of the City are cumulative and the exercise by the City of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the Developer.

(e) If the City is in default of this Agreement, the Developer shall provide the City with a written statement setting forth the default. The following shall be events of default by the City with respect to this Agreement:

(i) If any material representation made by the City in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to 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.

(ii) Failure by the City in the performance or breach of any material covenant contained in this Agreement.

The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, as long as the City is diligently proceeding to cure such default. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach. Upon the occurrence of an uncured default of the City, the Developer shall have the available remedies of injunctive relief, specific performance, mandamus, and quo warranto. The Developer shall not be entitled to economic, consequential, incidental, preventative or punitive damages in the event of an uncured default. The Parties agree that, in the event the TIF Redevelopment Plan and TIF District are not established by the date provided in Project Timeline, (1) the City shall not be deemed to be in default of this Agreement and (2) this Agreement shall be deemed null and void and the Parties shall have no further obligations under this Agreement.

(f) In the event of a breach of the terms of this Agreement or any occurrence related to the Project that constitutes a bona fide emergency to the property, health, safety or welfare of the City or its residents, the City shall be permitted to take any and all reasonable steps to mitigate such occurrence without being in default of the terms of this Agreement, but shall take reasonable steps to notify the Developer of the occurrence prior to the commencement of such steps to mitigate the outstanding occurrence.

Section 23. Amendment.

This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by all the Parties and/or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof.

Section 24. Exhibits.

Exhibits A through N attached to this Agreement are incorporated herein by this reference and are made part of this Agreement.

Section 25. Signs.

The City may erect a sign of reasonable size and style in a conspicuous location on the Developer Properties and the City Property during the development of the Project indicating that the City provided funding to assist the Project.

Section 26. 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.

Section 27. Force Majeure.

A party shall not be deemed in default of this Agreement with respect to any obligation(s) of this Agreement on such party's part to be performed if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents, casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("Force Majeure") related to the Project. If one of the foregoing events shall occur or either party shall notify the other party that such an event shall have occurred, the party to whom such notice is provided is made has the right, but not the obligation to investigate the notification and consult with the party making such claim of Force Majeure regarding the same

and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was caused or exacerbated by such Force Majeure. Notwithstanding the foregoing, the condition of the Hobbs Building shall not be considered a Force Majeure.

Section 28. Choice of Law/Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court for Kane County, Illinois.

Section 29. Cooperation and Further Assurances.

The Parties covenant and agree that each undertake, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto, including, but not limited to, applicable loan documents for the Bridge Loan and the Forgivable Loan, and such further acts as may be reasonably required to carry out the terms, provisions and the intent of this Agreement. The City agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary governmental approvals for the Project at no additional cost or expense. The City shall process and consider reasonable requests of the Developer for relief or variances from any City ordinances, applicable building permits, or other permits necessary for the construction of the Project in accordance with Legal Requirements. Notwithstanding the foregoing, the City 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 Project by the Developer.

Section 30. Open Book.

The Project shall be an open book project, and the Developer will ensure regular and continuing access, at all times, upon reasonable notice provided by the City, during construction and the making of any payments under this Agreement, by the City's Chief Financial Officer or his designee, for the purpose of reviewing and auditing the records of the Developer relating to determining the Developer's ability to complete the Project or any item necessary to determine the costs of the Project. To the extent allowable by Law, the Developer's financial records, under this open book provision, shall not be considered public or City records. Notwithstanding the foregoing, the City is and will at all times remain subject to the Illinois and United States Freedom of Information Acts (collectively, "FOIA"). The City, when applicable, will contest disclosure of confidential information under FOIA, but will comply with all applicable requirements under FOIA.

Section 31. Repealer.

To the extent that any ordinance, resolution, rule, order or provision of the City Code, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

<signature page follows>

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date.

JH REAL ESTATE PARTNERS, LLC, an Illinois limited liability company

By Jay Punukollu
Its: Manager

GUARANTOR

By J. Harish
Harish Ananthapadmanabhan

GUARANTOR

By Jay Punukollu
Jay Punukollu

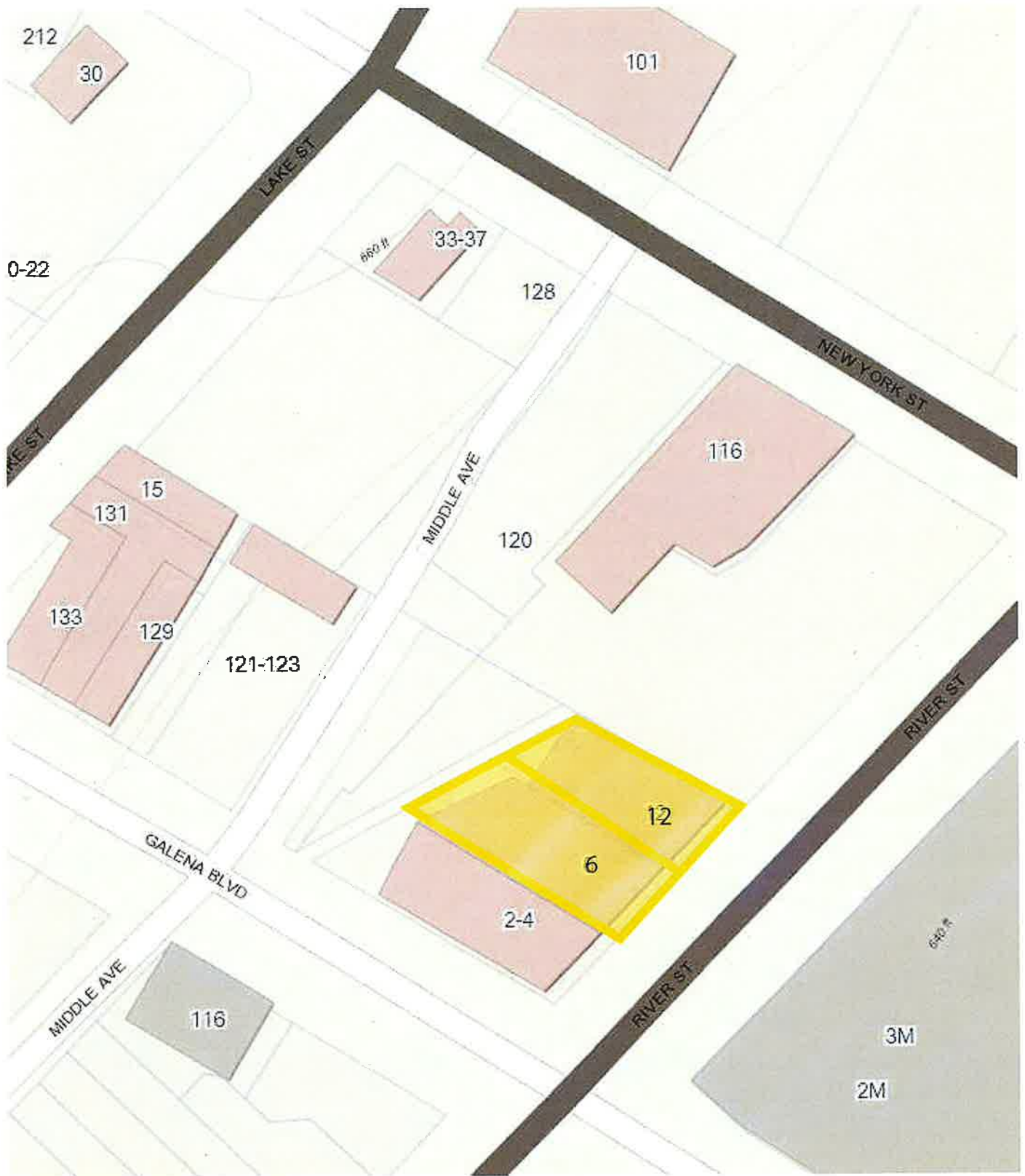
CITY OF AURORA, ILLINOIS
A Municipal Corporation

By [Signature]
Mayor

ATTEST:

[Signature]
City Clerk

EXHIBIT A
DEVELOPER PROPERTIES
DEPICTION



Developer Properties

EXHIBIT B
DEVELOPER PROPERTY
LEGAL DESCRIPTION

Exhibit B

Developer Property Legal Description

LOTS 3, 4, 5, AND 6 OF HOBBS AND LOSER'S SUBDIVISION, IN THE CITY OF AURORA,
KANE COUNTY, ILLINOIS.

PINs: 15-22-301-007; 15-22-301-006

EXHIBIT C
CITY PROPERTY
DEPICTION

Hobbs Property

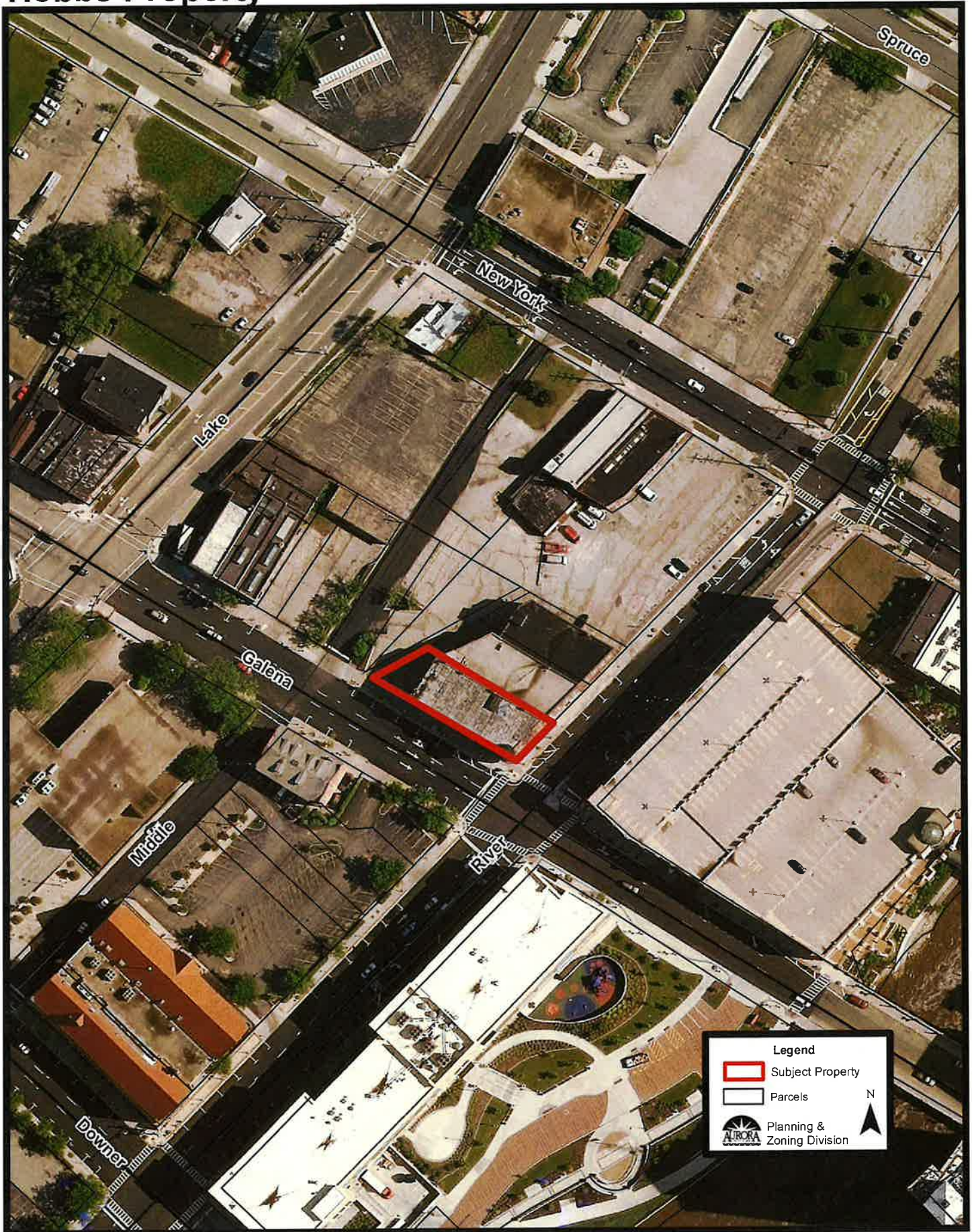


EXHIBIT D
CITY PROPERTY
LEGAL DESCRIPTION

Exhibit D

City Property Legal Description

LOTS 1 AND 2 OF HOBBS AND LOSER'S SUBDIVISION, BEING A SUBDIVISION OF PART OF LOTS 1 AND 2 IN BLOCK 11 OF ORIGINAL TOWN OF WEST AURORA AND LOT 9 IN BLOCK 2 OF WILDER'S AMENDED ADDITION TO WEST AURORA, AS COMPLETED, IN THE CITY OF AURORA, KANE COUNTY, ILLINOIS.

PIN: 15-22-301-003-000

EXHIBIT E
PRELIMINARY PROJECT PLAN

EXHIBIT E

2-12 N RIVER ST.

PROJECT PLAN

Description of Work

JH Real Estate Partners plans to redevelop the buildings at 2-12 N River Street into a mixed-use development. These long vacant and underutilized buildings will experience new life and become vibrant with activity. The developers are pursuing historic status and listing on the National Register of Historic Places. In order to access the state and federal historic tax credits as a funding source, it is required that the Standards for Rehabilitation as set forth by the Department of the Interior be followed; this ensures that the renovation of these buildings will be of utmost quality and historically appropriate.

Currently 2 N River (Hobbs Building) is free standing from the other two addresses. 6-12 are two individual buildings but have an opening on the 3rd floor that connects them. As part of the redevelopment plans, the three buildings will be interconnected by corridors at each level and share a common elevator. Functionally, these buildings will be one.

Amongst the three buildings will be 31 market-rate residential apartments. The first floor and basement levels of each building will be renovated for use as commercial storefront. Parking will be accommodated as part of the development agreement with the City of Aurora.

Project Budget

Uses	Total Costs
Land/Acquisition Costs	362,501
Fees/Permits/Studies	701,711
Direct Construction Costs	9,655,432
Indirect Construction Costs	230,431
Financing Costs	847,671
Developer Fee	1,179,775
Total Uses	12,977,521

2-12 N River St, Aurora IL
Mixed-Use Renovation
Assumptions

Updated 8/1/19

Property Valuation	Total
Total Building Sq. Ft.	52,971
Current Assessment \$ / Sq. Ft.	5.25 (2 N River tax exempt)
NOI Yr 3	455,062
Current RMV (2017)	278,077
Cap Rate	9%
Future RMV (2030)	5,056,467
Future Equalized Assessed Value (EAV)	1,665,487
Base Property Tax	15,417
Future Property Tax Estimate	190,422

Financial Input	
Net Operating Income, first year	320,456
Loan to Value ratio	91%
Stated Annual Interest rate	5.75%
Loan Term (years)	25
Mortgage Loan Constant	7.64%
Annual Gross Potential Income, first year	686,916
Operating Expenses, first year	138,549

Project Financing		
Permanent Loan Amount	4,591,527	TIF Bridge Loan
Equity Required	1,723,162	Interest Rate
Historic Tax Credits	4,372,945	Term
Total Development Costs	12,977,521	Mortgage Loan Constant
Total Sources	12,977,521	Annual Mortgage Payment

Tax Increment Input	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23
Current Property Tax	15,417			2% increase per year starting Yr 4																			
Future Property Tax	60,000	80,000	100,000	190,292	194,097	197,919	201,939	205,978	210,097	214,299	218,585	222,957	227,416	231,964	236,604	241,336	246,162	251,086	256,107	261,229	266,454	271,783	277,219
Incremental	44,583	64,583	84,583	174,875	178,550	182,562	186,432	190,261	194,089	197,918	201,748	205,578	209,408	213,238	217,068	220,898	224,728	228,558	232,388	236,218	240,048	243,878	247,708
TIF Factor	90%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Net TIF Proceeds	35,866	51,666	67,666	139,800	142,844	146,050	149,217	152,449	155,744	159,106	162,534	166,032	169,599	173,238	176,949	180,735	184,596	188,531	192,532	196,600	200,736	204,941	209,214
Rate																							

Sources	Total Estimate	
Private Equity	1,723,162	13%
Loan	4,591,527	35%
Federal HTCs	1,892,293	15%
State HTCs	2,880,782	21%
Sales Tax	-	0%
Payable Loan (C) 3 equal installments	1,500,000	12%
Upfront TIF	-	0%
Deferred Developer Fee	589,857	5%
Total Sources	12,977,521	100%

such money is an opinion of probable loss. Many decisions regarding scenario selection, system development and project parameters have yet to be defined. Market conditions, as always, are beyond the control of the architect and will vary over time. No guarantee is given or implied that costs will not vary from these models. It is imperative that additional estimates are prepared as the project is developed.

2-12 N River St, Aurora IL

Mixed-Use Renovation

Development Costs

	Total Costs
Land Costs	
Acquisition Costs	360,001
Closing Costs	2,000
Appraisal	500
Holding Costs	
Total Land Costs	362,501

Fees/Permits/Studies

Building Fees and Permits	157,416
PE Use Fee	33,560
Fox Metro Fee	36,000
School & Park Fee	83,011
Surveys/Soils	18,500
National Register Nomination (consultant)	3,500
Environmental (Phase I)	2,500
Architect	205,700
Structural Engineer	48,000
MEP Engineer	15,000
Civil Engineer	15,000
HTC Consult.	83,524
Total F/P/S Costs	701,711

Direct Construction Costs

Building Construction	8,371,872
General Conditions	451,061
Contractor Fee	207,916
Construction Contingency	624,583
Total Direct Constr. Costs	9,655,432

Indirect Construction Costs

Project/Construction Manager	1.00%	96,554	
Builder's Risk/Liability Insurance	1.00%	85,600	
Real Estate Taxes			see cash flow
Legal	0.50%	48,277	
Relocation Costs	0.00%	-	
Total Indirect Const. Costs		230,431	

Financing Costs

			Bridge Loan
HTC Bridge Loan Interest (City)	5.00%	75,000	1,500,000
HTC Bridge Loan Interest (Bank)	5.50%	143,861	2,615,650
Construction Loan Interest	5.75%	416,391	assume 9-month construction
Construction Loan Fees	1.20%	115,865	
Construction Lender Legal	0.00%	-	
Permanent Loan Fees/Closing Costs	0.50%	48,277	
Title & Recording Costs	0.50%	48,277	

Total Financing Costs**847,671**

Development Costs Subtotal

11,435,246

Site Costs Subtotal

362,501

Total Development Costs (Pre Dev. Fee)

11,797,747

Deferred Developer Fee

10.00%

1,179,775

Total Development Costs**12,977,521**

Cost/SF

\$245

2-12 N River St, Aurora IL

Construction & Fees

Construction Costs

Layout	2,800
Job Security	2,645
Demolition	62,928
Canopy	58,895
Fencing (permanent)	2,400
Utilities	37,625
Asphalt	59,700
Concrete *site*	38,459
Landscaping	25,254
Concrete	118,027
Masonry	1,553,000
Structural Steel	210,000
Misc. Metals	30,400
Trim and Casing	115,233
Rough Carpentry	154,180
Finish Carpentry	264,288
Millwork	68,200
Roofing	111,391
Architectural Metal Panels (Turret/dome)	45,000
Joint Sealants	18,170
Doors, Frames, Hardware	30,200
Glass	292,800
Flooring	261,067
Solid Surface Countertops	86,800
Framing & Drywall	521,045
Paint	131,995
Misc. Materials	15,000
Toilet Accessories	13,020
Window Treatments	20,400
Appliances	117,800
Elevator	185,000
Sprinkler	151,625
Plumbing	481,050
HVAC	292,640
Electric	707,655

Subtotal 6,286,692

General Conditions	451,061
Fee	207,916
Contingency (10%)	624,583

Tenants

2N 1st Flr Vanilla Box @ \$120/SF	492,000
2N Basement Flr Vanilla Box @ \$50/SF	205,000
6N 1st Flr Vanilla Box @ \$120/SF	589,500
6N Basement Flr Vanilla Box @ \$50/SF	204,700
12N 1st Flr Vanilla Box @ \$120/SF	419,280
12N Basement Flr Vanilla Box @ \$50/SF	174,700

Total Construction Costs 9,655,432

Less savings for Sales Tax Waiver on Bldg Materials (8.25%*) (68,811)

Total Construction Costs (incl. incentive) 9,586,621

Cost/SF

\$182

*Est. 20% of bldg materials as qualified (assume 60% labor and 40% materials)

Operating Expenses

	Year 1		Year 2	Year 3	% of Annual G.O.I
	Monthly	Annual	Annual	Annual	% Total
Management					
Property Management Fee	2,654	31,846	32,801	33,785	5.00%
Security	796	9,554	9,840	10,136	1.50%
Total Management	3,450	41,400	42,642	43,921	
Administration					
Marketing	228	2,730	2,812	2,896	0.43%
Accounting	546	6,552	6,749	6,951	1.03%
Legal	546	6,552	6,749	6,951	1.03%
Total Administration	1,320	15,835	16,310	16,799	2.49%
Maintenance					
Supplies	273	3,276	3,374	3,476	0.51%
Repairs Contract	1,592	19,107	19,681	20,271	3.00%
Pest Control	205	2,457	2,531	2,607	0.39%
Grounds Contract (i.e., snow removal)	531	6,369	6,560	6,757	1.00%
Interior Painting	265	3,185	3,280	3,379	0.50%
Total Maintenance	2,866	34,395	35,426	36,489	5.40%
Utilities (gas & electric paid by tenants)					
Common Area Electric	663	7,961	8,200	8,446	1.25%
Trash Removal	569	6,825	7,030	7,241	1.07%
Water/Sewer	1,138	13,651	14,060	14,482	2.14%
Total Utilities	2,370	28,438	29,291	30,169	
Insurance					
Property & Liability Insurance	843	10,113	10,416	10,729	.15-.2% of FMV
Total Insurance	843	10,113	10,416	10,729	
Taxes					
Real Estate Taxes					0.00%
Business Tax and License	167	2,000	2,060	2,122	
Total Taxes	167	2,000	2,060	2,122	
Contingency	531	6,369	6,560	6,560	1.00%
Total Operating Expenses	11,546	138,549	142,705	146,789	
Total Gross Operating Income	53,076	636,916			
		2.62			

2-12 N River St, Aurora IL

Mixed-Use Renovation

Income Schedule

	Net SF	Monthly Rate	Monthly Income	Annual Rate	Annual Income
Retail					
1st Floor (12 N River)	3,105	1.05	3,260	12.60	39,123
1st Floor (6 N River)	1,929	1.05	2,025	12.60	24,305
1st Floor (2 N River)	4,337	1.05	4,554	12.60	54,646
LL commercial (12 N River)	3,396	0.63	2,139	7.56	25,674
LL commercial (6 N River)	4,062	0.63	2,539	7.50	30,465
LL storage (2 N River)	4,423	0.25	1,106	3.00	13,269
	<u>21,252</u>		Total Retail Income		187,482
	Net SF	Monthly Rate	Monthly Income	Annual Rate	Annual Income
Residential					
2nd Floor (13 units)	9,900	1.60	15,840	19.20	190,080
3rd Floor (13 units)	9,908	1.60	15,853	19.20	190,234
4th Floor (5 units)	3,600	1.60	5,760	19.20	69,120
	<u>23,408</u>		Total Residential Income		449,434
TOTAL INCOME					636,916

2-12 N River St, Aurora IL

Mixed Use Renovation

Tax Credit Analysis

Uses	Total Costs	Federal HTC Eligible	State HTC Eligible
Land/Acquisition Costs	362,501	-	
Fees/Permits/Studies	701,711	701,711	701,711
Direct Construction Costs	9,655,432	9,655,432	9,655,432
Indirect Construction Costs	230,431	230,431	230,431
Financing Costs	847,671	847,671	847,671
Developer Fee	1,179,775	1,179,775	1,179,775
Total Uses	12,977,521	12,615,020	12,615,020

Historic Tax Credits	Federal HTCs	State HTCs
Tax Credit Allowable	12,615,020	12,615,020
Tax Credit %	20%	25%
x tax credit factor	\$ 0.75	\$ 0.85
net proceeds raised	1,892,253	2,680,692

Sources	Total Sources		
Private Equity	1,723,162	13%	
Loan	4,591,527	35%	
Federal HTCs	1,892,253	15%	
State HTCs	2,680,692	21%	
Forgivable Loan (City) 3 equal installments	1,500,000	12%	
Deferred Developer Fee	589,887	5%	50%
Total Sources	12,977,521	100%	

2-12 N River St, Aurora IL

Mixed-Use Redevelopment

Cash Flow Analysis

Assumptions

Income Inflation 2.00%
 Vacancy Rate - Residential 7%
 Vacancy Rate - Year 1 Residential 30% (1-3.5 month lease up)
 Vacancy Rate - Retail/Commercial 10%

Operating Expense Inflation Factor

1.00%

	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029	Year 11 2030	Year 12 2031	Year 13 2032	Year 14 2033	Year 15 2034	Year 16 2035	Year 17 2036	Year 18 2037	Year 19 2038	Year 20 2039
Income Phase																				
Residential Section	488,828	495,822	482,581	478,841	466,581	454,211	442,131	430,131	418,231	406,431	394,731	383,131	371,631	360,231	348,931	337,731	326,631	315,631	304,731	293,931
Retail/Commercial Section	187,682	191,232	195,037	198,958	202,937	206,996	211,136	215,358	219,665	224,059	228,546	233,111	237,777	242,528	247,379	252,327	257,373	262,521	267,771	273,126
Gross Income	676,510	687,054	677,618	677,799	669,518	661,207	653,267	645,489	637,889	630,490	623,287	616,242	609,368	602,659	596,110	589,724	583,504	577,442	571,542	565,812
Vacancy - Residential	(134,833)	(127,090)	(127,710)	(127,360)	(126,954)	(126,501)	(126,001)	(125,458)	(124,875)	(124,253)	(123,592)	(122,892)	(122,153)	(121,375)	(120,558)	(119,699)	(118,797)	(117,852)	(116,864)	(115,832)
Vacancy - Retail/Commercial	(18,740)	(18,123)	(17,509)	(16,896)	(16,284)	(15,672)	(15,060)	(14,448)	(13,836)	(13,224)	(12,612)	(12,000)	(11,388)	(10,776)	(10,164)	(9,552)	(8,940)	(8,328)	(7,716)	(7,104)
Total Gross Income	483,338	598,442	618,410	622,610	635,071	644,727	653,267	661,031	668,014	674,237	679,695	684,350	689,215	694,284	699,552	705,019	710,684	716,544	722,596	728,848
Operating Expenses																				
Operating Expenses - Residential & Commercial	(138,549)	(142,705)	(146,868)	(151,030)	(155,193)	(159,356)	(163,519)	(167,682)	(171,845)	(176,008)	(180,171)	(184,334)	(188,497)	(192,660)	(196,823)	(200,986)	(205,149)	(209,312)	(213,475)	(217,638)
RE Tax Bill	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Payroll for go TOV Remuneration	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866	35,866
Net Before Debt Service	320,456	427,403	431,091	420,831	427,080	435,227	442,572	450,016	457,559	465,202	472,945	480,788	488,731	496,774	504,917	513,160	521,503	529,946	538,389	547,187
Cash Available for Debt Service	320,456	427,403	431,091	420,831	427,080	435,227	442,572	450,016	457,559	465,202	472,945	480,788	488,731	496,774	504,917	513,160	521,503	529,946	538,389	547,187
Permanent Loan Debt Service	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)	(150,692)
Cash Flow After Debt Service	(10,237)	76,710	80,398	70,139	77,246	84,535	91,880	99,324	106,867	114,509	122,252	130,095	138,040	146,086	154,234	162,484	170,835	179,289	187,843	196,398
Deferred Developer Fee	0	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)	(49,157)
Cash Available for Distribution	(10,237)	27,553	31,241	20,981	28,131	35,377	42,723	50,166	57,710	65,353	73,096	80,939	88,782	96,625	104,468	112,311	120,154	128,000	135,843	143,686
Financial Summary																				
Year 1	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Loan Amortization Schedule																				
Balance Owed, beginning of year	4,321,127	4,324,948	4,318,188	4,310,245	4,291,781	4,263,339	4,235,394	4,207,457	4,179,518	4,151,578	4,123,638	4,095,697	4,067,756	4,039,815	4,011,874	3,983,933	3,955,992	3,928,051	3,899,110	3,870,169
Annual Mortgage Payment	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692	350,692
Interest Portion of Payment	(256,012)	(259,230)	(261,750)	(264,164)	(266,290)	(268,137)	(269,695)	(271,064)	(272,245)	(273,248)	(274,083)	(274,761)	(275,293)	(275,680)	(275,924)	(276,036)	(276,016)	(275,874)	(275,620)	(275,265)
Amortization of principal	86,680	91,464	88,942	86,528	84,402	82,555	81,197	79,323	77,449	75,569	73,686	71,803	69,920	68,037	66,154	64,271	62,388	60,505	58,622	56,739
Balance Owed, end of year	4,044,848	4,412,184	4,316,250	4,213,741	4,105,339	3,990,704	3,868,477	3,741,279	3,609,710	3,473,768	3,333,538	3,189,119	3,040,502	2,887,687	2,730,662	2,569,427	2,404,982	2,237,327	2,066,452	1,892,267
Equity - Year 1	1,723,162																			
ROI (Cash Avail. For Distribution Yr 1/Initial Equity Investment)	-1.6%	4.5%	4.7%	4.1%	4.5%	4.9%	5.3%	5.6%	6.2%	6.6%	7.1%	7.5%	8.0%	8.5%	9.0%	9.4%	9.9%	10.4%	10.9%	11.4%
Debt-Service Coverage Ratio Yr 1	0.91	1.22	1.23	1.20	1.22	1.24	1.26	1.28	1.30	1.33	1.35	1.37	1.39	1.42	1.44	1.46	1.48	1.51	1.54	1.56

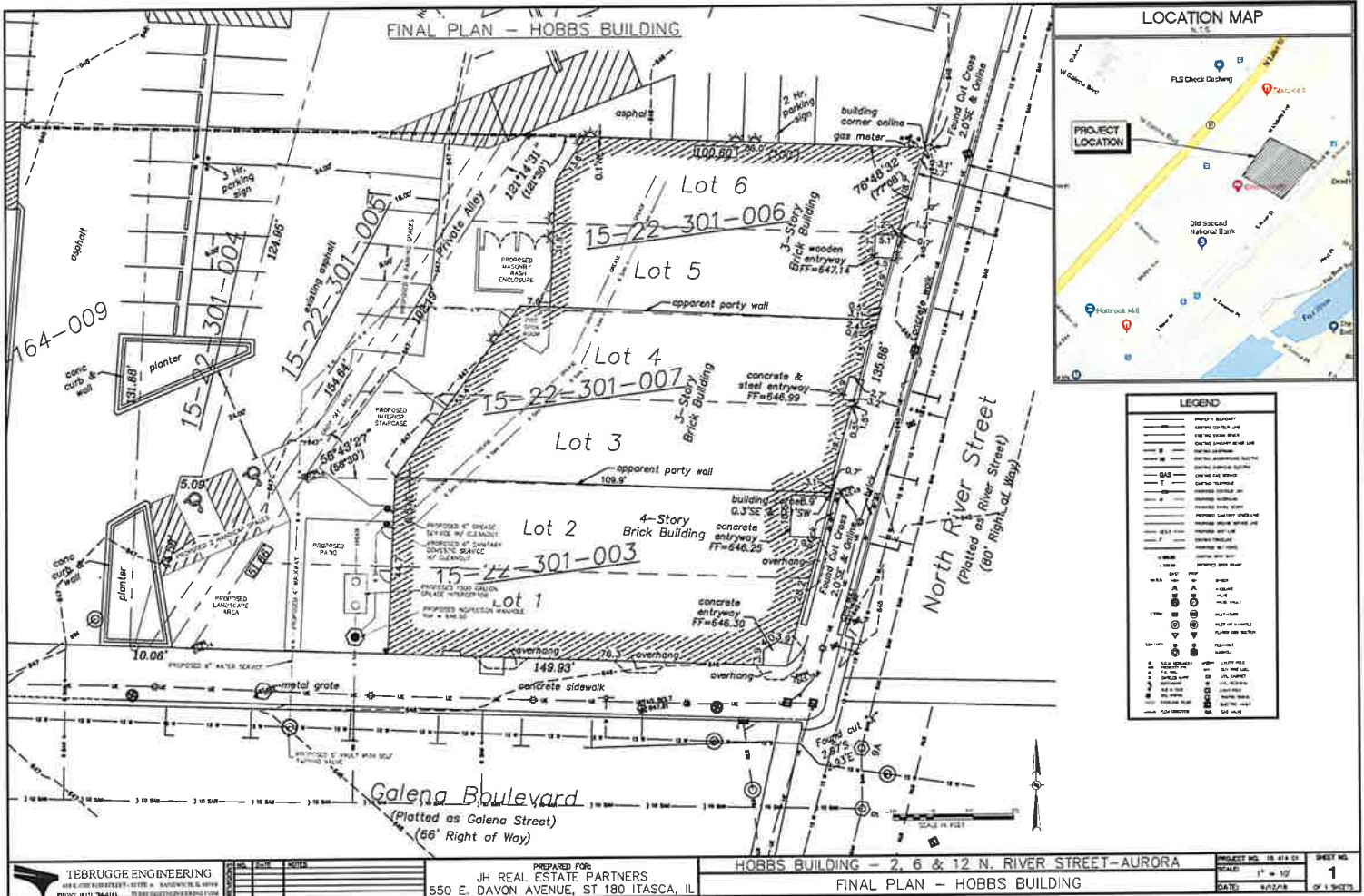


EXHIBIT F
TIF DISTRICT DEPICTION

DRAFT

Boundary Map



TIF RIVER/GALENA - LEGAL DESCRIPTION

THAT PART OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY OF AURORA, KANE COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF GALENA BOULEVARD AND RIVER STREET; THENCE NORTHERLY ALONG THE EAST LINE OF RIVER STREET TO THE EASTERLY EXTENSION OF THE NORTH LINE OF HOBBS AND LOSERS SUBDIVISION; THENCE WESTERLY ALONG SAID EASTERLY EXTENSION AND ALONG SAID NORTH LINE TO THE EAST LINE OF A PARCEL WITH A PIN OF 15-22-164-020; THENCE NORTHERLY ALONG SAID EAST LINE TO THE NORTH LINE OF SAID PARCEL; THENCE WESTERLY ALONG SAID NORTH LINE AND THE WESTERLY EXTENSION OF SAID NORTH LINE TO THE WEST LINE OF LAKE STREET; THENCE SOUTHERLY ALONG SAID WEST LINE TO THE SOUTHWEST CORNER OF LAKE STREET AND GALENA BOULEVARD; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID GALENA BOULEVARD TO THE POINT OF BEGINNING.

EXHIBIT G

ROI TABLE

2-12-20 River St. Avenue B

Mixed-Use Renovation

Cash Flow Analysis

Assumptions

Income Inflation	2.00%
Vacancy Rate - Residential	7%
Vacancy Rate - Year 1 Residential	30% + — 3 8 month lease up
Vacancy Rate - Retail/Commercial	10%

Operating Expense Inflation Factor

3.00%

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
Residential Section	443,434	454,432	467,391	476,343	484,281	494,217	504,153	514,089	524,025	533,961	543,897	553,833	563,769	573,705	583,641	593,577	603,513	613,449	623,385	633,321	
Retail/Commercial Section	187,482	191,232	195,007	198,782	202,557	206,332	210,107	213,882	217,657	221,432	225,207	228,982	232,757	236,532	240,307	244,082	247,857	251,632	255,407	259,182	
Gross Income	630,916	645,664	662,397	675,905	686,838	698,549	710,267	721,974	733,681	745,388	757,095	768,802	780,509	792,216	803,923	815,630	827,337	839,044	850,751	862,458	
Vacancy - Residential	(154,830)	(152,090)	(149,674)	(146,614)	(143,475)	(140,237)	(136,900)	(133,463)	(130,026)	(126,589)	(123,152)	(119,715)	(116,278)	(112,841)	(109,404)	(105,967)	(102,530)	(99,093)	(95,656)	(92,219)	
Vacancy - Retail/Commercial	(18,748)	(19,120)	(19,500)	(19,880)	(20,260)	(20,640)	(21,020)	(21,400)	(21,780)	(22,160)	(22,540)	(22,920)	(23,300)	(23,680)	(24,060)	(24,440)	(24,820)	(25,200)	(25,580)	(25,960)	
Total Gross Income	463,338	474,454	493,223	509,211	523,363	538,312	553,367	568,514	583,661	598,810	613,958	629,106	644,254	659,402	674,550	689,698	704,846	719,994	735,142	750,290	
Operating Expenses																					
Operating Expenses - Residential & Commercial	(138,345)	(142,700)	(146,586)	(150,590)	(154,609)	(158,634)	(162,664)	(166,699)	(170,739)	(174,784)	(178,834)	(182,889)	(186,949)	(191,004)	(195,064)	(199,119)	(203,179)	(207,234)	(211,294)	(215,349)	
RE Tax S&I	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
Pay as you go TIF Reimbursement	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	39,868	
NOI Before Debt Service	328,861	347,622	356,437	364,429	374,154	383,679	393,703	403,727	413,751	423,775	433,800	443,824	453,848	463,872	473,896	483,920	493,944	503,968	513,992	524,016	
Cash Available for Debt Service	320,456	327,403	334,081	340,581	347,208	353,872	360,575	367,317	374,099	380,920	387,781	394,682	401,623	408,604	415,625	422,686	429,747	436,808	443,869	450,930	
Permanent Loan Debt Service	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
Cash Flow After Debt Service	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Available for Distribution	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	(30,237)	
Investment Summary																					
Year 1	2020	Year 2	2021	Year 3	2022	Year 4	2023	Year 5	2024	Year 6	2025	Year 7	2026	Year 8	2027	Year 9	2028	Year 10	2029	Year 11	2030
Loan Amortization Schedule																					
Balance Owed, beginning of year	4,391,321	4,354,848	4,318,375	4,281,902	4,245,429	4,208,956	4,172,483	4,136,010	4,099,537	4,063,064	4,026,591	3,990,118	3,953,645	3,917,172	3,880,699	3,844,226	3,807,753	3,771,280	3,734,807	3,698,334	
Annual Mortgage Payment	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	310,492	
Interest Portion of Payment	264,019	273,128	281,237	289,346	297,455	305,564	313,673	321,782	329,891	337,999	346,108	354,217	362,326	370,435	378,544	386,653	394,762	402,871	410,980	419,089	
Amortization of principal	44,473	37,364	29,255	21,146	13,037	4,891	(3,204)	(11,313)	(19,422)	(27,531)	(35,640)	(43,749)	(51,858)	(59,967)	(68,076)	(76,185)	(84,294)	(92,403)	(100,512)	(108,621)	
Balance Owed, end of year	4,354,848	4,318,375	4,281,902	4,245,429	4,208,956	4,172,483	4,136,010	4,099,537	4,063,064	4,026,591	3,990,118	3,953,645	3,917,172	3,880,699	3,844,226	3,807,753	3,771,280	3,734,807	3,698,334	3,661,861	
Equity - Year 1																					
ROI (Cash Avail. For Distribution Yr 1/Initial Equity Investment)	1723.362	-1.8%	-4.5%	-7.2%	-9.9%	-12.6%	-15.3%	-18.0%	-20.7%	-23.4%	-26.1%	-28.8%	-31.5%	-34.2%	-36.9%	-39.6%	-42.3%	-45.0%	-47.7%	-50.4%	
Debt-Service Coverage Ratio Yr 1		0.91	1.22	1.28	1.25	1.22	1.24	1.26	1.28	1.30	1.33	1.35	1.37	1.39	1.42	1.44	1.46	1.48	1.51	1.54	

EXHIBIT H
LOAN FORGIVENESS SCHEDULE

EXHIBIT H

LOAN FOREGIVNESS SCHEDULE

<u>Date</u>	<u>Amount Forgiven</u>
Initial Forgiveness Date	\$150,000
1-year Anniversary of Initial Forgiveness Date	\$150,000
2-year Anniversary of Initial Forgiveness Date	\$150,000
3-year Anniversary of Initial Forgiveness Date	\$150,000
4-year Anniversary of Initial Forgiveness Date	\$150,000
5-year Anniversary of Initial Forgiveness Date	\$150,000
6-year Anniversary of Initial Forgiveness Date	\$150,000
7-year Anniversary of Initial Forgiveness Date	\$150,000
8-year Anniversary of Initial Forgiveness Date	\$150,000
9-year Anniversary of Initial Forgiveness Date	\$150,000

EXHIBIT I
ELIGIBLE REDEVELOPMENT PROJECT COST SCHEDULE

EXHIBIT I**2-12 N RIVER ST.****ELIGIBLE REDEVELOPMENT PROJECT COST SCHEDULE**

Uses	Total Costs
Land/Acquisition Costs	362,501
Fees/Permits/Studies	701,711
Direct Construction Costs	9,655,432
Indirect Construction Costs	230,431
Financing Costs	847,671
Developer Fee	1,179,775
Total Uses	12,977,521

	Total
Sources	Sources
Private Equity	1,723,162
Loan	4,591,527
Federal HTC's	1,892,253
State HTC's	2,680,692
Forgivable Loan (City) 3 equal installments	1,500,000
Deferred Developer Fee	589,887
Total Sources	12,977,521

EXHIBIT J
PROJECT CHECKLIST

EXHIBIT J

PROJECT CHECKLIST

The Developer must provide sufficient evidence, as reasonably determined by the City, that the following items have been completed prior to the City issuing a Certificate of Project Completion:

1. A certificate (or certificates) to the City by the (i) architectural firm for the Project, (ii) the engineering firm for the Project, or (iii) any other individual approved by the City certifying that the work was completed substantially in accordance with the Preliminary Project Plan and the Agreement.
2. Evidence that the Developer expended at least \$ \$1,723,162 in Developer equity in developing the Properties in accordance with the Preliminary Project Plan and the terms of this Agreement. Such evidence shall include a written summary of the costs and lien waivers and may include cancelled checks, paid invoices and evidence of wire transfers.
3. Such certificates of insurance as are required under Section 13 of this Agreement.
4. Certificates of occupancy from the City for the Properties.

EXHIBIT K
ESCROW AGREEMENT

[Form of Escrow Agreement]

ESCROW AGREEMENT

This ("Agreement") is made and entered into this ____ day of _____, 2019, by and between the CITY OF AURORA, ILLINOIS, an Illinois municipal corporation (the "City"), JH Real Estate Partners, LLC, an Illinois limited liability company ("JH"), and [INSERT NAME OF TITLE COMPANY] ("Escrow Agent", and with the City and JH, the "Parties").

PREAMBLES

WHEREAS, pursuant to that certain Redevelopment Agreement entered into by and between the City and JH (the "RDA"), a copy of which is attached hereto as Exhibit A, the Developer shall transfer title to certain real estate located at the address commonly known as 2 North River Street, Aurora, Illinois 60505 (the "Property",) subject to the failure of certain obligations being met by JH; and

WHEREAS, pursuant to the terms of the RDA, the Developer has agreed to deposit a deed for the Property transferring title to the Property (the "Deed") into an escrow account with Escrow Agent along with mutually acceptable instructions regarding the disposition of said Deed;

NOW, THEREFORE, the Parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

The recitals contained in the Preambles to this Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully set forth in this Section 1.

Section 2. Definitions.

Any terms not defined herein shall have the definition set forth in the RDA.

Section 3. City's Deposit.

Upon the execution of this Agreement, the Developer shall deposit the Deed with the Escrow Agent.

Section 4. Disposition of Deed.

Escrow Agent shall hold the Deed in an escrow account until JH and the City provide a joint letter of instruction ("Letter of Instruction") directing the Escrow Agent to either return the Deed to JH or record the Deed and deliver the same to the City as follows:

- (a) In the event JH completes the Project (as defined in the RDA), as evidenced by JH's receipt of a Certificate of Project Completion (as defined in the RDA), no later than

March 31, 2021, the Parties shall execute a Letter of Instruction directing the Escrowee to return the Deed to JH.

- (b) In the event JH fails to complete the Project by March 31, 2021, as evidenced by JH's receipt of a Certificate of Project Completion, the Parties shall execute a Letter of Instruction directing the Escrowee to record the Deed and return the same to the City.

Section 5. Fees.

Any and all fees incurred and due to the Escrow Agent pursuant to the escrow services contemplated by this Agreement shall be paid by JH.

Section 6. Assignment

- (a) This Agreement may not be assigned by JH without the prior written consent of the City, which shall be requested by the JH (and any successor transferee) no less than 30 (thirty) days prior to the proposed date of assignment. Any such consideration or consent to an assignment shall be at the sole discretion of the City. In the event the terms of this Agreement are assigned or otherwise transferred, no such transfer shall be effective unless (a) such transfer is undertaken in accordance with the terms of this Agreement and (b) the transferor provides the City with the name, mailing and email addresses, and fax and telephone numbers of the (proposed) transferee prior to the transfer in a manner consistent with Section 8 below. Notwithstanding the foregoing, no transfer shall be made hereunder to any proposed transferee that is prohibited from engaging in business with the City or any other body of government.
- (b) This Agreement may not be assigned by Escrow Agent without the prior written consent of the City and JH, which shall be requested by the Escrow Agent (and any successor transferee) no less than 30 (thirty) days prior to the proposed date of assignment. Any such consideration or consent to an assignment shall be at the joint discretion of the City and JH. In the event the terms of this Agreement are assigned or otherwise transferred, no such transfer shall be effective unless (a) such transfer is undertaken in accordance with the terms of this Agreement and (b) the transferor provides the City and JH with the name, mailing and email addresses, and fax and telephone numbers of the (proposed) transferee prior to the transfer in a manner consistent with Section 8 below. Notwithstanding the foregoing, no transfer shall be made hereunder to any proposed transferee that is prohibited from engaging in business with the City or any other body of government.

Section 7. Severability.

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 8. Notices.

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

If to the Developer: [TO BE INSERTED]

With a copy to: Drendal and Jansons Law Group
Attn: Attention: Lawrence Lobb, Esq.
111 Flinn Street
Batavia, Illinois 60510

If to the City: Richard J. Veenstra, Esq.
Corporation Counsel
City of Aurora, Illinois
44 East Downer Place
Aurora, Illinois 60507

With a copy to: David Dibo
Executive Director, Economic Development
City of Aurora
44 East Downer Place
Aurora, Illinois 60507

and: Martin S. Lyons
Chief Financial Officer
City of Aurora
44 East Downer Place
Aurora, Illinois 60507

and: Del Galdo Law Group, LLC
Attn: James Vasselli, Esq.
1441 South Harlem Ave.
Berwyn, Illinois 60402

If to the Escrow Agent:

Section 9. 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 City, JH and the Escrow Agent.

Section 10. Choice of Law/Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court for Kane County, Illinois.

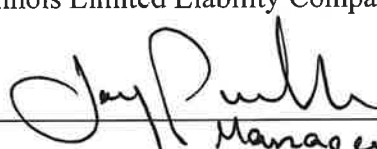
Section 11. Conflicting Provisions.

In the event of a conflict between this Agreement and the RDA, the City shall decide which agreement controls. Any such decision shall be binding and unappealable.

<signature page follows>

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date.

JH REAL ESTATE PARTNERS, LLC,
An Illinois Limited Liability Company

By 
Its: Managers 

[ESCROW AGENT]

By _____
Its: _____

CITY OF AURORA, ILLINOIS
A Municipal Corporation

By 
Mayor

ATTEST:


City Clerk

EXHIBIT L
PARKING AGREEMENT

EXHIBIT M
PROJECT TIMELINE

	2019										2020											
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec		
Historic Nomination/Tax Credits																						
Determination of Eligibility																						
Hobbs																						
6-12 N River - DONE in 2018																						
National Register Nomination																						
Hobbs																						
6-12 N River																						
NR Nomination approved by IHSA																						
Hobbs																						
6-12 N River																						
NR Nomination approved by NPS																						
Hobbs																						
6-12 N River																						
Historic Tax Credit Application																						
Hobbs																						
Part 1																						
Part 2																						
Part 3																						
6-12 N River																						
Part 1																						
Part 2																						
Part 3																						

EXHIBIT N
PERMITTED ENCUMBRANCES